

**SGI** Sustainable  
Governance  
Indicators

# 2014 Organizational Reform Report

Self-monitoring, Institutional Reform



Indicator

## Self-monitoring

Question

To what extent do actors within the government monitor whether institutional arrangements of governing are appropriate?

41 OECD and EU countries are sorted according to their performance on a scale from 10 (best) to 1 (lowest). This scale is tied to four qualitative evaluation levels.

- 10-9 = The institutional arrangements of governing are monitored regularly and effectively.
- 8-6 = The institutional arrangements of governing are monitored regularly.
- 5-3 = The institutional arrangements of governing are selectively and sporadically monitored.
- 2-1 = There is no monitoring.

### Finland

Score 10

The monitoring and evaluation of existing institutional models forms an important element of the Finnish political and administrative system. While dealing to some extent with basic political system features, and attempts at promoting the electoral system in terms of proportionality and constituency size are examples of such activities, evaluation and monitoring activity deals mainly with administrative and steering issues. A system of program management is at work, which includes also government's strategy document as applied to the promotion and monitoring of the Government Program. In an implementation plan adopted in 2011, the Cabinet under Prime Minister Katainen introduced new measures for monitoring the Government Program; the plan states the main objectives of the Government Program, defines preparation responsibilities as well as key measures and projects and turns them into strategic, inter-sectoral policies. The government now has three priority areas, namely the reduction of poverty, inequality and social exclusion, the consolidation of public finances and the strengthening of economic growth, employment and competitiveness. Key projects are the reform of local government structures, the provision of social guarantees for young people and the fight against the informal economy.

Citation:

"Government Programme Monitoring", <http://valtioneuvosto.fi/toiminta/hallitusohjelmanseuranta/en/jsp>

## Hungary

### Score 10

In Hungary, there is no regular formal monitoring of the institutional arrangements of governing. However, there is a strong and rather comprehensive control of the workings of the state apparatus from the top, and the government has been quick to change institutional arrangements that it deems to be ineffective.

## New Zealand

### Score 9

Following from the change to a proportional electoral system in the 1990s, institutional arrangements in the core executive as well as executive-legislative relations and democratic decision-making have been regularly and effectively monitored. Although the first government under the new electoral system was a majority coalition, subsequent governments have lacked a parliamentary majority. Rather than assembling a formal coalition, the present National Party-led government followed the example of its predecessor by keeping its support parties at arm's length from the Cabinet. All 20 Cabinet seats are held by National Party members. Each of the three support parties has been given ministerial portfolios outside of Cabinet and in the larger executive. While each is committed to providing the government with confidence and supply, it is free to oppose the government on all policy matters that lie outside its portfolio responsibilities. This governing arrangement has the dual benefit of limiting the influence of the small support parties while providing them with the ability to retain their separate political and electoral identity.

One area of particular interest is the performance of the reformed electoral system. The Electoral Commission regularly commissions surveys to ascertain satisfaction with the way elections are organized, what the barriers to voting are and how to address these barriers. In the context of the most recent general election in 2011, a referendum was held on whether to retain or replace the electoral system. A majority of 56% opted to keep the mixed-member proportional (MMP) system.

#### Citation:

Colmar Brunton, Voter and non-voter survey report, Auckland and Wellington: Colmar Brunton New Zealand 2012.

Elections New Zealand: Results of the Referendum: <http://www.elections.org.nz/events/past-events-0/2011-referendum-voting-system/results-referendum> (accessed May 9, 2013).

## Sweden

### Score 9

Institutional arrangements of governing obviously covers a wide array of arrangements. As indicated earlier, it is astounding in many ways to think that Sweden has transformed politically from a pre-democratic system to a democratic state, embedded in an international union such as the European Union, with only a minimum amount of institutional and constitutional reform. Such a transformation testifies to the capacity of institutions to accommodate change. Given their institutional capacity to adapt to external change, institutional arrangements as such are rarely assessed.

The Cabinet and government departments were reformed (i.e., merged and/or abolished) during the 1980s and 1990s, but today most observers seem to agree that this type of reform rarely solves any problems. Instead, the main institutional monitoring and reform takes place at the agency level where the number of agencies has decreased by about 25% over the past five to six years. While some agencies have been abolished, the bulk of reduction has come from mergers. This reduction in the number of agencies says very little about the extent of regulation; in some ways it is a numbers game aiming to communicate the image to the voters that the government is cutting back in central bureaucracy.

Agencies are monitored fairly closely, so much so that a couple of recent Royal Commissions have recommended that agencies should not have to provide data on their performance with the same frequency as they do today, and that the system should allow for more variation among agencies in this respect.

Citation:

SOU 2007:75 Att styra staten - regeringens styrning av sin förvaltning.

SOU 2008:118 Styra och ställa - förslag till en effektivare statsförvaltning

## Canada

### Score 8

Government structures are constantly changing in Canada, for better and for worse. It is not a static system, but there are few procedural structures in place to (self-)monitor whether the current arrangements are appropriate or whether the changes have resulted in the intended improvements. Instead, changes are initiated by the government in power whenever it deems appropriate, with little or no ex post evaluation.

In the case of the recent merger of the Department of Foreign Affairs and International Trade (DFAIT) with the Canadian International Development Agency (CIDA), for example, the government offered no details about the

exact nature of the amalgamation as conceived, nor about the cost savings it was intended to realize. Other examples in which comprehensive evaluation following an organizational reform has been lacking include the establishment of Service Canada as a delivery platform for government services in 2000, and the split of Human Resources Development Canada into two departments in 2004 (only to be merged again in 2008).

Citation:

David Zussmann (2013), Mergers and successful transitions, Canadian Government Executive, Volume 19 Issue 5

## Denmark

Score 8

As part of a continuous modernization policy that goes back to the government of Prime Minister Poul Schlüter in the 1980s, recent governments have consistently monitored institutional arrangements and produced many reform programs. The current public management and governance strategy includes contracts, result-oriented salaries, measurements, evaluations and efficiency reports. During the period under review, there was more focus on the economy than institutional arrangements.

Citation:

Niels Ejersbo og Carsten Greve, Moderniseringen af den offentlige sektor. Copenhagen: Børsens Forlag, 2005.

## Latvia

Score 8

The government office has an annual monitoring procedure under which cabinet decision-making processes are reviewed. This results in frequent improvements to the process. In 2011, in the interests of speeding up the process, a silent agreement principle was instituted, whereby implicit approval is presumed if a ministry fails to submit an opinion on a draft policy. In 2013, major revisions to the regulatory impact assessment system were made, along with the introduction of a public green-paper system that will move public consultations on new policy initiatives to an earlier phase of the policy-planning process.

The management of relations with parliament, governing parties and ministries is not regularly reviewed. This is considered by civil servants to be the purview of politicians, and therefore not an appropriate topic for initiatives emanating from the civil service level.

## Lithuania

**Score 8** Lithuania's policymakers monitor institutional governing arrangements regularly and effectively. During the global financial crisis, the Kubilius government initiated broad organizational reforms across the country's public sector institutions. All Lithuanian ministries were restructured, while several government and many ministerial agencies were abolished or reorganized in the 2009 – 2011 period. The rules of procedure are frequently reviewed using quality-management instruments or functional reviews, the application of which is becoming increasingly widespread in the country's public administration. However, some changes to institutional arrangements remain politically motivated by governments' short-term political needs.

## Norway

**Score 8** Self-monitoring takes place both informally and formally. On a formal level, there is a parliamentary committee devoted to monitoring whether government and parliamentary activity adheres to the constitutional framework. In addition, the Office of the Auditor General, which reports to parliament, has gradually made itself more assertive while expanding its policy focus. Informally, there is substantial monitoring of the way institutional arrangements affect government functions. For example, ministerial portfolios are shuffled when change is deemed necessary, notably each time there is a change of government.

## Switzerland

**Score 8** Self-monitoring takes place as a part of the political process, which includes a large number of private and public actors. It is not institutionalized, outside the context of the evaluation of policies (as by implication, policy evaluation leads indirectly to the monitoring of the institutional framework for these policies). While the basic structures of federalism and direct democracy are very robust, and direct democracy provides incentives for political parties to cooperate within the context of power-sharing structures, lower-level government structures are subject to constant change. Recent examples of such change have affected parliamentary practices, fiscal federalism and the judicial system, canton- and communal-level electoral systems, communal organization, and public management. Nevertheless, one of the most important reforms, the reorganization of the Federal Council and its collegiate system, has failed despite several attempts.

## Germany

### Score 7

There is neither a particular institution nor commission that independently and impartially serves an oversight role with respect to the government's activities. Nor is there a governmental institution for self-monitoring. The creation of the Better Regulation unit in the Federal Chancellery and the establishment of the National Regulatory Control Council (NRCC), an independent advisory body, have pushed forward the cause of regulatory streamlining. The council is tasked with the application, monitoring and further development of a standardized means of measuring the costs of legislatively created bureaucracy, using the Standard Cost Model as a basis. However, the NRCC evaluates drafts of laws and their estimated bureaucratic cost, and is not concerned with the efficiency of the final law. Additionally, the strategic relationship of the Better Regulation program to high-level public-policy goals, especially economic goals, is not yet evident. The program is not clearly linked to broader economic policies, and there is as yet no comprehensive framework designed to avoid fragmentation created by the operation of multiple programs on various levels, although these shortcomings are addressed by various cooperation agreements and aspirations for future integration with local- and state-level authorities, social-security institutions and other EU-level agencies.

## Ireland

### Score 7

The belief that government structures and parliament do not provide effective government gained ground and led to calls for a radical rethinking of some provisions in the constitution. The Convention on the Constitution was convened in July 2012 and is considering some proposals to reform the institutional arrangements of government. The more controversial proposals contained in the Programme for Government, such as the abolition of the Seanad (upper house), a reduction in the size of the national parliament and greater scope to draft outside experts into the cabinet, have not yet been addressed. By the time the convention has completed its work, some important reforms of arrangements for government may be proposed.

In the meanwhile, some reforms have been introduced by the present government, including an increase in the working hours of the parliament and some reforms of the committee system. There are certainly more reforms being discussed and contemplated than at any time in decades.

## Israel

### Score 7

The Israeli government has a variety of institutions, both internal and external to the executive branch, that are installed to monitor its activities and performance. Examples of external institutions include: the Knesset committees, the media, the institution of judicial review and the state comptroller. The institutional design of mechanisms within the executive allows for internal monitoring capable of identifying the flow of funds and, where necessary, resolving problems. For example, the accountant general within the treasury department is a very powerful unit and audits finance decisions made in each government department. The civil service commission, in addition to ensuring internal due process, oversees human resources within the civil service and issues related to civil servants' work environment. The civil service commission was tasked in 2011 with implementing civil service reforms that have been underway since 2013. The PMO is tasked with monitoring the implementation of the state comptroller's recommendations as well as the internal accounting units in each government office. In sum, the institutional arrangements of governing are monitored regularly and effectively.

#### Citation:

"Notice number 3", Civil service commission website (Hebrew)

"About: Civil service commission", Civil service commission website (Hebrew)

"The internal audit law 1992", Official legislation (Hebrew)

"About: the Accountant general", Ministry of finance website (Hebrew)

"About the inspection general for state comptroller affairs", PMO website (Hebrew)

## Japan

### Score 7

Governmental institutional reform has been a major topic of consideration and debate in Japanese politics for more than a decade. The Noda cabinet (2011 – 2012), and to some extent also the Kan cabinet (2010 – 2011), drew lessons from the perceived institutional failures of reforms made under Prime Minister Hatoyama (2009 – 2010), and again introduced quite significant changes. The subsequent LDP-led government also tried to readjust institutional arrangements by establishing and/or reinvigorating a number of councils and committees. However, the degree of institutional change during the period under review was far less pronounced than in 2009.

## South Korea

### Score 7

The Lee administration came to office with a clear goal of streamlining the Korean government and bureaucracy. Old institutions, procedures and attitudes were evaluated, and there was harsh criticism of real or perceived inefficiencies within the bureaucratic system. Margaret Thatcher was seen as a role model for a “small government, leaving it to the market” approach. Due to tight oversight by the Office of the President, it is likely that reevaluations of existing institutional arrangements will continue to take place whenever they are perceived to be an obstacle to the president’s goals.

## United States

### Score 7

On one hand, presidential advisory and administrative arrangements in and around the White House are reconfigured in important respects by each president. As a result of this fluidity, presidents, their staffs, and commentators discuss the effectiveness of the given arrangements of the president’s senior aides almost constantly. In contrast, most other organizational structures are rigid: the basic separation-of-powers system; the structure of Congress, including the structure of committee jurisdictions, and floor procedures in the Senate; and the structure of departments and major agencies of the executive branch. None of these is subject to change by executive decision or ordinary legislative majority. They are only evaluated in extreme circumstances.

Yet from 2011 – 2013, just such extreme circumstances have occurred. A series of self-induced crises in economic policy – driven by fundamental conflicts over long-term budget policy – commentators began to question the more fixed and intractable features of the political system. The unprecedented levels of a partisan conflict in the legislative process, the increasingly routine resort to filibusters in the Senate, and the tendency toward partisan deadlock and inaction have particularly alarmed analysts, not to mention the American public. In the lead in to the new Congress in January 2013, there was considerable debate in the Senate about the value of the filibuster rule.

## Australia

### Score 6

There is little in the way of formal processes to indicate that institutional arrangements are monitored regularly, but it is clear that such monitoring does occur occasionally. Periodically, institutional arrangements change,

often manifesting as rearrangements and renaming of departments. Ad hoc reviews are also conducted, such as the 2004 Review of the Corporate Governance of Statutory Authorities and Office Holders. In some key areas, migration for instance, Australian authorities are carefully monitoring the impact of policies and they rapidly change policies if appropriate.

## Chile

### Score 6

Ministries have to establish sectoral goals, which are then evaluated annually. Reports are presented quarterly but do not focus directly on the adequacy of institutional arrangements. For example, the accomplishment of ministerial goals is evaluated, but not the adequacy of the ministry in general. The Ministry of Finance assesses the adequacy of institutional arrangements in the case of new law proposals, but there is no specific institution assigned to monitor pre-existing institutional arrangements.

## Estonia

### Score 6

Based on the amount of amended or adopted regulations that deal with institutional arrangements, the government's monitoring activities certainly exist and inform policymaking. However, it is difficult to estimate how systematic and consolidated its self-monitoring has been.

## Mexico

### Score 6

In general terms, Mexico has historically found ways of dealing with the so-called agency problem, which explains why institutional arrangements need constant monitoring, but at the price of a degree of authoritarianism. Now, Mexico is much more democratic, but administration is much more complex. Policymakers are more aware than they once were but there is still a problem with perverse incentives or overly mechanistic interpretations of what the situation requires.

The quality of self-monitoring has depended strongly on the personality of the president. Calderón was a professional politician and administrative reformer who took substantial interest in the structure of his own government. He reorganized the structure of his Cabinet and abolished several ministries in 2009. Over a longer period of time, Mexican policymakers have tended to engage quite frequently in administrative reorganization, possibly to excess. It is rumored, for example, that Peña Nieto would like to abolish the Secretariat of Public Administration – known as Secodam.

## Poland

**Score 6** As part of its reform attempts, the Tusk government monitors the institutional arrangements of governing regularly.

## Portugal

**Score 6** The overwhelming concern has been to apply the Memorandum of Understanding (MoU) and seek budgetary consolidation. This means that monitoring resources are primarily allocated to the implementation of measures in the MoU; demonstrating results to (and, when necessary, negotiating with) the international partners of the Troika; and monitoring public administration expenditure. There have been no substantial measures concerning monitoring of institutional arrangements over this period and there is little evidence of de facto monitoring of institutional arrangements of governing. What little occurs appears to be reactive to political crises or challenges.

## Spain

**Score 6** The Spanish prime minister has the constitutional and political monopoly to reformulate the institutional organization of the government. Without any legal constraint, he personally decides on the structure of portfolios and other governing arrangements every time he appoints new ministers. This also means that an overloaded prime minister cannot devote much attention to the most effective way to manage those arrangements, and can monitor only sporadically whether the current ones are working. Though Prime Minister Rajoy introduced alterations in ministries' names and jurisdictions in 2011, often without an impact assessment, the internal structure has remained almost unchanged, as have the institutional procedures of governing.

The only relevant change has been the much criticized splitting up of the previously merged departments of economy and finance (whose minister traditionally enjoyed the status of deputy prime minister) into two different and less powerful ministries. The rest of the organizational reform has consisted of a reduction of units because of strict budgetary considerations. An administrative modernization initiative was launched in 2012 but without focusing on the appropriateness or not of the current organizational mechanisms.

## Turkey

### Score 6

The President's Office uses the State Supervisory Council to monitor the activity of state institutions. The Prime Minister's Office uses the High Supervisory Council of State and its inspectors to perform similar functions. Interministerial committees also may review institutional arrangements. In preparing development or strategic plans, sectoral subcommittees prepare reports on the effectiveness and efficiency of governing bodies. The Directorate General of Legislation Development and Publication and the Directorate General of Laws and Decrees scrutinize by-laws prepared by ministries and public agencies and examine the congruity with the constitution of draft bills, decrees, statutes, regulations and resolutions from the Council of Ministers, as well as review development plans and programs, laws, general law principles and the government program.

All ministries have an establishment law, which includes the ministry's scope, function and organization. The major aspects of public administration reform are strategic approach to management, consistent performance analysis and activity reports; as these elements have been employed in the public sector, monitoring is improving. The Prime Minister's Office also requires regular monitoring reports from public institutions, but these are not made publicly available. Both national and international organizations, such as the United Nations Development Project, the European Union and the Council of Europe, provide in a limited sense a blueprint for institutional performance, but observations may provide a needs analysis and reason to pursue institutional reforms.

## France

### Score 5

There are plenty of reports prepared at the request of governmental authorities in view of reforming rules, procedures and structures. However, only a few of these recommendations are implemented. Resistance by interested ministries or agencies is usually fierce and often supported by opposition parties or even by part of the majority coalition. The issue is complicated by the fact that ministerial structures can be set up and changed by the government in charge. The most ambitious recent attempt has been the general assessment of public policies launched in 2007, which ordered an assessment of all policies and institutions to rationalize their makeup and to find savings. This process was cancelled by President Hollande and replaced by a new procedure named the Modernization of Public Action (Modernisation de l'Action Publique), which at the time of writing had yet to be fully implemented. Among the government bodies most unable to change its structures is local government, a system that is multilayered and complex. All serious attempts at reform have failed.

## Greece

### Score 5

In 2011 – 2013 the government was under pressure to pursue short-term policy goals, such as the drastic reduction of budget deficit, and did not have time to reorganize the monitoring of institutional arrangements of governing. Nevertheless, in 2011, before falling from power, the Papandreou government commissioned an international advisory committee to submit a report on strengthening the peak of the government to the Prime Minister's Office (PMO) and the parliament. The PMO was evaluated as under-resourced and as having limited jurisdiction. Another such report, produced by the OECD in 2011 at the request of the Ministry of Public Administration, offered an overview of government organization and public administration and made reform proposals.

Apart from those external, albeit ad hoc monitoring efforts, there are two institutions internal to the political system which could function as monitoring mechanisms. The first is the parliament's Special Permanent Committee on Institutions and Transparency, which is, however, primarily preoccupied with cases of corruption. The second is the Government Council on Reform, a new government organ established in 2012 and composed of government ministers, which convenes infrequently to approve reform plans already made by the PMO. In brief, there is some monitoring but it is not regular.

## Iceland

### Score 5

In the Icelandic political and administrative system, there is no formal system of self-monitoring in the area of organizational reform. Monitoring of institutional arrangements does not occur on a regular basis. Institutional arrangements are reconsidered from time to time. The 2009 – 2013 coalition government engaged in some reshuffling with respect to ministerial portfolios. These changes were intended to strengthen policy coordination and administrative capacity. The center-right government that took office in May 2013 immediately split up some of these mergers by, inter alia, dividing the Ministry of Welfare. At the time of writing, the number of ministries had been increased to nine, and the new coalition had announced that at least one further split would take place.

Iceland has a long history of increasing the number of ministers and parliamentary seats in order to satisfy the demands of politicians for seats in the cabinet and in parliament.

## Luxembourg

### Score 5

In the absence of systematic monitoring of institutional arrangements, the government mainly relies on international expertise. The 2007 OECD country report on research and innovation led to the creation of a higher research and innovation committee, and then to the more recent 2009 ERAWATCH assessment of research systems and policies.

An example for best practices is the 2006 Council of Europe report, “Profile of the Luxembourgish educational linguistic policy,” a two-year investigation involving national stakeholders. The report did affect policymaking and led to the reform of language teaching in 2009. The OECD audit over the country’s labor market administration (L’Agence pour le développement de l’emploi, ADEM), with the background of a rising jobless rate, resulted in a draft bill adopted in 2012. Self-monitoring seems to be beyond the capacity of government authorities. It has also become clear that sustainable changes would require the creation of in-house analysis, planning and prospective capacities. No ministry and other administration can fulfill these requirements.

#### Citation:

ERAWATCH Full country report 2008: An assessment of research system and policies: <http://cordis.europa.eu/erawatch/index>  
[http://www.men.public.lu/publications/syst\\_educatif\\_luxbg/langues/](http://www.men.public.lu/publications/syst_educatif_luxbg/langues/)  
OECD (2012), Science and Innovation Luxembourg: <http://www.oecd.org/luxembourg/sti-outlook-2012-luxembourg.pdf>

## Malta

### Score 5

Structures for monitoring institutional governing arrangements exist, but Maltese government has gradually become over-centralized, with a small number of ministries and an excessive concentration of responsibilities with a small number of officials. Furthermore, the expansion of ministerial secretariats peopled with political appointees – who often are mainly canvassers for the minister in his/her electoral district – has weakened monitoring arrangements, placing stress instead on the observance of ministerial policy directives. However, since the inauguration of the new government during the period, movement toward a better monitoring of institutional arrangements has been observed; in fact, changes include the introduction of a new ministry for Europe, a new office to coordinate policy across ministries, weekly rather than monthly meetings of the commission of permanent secretaries and changes in the order of government weekly meetings to facilitate efficiency.

## Netherlands

### Score 5

There have only been two visible changes in the institutional practices of the Dutch government. One is that the monarch, formally the head of government, was stripped of participation in Council of Ministers formation processes; the Second Chamber now formally directs that process. The second is an adaptation to less parliamentary support for the Rutte I and II governments. The Rutte I Council of Ministers was a minority cabinet that had to accept a so-called tolerance agreement with the populist newcomer Party for Freedom (Partij voor de Vrijheid, PVV). When the PVV cancelled the tolerance agreement after talks for new, additional cutbacks, the Rutte II Council of Ministers was formed. Since this Council of Ministers has a majority in the Second Chamber but not in the First Chamber and bills have to be adopted by both houses of the bicameral States General, informal coordination processes between government ministers and members of parliaments of both coalition and non-coalition parties have become very important. These two changes have not been the result of regular and effective monitoring of institutional arrangements, but of political and electoral power shifts.

## United Kingdom

### Score 5

Flexibility and informal meetings are a key feature of the British government system. The new coalition government has further reinforced this tradition. The downside is that little procedural structure exists to stabilize the expectations of actors and serve as guidance in case of crisis. But the flexibility to respond in a way uniquely tailored to the situation at hand has always been valued highly and is an essential constituent of prime ministerial government in the United Kingdom.

Monitoring mainly takes place outside the executive. On the one hand, there is active debate and reflection in public discourse through a watchful media, on the other hand, institutions such as the Committee on Standards in Public Life keep a close eye on the system. The trust in politicians' moral values and their capacity for self governance was substantially damaged by a series of scandals in recent years – above all the parliamentary expenses scandal. The effectiveness of the monitoring system must therefore be questioned.

## Austria

Score  
value\_6

There is no regular monitoring within the executive branch of the government. Due to the fragmented structure of the government and comparatively weak position of the chancellor, the ability to engage in oversight from within the central government is very weak. However, a monitoring effort is currently ongoing with respect to reform of the Austrian administration (Verwaltungsreform), based on proposals made by the Austrian audit court.

Core government actors are first and foremost legitimized by the political parties. Though officially appointed by the president, the Cabinet consists of individuals chosen by the political parties on the basis of post-electoral coalition agreements. Civil-service personnel are in many cases also indirectly linked to one of the political parties. In recent years, short-term appointments within the civil service has bolstered this latter trend, undermining the principle of a professionalized civil service. Individual cabinet members (federal ministers, including the chancellor and vice-chancellor) have increased the size of their personal staffs. This has created a mixed system, partially echoing the model of the British civil service, in which civil servants work under ministers irrespective of their own political links, and partially following the U.S. model of a politicized civil service with party-political links between cabinet members and their staff.

This blend of two contradictory principles undermines the reform capacity of the Austrian system. The government and its individual cabinet members can neither depend on the full loyalty of a partisan civil service, nor be sure of a complete civil-service impartiality.

In general, the structural conditions for monitoring institutional arrangements are suboptimal.

## Bulgaria

Score 4

There are no ex-ante formal mechanisms for monitoring whether institutional arrangements of governing are appropriate. It is only ex-post, when some serious enough problem transpires or a crisis happens, that reflection about the structure of governance and institutional arrangements begins, and is usually spurred by public pressure or by pressure from some other government body. Under the GERB government in 2009 – 2013, the focus on day-to-day management meant that little attention was paid to the performance and reform of government structures.

## Croatia

- Score 4** There is no regular self-monitoring of the institutional arrangements of Croatian governments. Public organizations are supposed to prepare annual reports, but often fail to do so and do not use these reports to examine deficiencies.

## Czech Republic

- Score 4** There is no systematic monitoring of the institutional arrangements of governing in the Czech Republic. Governments must issue annual reports and a final report at the end of their term in office. However, these reports tend to focus on policies rather than institutions and are normally self-congratulatory. In addition, there are sporadic audits within particular ministries.

## Italy

- Score 4** In general the attention paid to the internal organization of the government machine has been only selective and sporadic. No systematic monitoring is accomplished on a regular basis. Under the Monti government a spending review has been initiated. It has focused mainly on financial aspects, but has also involved some monitoring of the institutional arrangements of government (with particular attention given to the structures of local government). The minister for public administration has further developed existing projects aimed at monitoring the effectiveness of the state administration.

## Romania

- Score 4** Romania's institutional arrangements of governing, including the number and organization of ministries, change rather frequently. Moreover, the new constitution currently being drafted promises to bring about a number of significant changes in governing institutions, including the relative powers of the Parliament and the presidency, and the regional organization of the country. However, the effectiveness of such institutional reforms is undermined by the lack of transparency in policymaking, which reduces the availability of reliable indicators about the performance of different institutions: thus by February 2013 none of the ministries or public institutions had published their activity reports for the preceding year and only half of

them had published those of 2011, even though such delays violate existing laws and regulations.

## Slovenia

### Score 4

In Slovenia, there is no regular self-monitoring of institutional arrangements. The monitoring that takes place is ad hoc and limited. The annual reports of state organizations are formal and self-congratulatory. Under the Janša government, the number of audits by private sector organizations declined.

## Belgium

### Score 3

The description that is often used to characterize Belgian institutional arrangements is “complex.” The country’s tax system is complex; fulfilling international commitments on climate change is complex; understanding the individual competences of each federal entity is complex. Historically, Belgium maintained a national government, the country was divided into nine provinces and each province divided into a large number of municipalities. When Belgium became a federal state with one central government, three regions (Flanders, Brussels, Wallonia), three communities (Dutch-, French- and German-speaking), and the municipalities, the provinces however were not dismantled. As with biological evolution, organs without much use remain present in the body because of the past, yet understanding the actual role of each organ in today’s system requires much evolutionary knowledge.

Provinces are just one example of this complexity. Belgian institutions are far from efficient. Many responsibilities are shared or overlap. The responsibility split between municipalities and regions has not been re-optimized appropriately, mainly so in Brussels. Many decisions require “inter-ministerial coordination,” which makes Belgium almost as complex as Europe. Yet no rational solution emerges because any such solution either means more devolution to federal entities, which is perceived by “federalists” as a step toward pure separatism, or re-centralization of some competences toward the central state, which is perceived by “regionalists” as a step backwards toward yesterday’s inefficient structures.

The truth is that competences that do not require intense coordination should be fully devolved to the regions, and others that require intense coordination should be centralized. There should also be a clear hierarchical structure between the central state and its federal entities. In contrast, in the current structure, each entity is so independent that the central government cannot impose needed reforms to meet Belgium’s international commitments.

However, the issue is less problematic when only one entity is involved in a reform effort, and monitoring across regions does exist. The good practices of a region (or of other countries) can thus inspire others (the efficiency of institutional arrangements between regional governments is easily comparable).

## Cyprus

### Score 3

With its EU accession, Cyprus had to respond to commonly held EU standards. However, monitoring has taken place only in specific departments, and has focused on isolated issues such as the plan for better regulation. One factor in this inconsistency has been the absence of specialized mechanisms for this purpose, as well as the lack of technocrats within the presidential palace assigned to (or even with the capability to perform) this task. Tense relations between the president and political parties (except AKEL) undermined relations with the parliament during the period under review, in particular after July 2011. This made it even more difficult for the government to accept the need for self-monitoring. After the new government's assumption of power in March 2013, this weakness was noted, and as of the time of writing, plans to remedy existing shortcomings were being worked on.

## Slovakia

### Score 3

In Slovakia, there is no regular self-monitoring of institutional arrangements. The institutions and processes of governing are analyzed only seldom and selectively. The Radičová government undertook a detailed analysis of decision-making on EU funds, and the Fico government launched an audit of the efficiency and effectiveness of subnational governments in early 2013.

## Indicator

## Institutional Reform

## Question

To what extent does the government improve its strategic capacity by changing the institutional arrangements of governing?

41 OECD and EU countries are sorted according to their performance on a scale from 10 (best) to 1 (lowest). This scale is tied to four qualitative evaluation levels.

- 10-9 = The government improves its strategic capacity considerably by changing its institutional arrangements.
- 8-6 = The government improves its strategic capacity by changing its institutional arrangements.
- 5-3 = The government does not improve its strategic capacity by changing its institutional arrangements.
- 2-1 = The government loses strategic capacity by changing its institutional arrangements.

### Lithuania

## Score 9

Lithuania's government has in some cases improved its strategic capacity considerably by changing its institutional arrangements. The Kubilius government made significant changes to existing government structures and procedures in order to enhance its policy capacity. According to the governmental "Sunset" commission, the number of central-level institutions decreased from 1,190 in 2008 to 855 in 2011. The establishment of the State Progress Council, the Butkevičius government's announcement of a whole-of-government approach and other institutional changes may contribute to addressing still-outstanding challenges.

## Citation:

Saulėlydžio komisija, Valstybės valdymo tobulinimo komisijos (Saulėlydžio Komisijos) 2009–2012 m. veiklos ataskaita: rezultatai ir gairės tolesniems pokyčiams. 27.11.2012.

### New Zealand

## Score 9

Major adaptations to the multiparty system and coalition government occurred in the late 1990s. An effective framework is in place with the Cabinet manual. Cabinet office circulars are used for minor changes. Particularly after the government change of 2008, a number of such modifications were made.

## Citation:

Cabinet Manual: <http://www.cabinetmanual.cabinetoffice.govt.nz/3.28> (accessed May 9, 2013).

## Sweden

### Score 9

While the structural design of the Swedish system looks almost identical to how it did a century ago, there have been substantive changes in the modus operandi of institutions at all levels of government, particularly concerning the relationship between institutions. It is fair to say that the design and functionality of the system is continuously assessed. Over the past decade, issues related to steering and central control have dominated reform ambitions.

## Germany

### Score 8

In general, institutional reforms intended to improve the government's management capacities are extremely rare in Germany. As in other countries, strategic capacities and reform efforts are heavily influenced by constitutional and public-governance structures and traditions. Germany's federal system, which gives the federal states considerable independent authority and a crucial role in transposing and implementing federal legislation, creates a complex environment with many institutional veto players across different levels. Thus, institutional and organizational inertia leads to low levels of strategic capacity. For example, in the field of education policy, the shift of responsibility toward the state level led to a growing number of experiments. Competitive federalism in this regard enables states to experiment with practices from a variety of approaches, which leads to the diffusion and imitation of best practices.

## Iceland

### Score 8

Iceland's most recent governments have sought to improve the state's strategic capacity by reshuffling and merging ministries. The government in office during the 2007 – 2009 period took some steps in this direction, and the subsequent 2009 – 2013 coalition government took further steps by reducing the number of ministries from 12 to eight. This was combined with some reshuffling of responsibilities between ministries. Some of the ministries were small, constituting a weak link within the state administration. The capacity of these small units to cope with complex issues such as international negotiations and contracts was found to be insufficient. Further, the informality of such small units was seen as a disadvantage. The coalition government that took office in May 2013 has partially reversed these reforms by again increasing the number of ministries, and as of the time of writing had indicated that further splits were likely.

## Latvia

- Score 8** The regular review of decision-making procedures results in frequent reforms aimed at improving the system. Changes in institutional arrangements, such as the establishment of the PKC in 2010, have significantly improved the government's strategic capacity and ability to take a long-term planning orientation.

## Mexico

- Score 8** The Mexican national government has been a quick learner, as can be seen by the different ways successive presidents have organized their Cabinets over the last generation. In fact, it has sometimes over-improvised and over-experimented, for example by using the navy as part of its so-called war against crime. If anything, the Mexican authorities have been over-receptive to new ideas; they cannot be accused of being set in their ways.

The current president has innovated quite effectively in organizational terms. His administration came up with the "Pact for Mexico," which was signed by the heads of the main political parties very shortly after Pena Nieto took office, and followed a set of intense negotiations over the previous month. The pact committed the parties to support stipulated reforms that will be introduced to Congress in 2013.

## Norway

- Score 8** Institutional reform is an ongoing process, with frequent reorganizations aimed at improving strategic capacity taking place. This includes changes in ministerial responsibilities and portfolios. For example, one notable reorganization merged the areas of labor policy and social-security policy into a single ministry. Another example was the creation of a Department of Ownership within the Ministry of Trade and Industry, which gathered responsibility for state-owned firms (including fully owned and partially owned firms) under a single unit. In the past, this responsibility had been scattered across various ministries. Recent reforms have also included a merger between the agencies dealing with climate policy and the preservation of natural environments.

## United Kingdom

### Score 8

As mentioned above, the organizational flexibility of both the core executive and the distribution of tasks to specific ministries is the core characteristic of the British system of government. Cabinet reorganizations and new institutional arrangements have often been the prime minister's weapon of choice to improve government performance. However, such reorganization can also be motivated by intra-party politics or public pressure, and it is difficult to systematically evaluate the success of specific measures in enhancing the strategic capacity of the government.

Very substantial changes in governance do occur, with recent examples including the conferral of independence on the Bank of England, the alteration of the basis of financial regulation, or the balance between state, market or external agencies in the delivery of public goods.

## Australia

### Score 7

Australia largely accepts and implements recommendations from formal government reviews. Investigations have covered all aspects of government including, finance, taxation, social welfare, defense, security and the environment. There have been frequent structural changes to the main Commonwealth government departments, sometimes in response to changing demands and responsibilities, but sometimes simply for political reasons that serve no strategic purpose, and may indeed be strategically detrimental. For example, the main department that is responsible for health care has changed its name at least five times in the past two decades in response to changes in its responsibilities.

## Denmark

### Score 7

When the first government under Prime Minister Anders Fogh Rasmussen came to power in 2001, it abolished some ministries and merged others, and it carried out various internal reorganizations. Rasmussen also closed a number of councils and committees (råd og nævn). In his New Year's speech he criticized so-called judges of taste (smagsdommere), or experts he felt had too much influence. The government's first reform program was entitled "With the citizens at the helm" (Med borgeren ved roret). A number of reform plans were introduced in the following years.

In 2009, Lars Løkke Rasmussen took over as prime minister from Anders Fogh Rasmussen, who then went on to become NATO Secretary General. Løkke Rasmussen inherited Denmark's National Reform Program of October 2008. Another program, Denmark's Convergence Program 2009, set a number of goals to be reached by 2015. The "Denmark 2020" plan followed in February 2010. In this plan the government announced a number of very ambitious goals for 2020.

The goals were extremely ambitious, especially given the economic downturn caused by the global economic crisis. It is tempting to see a certain amount of wishful thinking in the plan. In 2000, the European Union announced ambitious goals for the European economy to become the most competitive in the world within a 10-year period, through the so-called Lisbon Strategy. But just having a plan does not necessarily guarantee success.

The new Helle Thorning-Schmidt government inherited the reform programs in 2011, but focused from the beginning on the economy, starting with efforts to kick-start the economy, then moving to reforms focused on unemployment and various social benefits, study grants, and so on. More recently, the government has turned its focus to the efficiency of welfare service provision, setting relatively ambitious targets.

Citation:

Ejersbo og Greve, *Modernisering af den offentlige sektor*, Børsens forlag, 2005..

The Danish Government, *Denmark's National Reform Programme*, May 2011. [http://ec.europa.eu/europe2020/pdf/nrp/nrp\\_denmark\\_en.pdf](http://ec.europa.eu/europe2020/pdf/nrp/nrp_denmark_en.pdf) (accessed 27 April 2013).

"Policy basis for new Danish government in place," <http://www.globaltimes.cn/NEWS/tabid/99/ID/678082/Policy-basis-for-new-Danish-government-in-place-incoming-premier.aspx> (accessed 27 April 2013).

"Her er hovedpunkterne i regeringsgrundlaget," <http://www.information.dk/telegram/280863> (accessed 27 April 2013).

Lene Dalsgaard and Henning Jørgensen, *Kvaliteten der blev væk: Kvalitetsreform og modernisering af den offentlige sektor*. Copenhagen: Frydenlund, 2010.

## Finland

### Score 7

While institutional arrangements have not changed much, the government at the time of writing is considering plans that bear witness to its capacity to promote and implement strategic knowledge. Plans include the merging of ministries and an expansion of monitoring and planning power; all which are necessary. Several factors, not least the fairly high degree of independence of Finnish ministries and the broad-based nature of recent Cabinet work against policy coordination across government bodies, have highlighted the need for measures that smoothen and advance coordination efforts. Given these conditions, it is unfortunate that the use of interministerial committees – inexpensive and efficient in terms of planning and consensus-building – has been reduced. This is one example of misguided strategic policy.

## Israel

**Score 7** Reforms regarding government planning, regulations, new technology, public information sharing and performance evaluation are based on two main principles: decentralization (the delegation of power and responsibilities in exchange for better monitoring, as with municipalities), and privatization of services.

While the government has shown itself willing to pursue reforms to improve decision-making in the interest of the common good, some elements of government administration are still in need of change. Specifically, reformers have struggled in introducing new managerial standards and reducing bureaucratic complexity. As seen in the case of local municipalities, modern management tools and monitoring agencies are still unable to effectively tackle entrenched political attitudes or centralist powers.

Citation:

Vigoda, Eran & Penny Yuval, "Public sector performance in Israel" (October 2001), (Hebrew)

Arlozerov, Merav, "Israeli government; The reform that will end the treasury's single rule; Will lose a major part of its authorities," TheMarker 13.2.2013 (Hebrew)

"Hello Government" website, official website for reforming the public service (Hebrew)

## Luxembourg

**Score 7** The government's 2009 program outlined a series of administrative reforms. One of the most ambitious, the general opening of the civil service to citizens of the European Union, with the exception of some positions relating to national sovereignty, came into effect on 1 January 2010. The change is expected to gradually improve the quality of government administration, but the number of EU citizens hired remains low at approximately 5%, especially in the higher ranks. Other reforms involve e-government, such as the planned implementation of electronic internal and external document exchange.

Citation:

Loi du 18 décembre 2009

E-government in Luxembourg (2009), edition 12.1: <http://ec.europa.eu/idabc/servlets/Doc5fa7-2.pdf?id=32609>

## Poland

**Score 7** The second Tusk government has built on the institutional reforms of the first. It has continued improvements in strategic planning, has further strengthened the position of the prime minister in government, has expanded

regulatory impact assessments and has helped to improve the fiscal situation of subnational governments. By doing so, it has improved its strategic capacity.

## Canada

### Score 6

There is little public evidence that changes in institutional arrangements have significantly improved the strategic governance capacity of Canada's federal government. These may have produced marginal improvements. For example, the establishment of Service Canada as a delivery platform for government services was a major organizational change in the 2000s. There has been no comprehensive evaluation of this reform.

In certain cases, there may actually be too much organizational change, given that such change can be very disruptive and costly. For example, in 2004, Human Resources Development Canada was split into two departments, Human Resources and Skills Development Canada and Social Development Canada (SDC). In 2008, the two departments were merged again, with SDC losing its separate identity. It is unclear what benefits, if any, arose from this departmental reshuffling. The frequency of departmental reorganizations has diminished in recent years, which is probably a positive development. Recent changes include the merging of CIDA into DFAIT and the reorientation of the National Research Council from basic to applied research.

## Chile

### Score 6

Some improvements in strategic capacity have been made by changing the institutional arrangements, such as, for example, the reform of the former Planning Ministry (Ministerio de Planificación, MIDEPLAN) which has been transformed into the Ministry of Social Development (Ministerio de Desarrollo Social, MDS) including some slight changes regarding its attributions and faculties in order to increase its strategic capacity (in part, this transition is still a work in progress). But in general terms, alterations to institutional arrangements encounter very substantial bureaucratic obstacles.

## Croatia

### Score 6

Institutional reform has taken place in accordance with the rhythm of parliamentary elections, and developments have been largely confined to the merging or separation of individual ministries. The Ministry of Administration has succeeded in rationalizing its agencies.

## France

**Score 6** French governments are reactive to the need to adapt and adjust to new challenges and pressures. These adaptations are not always based on a thorough evaluation of the benefits and drawbacks of the foreseen changes, however. A case in point is the reluctance of most governments to take into consideration the recommendations of international organizations, if they do not fit with the views and short-term interests of the governing coalition.

## Greece

**Score 6** The repeated tendency of Greek governments to change institutional arrangements was demonstrated again when the tripartite coalition government led by Samaras, which came to power in June 2012, reinstated two ministries – the Ministry of Macedonia-Thrace and the Ministry of Shipping and the Aegean Sea – which had been abolished when the Papandreou government came to power in October 2009. Such changes are not necessarily related to shifts in plans to improve the government's strategic capacity, but to short-term considerations about the symbolic importance of certain regions (Macedonia, the Aegean Sea) for Greece and to the inertia of past administrative traditions. Admittedly, under pressure from the Troika, the government tried to improve its strategic capacity by establishing the Government Council of Reform in 2012. This was a cabinet committee entrusted with the task of enhancing reform capacity. However, the committee has not yet been endowed with adequate administrative support to perform its role and has only played a role auxiliary to the Prime Minister's Office. In sum, the government changes its institutional arrangements but does so in a non-systematic fashion and there is little follow-up on previous policy decisions.

## Ireland

**Score 6** The crisis has prompted serious discussion of institutional change, such as the abolition of the Seanad, a reduction in the size of the lower house, and changes in the voting system. The government elected in 2011 has undoubtedly made some significant changes in institutional arrangements and more may emerge from the Convention on the Constitution. However, to date the pace of change has been slow and the changes that have been implemented are not radical. Swifter and more radical change was called for in the wake of the dramatic policy and governance failures that contributed to the severity of the crisis.

## Italy

### Score 6

Although the need to improve the effectiveness and efficacy of the institutions of central government has been a constant theme in the political debate of Italy in recent years not much was done in the past. The special nature of the Monti government (a “non-political government” supported by a broad but heterogeneous majority in parliament) was complemented by an informal division of labor between the executive and its parliamentary majority. The government was in charge of facing the economic and financial problems while the majority parties were to develop proposals for an institutional and electoral reform. In fact, while the government was able to accomplish a significant part of its goals, the parties of the parliament were unable to reach any significant agreement on institutional reforms. So no significant step forward was made.

It is, however, true that the existing instruments available to the government and in particular the possibility of issuing legislative decrees with immediate legal effects (to be then ratified by the parliament within 60 days) made it possible for the government to exert a significant strategic capacity.

The government’s action has been changing and enhanced also by a different organization of ministers and their portfolios.

## Malta

### Score 6

Joining the European Union has forced the Maltese government to improve its strategic capacity by periodic institutional changes. But this is generally from a reactive and not a proactive perspective. Many EU-related institutions have been created, and since the challenge of meeting EU directives is quite burdensome for a microstate like Malta, meeting long-term objectives have given rise to a number of departments and authorities designed to respond to this challenge. But because of the size of the task and because Malta had not quite developed its institutional capacity, despite progress achieved, it still lags behind. Some positive developments include judicial reforms as well as constitutional changes.

## Netherlands

### Score 6

No major changes have taken place in strategic arrangements or capacities beyond what has already been mentioned about externally driven policy coordination in fiscal and economic matters. Generally, strategic capacity is on a rather good level already.

## Portugal

**Score 6** There is no evidence of the government changing institutional arrangements to improve strategic capacity over the period 2011 – 2013. The dominant goal under the bailout has been to apply the measures of the Memorandum of Understanding (MoU) with the EC–ECB–IMF Troika and seek budgetary consolidation. The government has not had space to reconsider changing institutional arrangements and the changes that did take place, such as reducing the number of ministries to 11, appear to have had at best no impact on strategic capacity.

## Slovakia

**Score 6** Slovakia has seen major institutional reforms in the period under review. In the case of the Radičová government, the establishment of the Council for Budgetary Responsibility and the appointment of the Plenipotentiary for the Development of Civil Society featured prominently and helped to improve the government's strategic capacity. The Fico government created a new advisory board with the Council for Solidarity and Development and reshuffled the competencies within the government for human rights. By replacing executive bodies with advisory boards and by increasing institutional fragmentation, however, the reshuffling weakened rather than strengthened the government's capacity in the protection of human rights.

## South Korea

**Score 6** There have been massive institutional reforms in the last four years, with the goal of creating a smaller and more efficient government. Many agencies and ministries have been merged, renamed and downsized. For example, through the merger of the Ministry of Finance and Economy and the Ministry of Planning and Budget, President Lee created a new super ministry, the Ministry of Strategy and Finance. However, the goal of creating a “small and efficient government” can hardly be called a success given the long period of the lame-duck government in 2011 and 2012. Some of the reforms even had to be reversed. The reorganization and downsizing of Blue House staff, for example, ultimately led to the reinstatement of many of the abolished positions (such as the senior officer for public relations). Another indicator for the protracted nature of “reforms” is that the actual total number of public servants has increased to 615,487 (in the late 2012) from 604,714 (in the late 2007).

## Spain

### Score 6

The changes in the institutional governing arrangements during the period under review are basically related to Prime Minister Rajoy's reorganization of ministerial portfolios and the reform of the Prime Minister's Office (PMO) that took place in late 2011. The rules of procedure and the work formats of the Council of Ministers, the ministerial advisory staffs, and the management of relations with the General Courts and the conduct of public communication, have been left all but untouched. Within the PMO, the Economic Office and the Private Office – previously merged during the last years of Prime Minister Zapatero – were again divided and a new, strengthened National Security Department was introduced in 2012. The interministerial coordination system was somewhat rearranged as well, but the new configuration in six Council of Ministers' committees – most of them without regular meetings – is very recent and has not yet had an impact on governing (see "Cabinet Committees").

The main alteration in ministerial portfolios' names and jurisdictions that Rajoy decided in 2011 was the division of the former Ministry of Economy and Finance into two ministries: Economy and Competitiveness and Finance and Public Administration. A reform that cannot be assessed positively, it reduced the economic coordination within the government during a critical time. In addition to this, the Ministry of Education was merged with the Ministry of Culture, while the aforementioned new Ministry of Economy received jurisdiction over science and trade as well. None of these changes, which were made without an impact assessment based on expert opinion or external advice, have substantially improved the strategic capacity of the government to take and implement political decisions. In fact, after every change in portfolios, the internal structure of the administration has remained almost unchanged (except for the attempts to reduce some high-ranking administrative units, which were motivated only by the need to curtail public spending).

## Turkey

### Score 6

According to Law 5018 on Public Financial Management and Control, all public institutions, including municipalities and special provincial administrations, must prepare strategic plans. The basic objective is to establish an institutional connection between plans, programs and budgets. All ministerial bodies also have designated a separate department for developing strategy and coordination efforts; however, these departments are not yet completely functional. Maximizing strategic capacity requires resources, expert knowledge, an adequate budget and a participatory

approach. The government lacks sufficient personnel to meet the requirements of strategic planning, performance-based programs and activity reports. In this respect, several training and internship programs have been established.

The government has improved its strategic capacity at the expense of the political powers of the military and the judiciary. The reforms of the National Security Council, the Constitutional Court and the Supreme Council of Judges and Prosecutors have in essence increased the executive powers of the government.

An ongoing debate is the potential introduction of a presidential government (as in France) through a constitutional revision, a move favored by the prime minister during the review period. Critics however fear that the executive branch and the strategic capacity of the government would be strengthened at the expense of the legislature.

## Austria

Score 5

The government usually promises more innovation at the beginning of a period than it can deliver in fact. Desired improvements are often prevented by constitutional limitations (such as the collective character of the Austrian cabinet) and by internal rivalries within the coalition governments. The government's overall strategic capacity is for this reason suboptimal.

## Bulgaria

Score 5

Bulgarian government bodies do have a capacity to reform, including reforms initiated from within and reforms originating externally, but they do not seem to have a strategy of planning such reforms. Rather, reforms happen as a result of a crisis which forces changes, as in the case of the changes made in the State Commission on Energy and Water following citizen protests at the beginning of 2013. Furthermore, the capacity for change is particularly limited when it comes to the main structures of government, such as the cabinet, the prime minister and the government office.

## Czech Republic

Score  
value\_6

The transition from an indirect to a direct election of the Czech president has not been accompanied by other changes in institutional structures. A debate about changing the structure of ministries and their portfolios as a means to

cope with the global economic crisis did not lead to any results. The unclear political majorities limited the strategic capacity of the government, so that no major attempts at institutional reform were undertaken.

## Estonia

**Score 5** Top politicians and executive officials widely understand the problem of fragmented policymaking as it was highlighted in the OECD Governance Report. Yet, the government has only responded to the OECD's call to move "towards a single government approach" at the rhetorical level. Strategic capacity still remains at the level of line ministries and not in the Prime Minister's Office. Policymakers only utilize academic knowledge sporadically and mainly in the context of concrete reforms.

## Japan

**Score 5** The lack of a government-party majority in the upper house after 2010 made the passage of significant reform bills impossible. Moreover, the failed DPJ-led reform initiative during the period under review demonstrated the difficulties of trying to transplant elements from another political system (in this case, Westminster-style Cabinet-centered policymaking) into a political environment with long-established independent traditions.

## Switzerland

**Score 5** The federal government has sought to improve its institutional arrangements through the adoption of new administrative techniques (specifically, new public management practices) and a number of other organizational changes. However, whenever the central government has sought to engage in substantial change through institutional reform (e.g., through reorganization of the Federal Council and the collegiate system), it has met with resistance on the part of the public and the cantons, which do not want more resources or powers to go to the federal level. This has limited the range of feasible institutional reforms.

## Romania

### Score 4

While successive governments have motivated institutional changes on the basis of improving government's strategic capacity and the effectiveness of public policymaking, in reality most institutional changes have been driven by short-term tactical calculations in the pursuit of partisan objectives. This phenomenon was particularly obvious during the weeks preceding the 2012 referendum, when the government adopted a series of haphazard institutional changes whose main purpose was to strengthen the powers of the Social Liberal Union-dominated Parliament at the expense of other institutions. Therefore, even though the government is right to argue that the Romanian constitution would benefit from reforms that would clarify the division of power between different institutions, it appears that the real objectives of the governing coalition are the further concentration of political powers in Parliament at the expense of the presidency and the judiciary.

## Slovenia

### Score 4

Unlike the Pahor government, the Janša government undertook substantial institutional reforms. Most importantly, it reduced the number of Cabinet members from 17 to 13 and abolished the Government Office of the Republic of Slovenia for Local Self-Government and Regional Policy. As these reforms primarily served the political aim of demonstrating the government's commitment to reduce the size of the public sector and were implemented hastily, they did not really improve the government's strategic capacity.

## United States

### Score 4

The U.S. government is exceptionally resistant to constructive institutional reform. There are several major sources of rigidity. Firstly, and most fundamentally, the requirements for amendment of the constitution (two-thirds majorities in both the House and Senate, plus ratification by three-fourths of the states) are virtually impossible to meet on institutional issues. Second, statutory institutional change requires agreement between the president, the Senate, and the House, which may have conflicting interests on institutional matters. Third, the committee system in Congress gives members large personal career stakes in the existing division of jurisdictions, a barrier to change not only in congressional committees themselves but in the organization of the executive branch agencies that the committees oversee. Fourth, the Senate operates with a super-majority requirement (the requirement of 60 votes, a three-fifths majority, to invoke "cloture" and end a

filibuster), and changes in Senate procedures themselves are normally subject to the same procedures. Fifth, as often occurs, and certainly occurred during the review period, the president and Congress represent different political parties with competing institutional interests, and one party is highly inclined to obstruct the other.

The constraints on other forms of institutional change have been highly evident in recent years. A major reform of financial regulation failed to consolidate regulatory responsibility over all segments of the financial services industries. President Obama in 2011 and 2012 declined to assert presidential authority to increase the debt limit without action by Congress. The Senate had declined to reform the filibuster at the beginning of the 113th Congress in January 2013. On 21 November 2013 (outside the review period), the Senate used the so-called “nuclear option,” voting 52-48, with all Republicans and 3 Democrats voting against, to eliminate the use of the filibuster on executive branch nominees and judicial nominees other than to the Supreme Court.

## Belgium

### Score 3

Most reforms are the consequence of bargaining between power levels, and an attempt to meet contrasting or asymmetrical demands (Dutch speakers want a given prerogative, which French speakers oppose; while French speakers have another request, which Dutch speakers oppose) through global negotiations, at the end of which both sides will obtain some demands (but not all, as any deal is a compromise) through some “package deals” and logrolling. Therefore most reforms do not improve efficiency overall.

For instance, the boundaries of the Brussels region (which are restricted to about one-fourth the actual Brussels agglomeration in terms of area, and one-half in terms of population) results in a number of overlapping issues with Flanders and Wallonia. Within the Brussels region, the competence split between the communes and the region also creates overlap and gridlock, in particular for city planning.

Many tasks, such as road building, public transportation, airport noise or water pollution, have become extremely challenging to manage. However, as the general process has trended toward decentralization, some efforts have had positive effects and can be seen as an improvement in strategic capacity. It still remains to be seen as to the effectiveness of improvements under the auspices of the government agreement at the time of writing.

## Cyprus

### Score 3

The efficiency of the administration declined between 2009 and 2012, largely as a result of a lack of government coherence and clear policy orientations. Confusion as to the roles of ministers from the various political camps, and cases in which the president assumed tasks belonging to ministers (such as the minister of finance, for example) weakened the government's capacity. In late 2011 and 2012, the government at times appeared to be presenting itself as an ally of the public servants' and workers' trade unions. The president met with trade unions without the presence of line ministers, which weakened these ministers' positions and undermined their support for policies crafted without their input.

The government experienced a substantial loss of public trust after the explosion of ammunition seized from a Russian ship in July 2011, and as the impact of the economic crisis worsened. This made institutional cooperation even more difficult. Under these circumstances, it proved impossible to engage in constructive institutional reform.

## Hungary

### Score 2

The Orbán government has adopted comprehensive institutional reforms. Among other things, it has overhauled interministerial coordination, the consultation of interest groups as well as the relationship between central and subnational government. However, reforms have tended to weaken rather than to increase the government's strategic capacity. The over-centralization of decision-making resulting from most reforms has created bottlenecks at the top, has favored political patronage and has led to the adoption of decisions based on ideology that have often turned out to be inadequate.

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