

SGI Sustainable
Governance
Indicators

2015 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. Attempts to improve the proportionality of the electoral system and alter constituency sizes are examples of how evaluation and monitoring processes in Finland mainly focus on administrative and steering issues. A system of program management is currently being implemented, which includes monitoring of the Government Program. In an implementation plan adopted in 2011, the cabinet of the previous 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 a strategic, inter-sectoral policy framework. 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.

The monitoring system, introduced by the previous government, has been adapted by the current government. This data has been made publicly available and is to be updated once a month.

Citation:

“Government Programme Monitoring”, <http://vnk.fi/toiminta/hallitusohjelman-seuranta/en.jsp>

“Government Programme Monitoring Data”, <http://valtioneuvosto.fi/toiminta/hallitusohjelman-seuranta/data/fi.jsp>

“Government Programme Monitoring Data”, <http://valtioneuvosto.fi/ajankohtaista/tiedotteet/tiedote/fi.jsp?oid=424833>

Hungary

Score 10

In Hungary, there is no regular formal monitoring of the institutional arrangements of governing. However, there is strong and rather comprehensive oversight of the working of the state apparatus from the top down, and the government has been quick to change any institutional arrangements it has deemed to be ineffective. The Orbán governments underperform with regard to coherent policy planning, but react quickly to failures in individual cases. Public policy has often been very volatile, changing according to the government's current needs.

New Zealand

Score 9

Following from the change to a proportional electoral system in 1996, 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-led government followed the example of its immediate predecessor, the Labour-led government of Helen Clark, by keeping its support parties at arm's length from the Cabinet. All 20 Cabinet seats are held by National Party members. Two of the three support parties (United Future and the Maori Party) have been given ministerial portfolios outside of Cabinet, but within the larger executive. The solitary Act MP, a newcomer to Parliament, has been given the title of Under-Secretary. While each party 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 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 October 9, 2014).
Ministerial List: <http://www.dPMC.govt.nz/cabinet/ministers/ministerial-list> (accessed October 9, 2014).

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. In 2014 there are about 330 agencies in the Swedish administrative system. 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. That having been said, there is more or less continuous assessment of the agency system and the performance of agencies in service delivery and policy implementation.

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

Denmark

Score 8

There have been ongoing discussions on monitoring and management within the public sector. Given the size of the size of the sector, this is also a question with important economic implications which have become more visible in recent discussions and policy initiatives. The government's economic strategy relies on substantial improvements in productivity within the public sector. These must be made by 2020 to make room for standard improvements in other areas, particularly health.

The current public management and governance strategy includes contracts, result-oriented salaries, measurements, evaluations and efficiency reports.

The agency for modernization at the Ministry of Finance is responsible for innovation and efficiency in the public sector. Focus is on ensuring both efficiency and productivity within the public sector, broadly defined.

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 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 Butkevičius government continues to monitor the public administration on the basis of annual public-sector reports and specific functional reviews. The rules of procedure and business processes are frequently reviewed using quality-management instruments, the application of which is becoming increasingly widespread in the country's public administration. However, the results of these monitoring processes are not sufficiently used in making decisions, and some changes to institutional arrangements remain 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).

Canada

Score 7 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 current arrangements are appropriate or whether 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

Germany

Score 7 There is neither a particular institution nor a commission that independently and impartially operates as an oversight body with respect to governmental activities. In addition, institutional self-monitoring capacities are still low. However, the creation of the Better Regulation unit in the Federal Chancellery and the extension of the competences of the National Regulatory Control Council (Normenkontrollrat, NKR) – an independent advisory body – have strengthened the capacities for self-monitoring.

Ireland

Score 7 The present government has a mandate for institutional reform and has made some progress in implementing its program in this area. Specific examples have been discussed in relation to earlier criteria.

Israel

Score 7 The Israeli government installed various institutions, both internal and external to the executive branch, in order to monitor its activities and performance regarding issues such as procedures, financial transfers and human resources. For example, the Accountant General regularly audits financial decisions in ministries and the civil service commission ensures internal due process and oversees human resources. The Prime Minister's Office (PMO) monitors the implementation of the State Comptroller's recommendations as well as the internal accounting units in each ministry. Supplementary mechanisms for self-regulation include protocols and guidelines governing daily practice.

Citation:

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

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

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

"About the Inspection General for State Comptroller Affairs", PMO website (Hebrew)

"Information security management and survivability of Internet and computer infrastructure for government offices", state comptroller yearly publication 63b 2013: http://www.mevaker.gov.il/he/Reports/Report_95/8e003e9a-3404-4626-a2ab-eddb638549ed/8254.pdf (Hebrew)

"Rules, procedures and guidelines for CEOs in the civil service", Civil service commission 2013: <http://www.csc.gov.il/DataBases/Rules/Documents/BrochureCEOs.pdf> (Hebrew)

"The internal audit law 1992", Official legislation (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 DPJ-led governments of 2010 to 2012 drew lessons from the perceived failures of institutional reforms enacted under the first DPJ Prime Minister Hatoyama (2009/10) and again introduced quite significant changes. The subsequent LDP-led government under Abe (from 2012) has also tried to readjust institutional arrangements by establishing and/or reinvigorating a number of councils and committees. To some extent, the Abe

government tries to reinstitutionalize the strong leadership-framework of the years under Prime Minister Koizumi (2001 - 2006), for instance through a strong Cabinet Secretariat. Subsequent cabinets in recent years have thus given considerable and recurring thought to institutional (re-)arrangements.

Mexico

Score 7 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, at least at the central level of government. In contrast, the situation is more heterogeneous at the state and local levels, where one can more often find 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. Peña Nieto has been a dramatically ambitious reformer, and there is some question as to whether he has tried to reform excessively. However, as of the time of writing, the pace of reform had begun to slow with the approach of the 2015 congressional elections.

South Korea

Score 7 Unlike the previous Lee Myung-bak administration that came to office with a clear goal of streamlining the South Korean government and bureaucracy, the current Park Geun-hye administration has no clear vision of institutional reform. Under the Lee administration old institutions, procedures and attitudes were evaluated, and there was harsh criticism of real or perceived inefficiencies within the bureaucratic system.

Park announced the “Government 3.0” agenda in 2013, which focuses on improving transparency in the government and supporting the Creative Economy initiative. Several major policies of the Park administration, such as the Creative Economy initiative and trustpolitik approach towards North Korea, remain unclear and poorly integrated into the institutionalized composition of South Korean policy-making.

Citation:

Joong Ang Daily, June 20, 2014, “Park unveils ‘Government 3.0’”

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. By contrast, most other organizational structures – including the basic separation-of-powers system; the structure of Congress; and the structure of departments and major agencies of the executive branch – are rigid. None of these is subject to change by executive decision or ordinary legislative majority, and are evaluated only in extreme circumstances.

Yet from 2011 – 2013, just such extreme circumstances have emerged. A series of self-induced crises in economic policy – driven by fundamental conflicts over long-term budget policy – led commentators to question even the fixed and intractable features of the political system. The unprecedented levels of 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 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 preexisting institutional arrangements. Furthermore, to a certain degree, changes in institutional arrangements

tend to be influenced by personnel criteria rather than being efforts to engage in strategic structural change.

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. When the current cabinet took the office in March 2014, the Act on National Government was amended to allow more flexible nomination of ministers depending on current needs. Thus, the Act no longer lists ministers, but only sets a maximum number for the government as a whole. In 2014, the government decided to create a second minister in the Ministry of Economy and Communication with responsibility foreign trade and business, and to have two ministers in the Ministry of Social Affairs responsible for different social-policy areas. However, it is generally difficult to estimate how systematic and consolidated the government's self-monitoring activities truly are.

Poland

- Score 6 As part of its reform efforts, the Tusk government regularly monitored the institutional arrangements of governing. It remains too early to say whether the Kopacz government will follow suit.

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 only sporadically monitor whether the current ones are working. Although Prime Minister Rajoy introduced alterations in ministries' names and jurisdictions when he arrived to office, he did this without a prior impact assessment. The division 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 has been criticized during the last three years.

During the period under examination, the government's internal structure and the procedures of governing remained almost unchanged (see minor changes in "Institutional Reform"). No central actor performs this self-monitoring function.

However, the new Law 19/2013 on transparency, access to public information and good governance states that the Government Office has to engage in comprehensive monitoring of general legislation, and where appropriate must promote revision and simplification. In addition, a bill on administrative procedure still in draft form as of 2014 may introduce a system of legislative planning and more rigorous evaluation of policymaking by the Government Office. Thus, in the future, the GO may also assess the appropriateness of institutional governing arrangements.

Turkey

Score 6

Several units in the hierarchic Turkish administration contribute to the monitoring process directly or indirectly. These include the State Supervisory Council, the Prime Ministry Inspection Board, the Directorate General of Legislation Development and Publication, the Directorate General of Laws and Decrees, and the Council of State. The Prime Minister's Office and individual ministries also occasionally communicate with the parliament's general secretariat and other institutions and organizations with the aim of reforming existing legislation.

All ministries regularly assess current legislation and draft amendments. The Prime Minister's Office also requires public institutions to produce regular monitoring reports, but these are not made publicly available. In a limited sense, national and international organizations such as the United Nations Development Project, the European Union and the Council of Europe provide a blueprint for institutional performance, as observations may produce a needs analysis and outline reasons to pursue institutional reforms. Public participation in this process is limited, however.

Citation:

A. Şeref Gözübüyük and Turgut Tan, *İdare Hukuku I Genel Esaslar*, Ankara, Seçkin Yayınevi, 2014.

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. The new Prime Minister Valls has announced ambitious reforms in this area but the next year will be decisive with regard to the failure or success of his proposals (e.g., cutting the number of regions by half, reforming the provinces, forcing the communes to cooperate).

Greece

Score 5 Again, the external monitoring of Greece's bailout loans has pressured Greece to overcome its operational weaknesses within government.

A report, produced by the OECD in 2011 at the request of the Ministry of Public Administration (now renamed as the Ministry of Administrative Reform), offered an overview of government organization and public administration, and presented reform proposals. Since 2012, many of these proposals have been implemented and resulted in a new organizational chart for central services provided by ministries as of 2014.

There are also two institutions internal to the political system that can provide 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. This latter body convenes (infrequently) to approve reform plans already made by the PMO. This council monitors institutions of governing, but does not have the resources to proceed with the planning and programming of future changes in institutional arrangements in governing. In brief, though some new mechanisms for monitoring governing have been introduced, the government has not made full use of these mechanisms.

Iceland

Score 5 Iceland has no formal political or administrative system of self-monitoring organizational reform. Monitoring of institutional arrangements is irregular. Institutional arrangements are occasionally reviewed. For example, the previous government reshuffled several ministerial portfolios to strengthen policy coordination and administrative capacity. However, the new government immediately reversed some of these mergers, increasing the number of cabinet ministers from eight to nine.

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 2013 updated 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:

http://erawatch.jrc.ec.europa.eu/erawatch/opencms/information/country_pages/lu/country

<http://www.oecd.org/luxembourg/sti-outlook-2012-luxembourg.pdf>

Shewbridge, C./Ehren, M./Santiago, P./Tamassia, C. (2012), OECD Reviews of Evaluation

and Assessment in Education LUXEMBOURG, Paris (internet document:

<http://www.oecd.org/edu/school/OECD%20Reviews%20of%20Evaluation%20and%20Assessment%20in%20Education%20-%20Luxembourg.pdf>)

Malta

Score 5 Structures for monitoring institutional governing arrangements, though they do exist, have tended to be weakened by being overcentralized. An increase in the number of ministries has diminished this excessive centralization, but has at the same time challenged existing monitoring arrangements. The existence of large ministerial secretariats staffed with political appointees – mainly allies of the serving minister – continues to weaken monitoring arrangements, placing greater stress on the observance of ministerial policy directives. However, since the inauguration of the new government in March 2013, movement toward better monitoring of institutional arrangements has been observed. Changes include the introduction of a new Ministry for European Affairs, a new office to coordinate policy across ministries, a shift to weekly rather than monthly meetings of the commission of permanent secretaries, and changes in the order of the weekly government meetings to facilitate efficiency.

Netherlands

Score 5 There have only been two visible changes in the institutional practices of the Dutch government at national level. 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. In addition, the Rutte II government has revived the method of societal consultations (polderoverleg) to win the support of social partners and stakeholders. These changes have not been the result of regular and effective monitoring of institutional arrangements, but of political and electoral power shifts.

Portugal

Score 5 The overwhelming concern between 2011 and May 2014 was to apply the MoU and seek budgetary consolidation. This means that monitoring resources were 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. As noted above, the policies contained in the MoU were largely retained after it lapsed in May 2014.

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. Nevertheless, the Cabinet

Office in particular has a remit to monitor the government's functioning. This self-monitoring has been bolstered by a renewed commitment to open government and the public release of data.

Monitoring by the executive is complemented by watchful media, parliamentary committees and various statutory bodies set up to monitor specific policy areas, occasionally leading to changes of approach. Trust in politicians has been damaged by a series of scandals in recent years – above all the parliamentary-expenses scandal – and shortcomings in local administrations have raised additional questions about the effectiveness of the monitoring system.

Austria

Score 4

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. A substantial debate concerning principal structural innovations did not take place.

Bulgaria

- Score 4 There are no formal ex ante mechanisms for monitoring whether institutional arrangements of governing are appropriate. It is only ex post, when a problem becomes serious enough or a crisis emerges, that reflection regarding the structure of governance and institutional arrangements begins, and such cases are usually spurred by public pressure or pressure from some other government body. The public debate once a problem transpires (for example, a number of flash floods and an explosion in a disarmament plant in 2014) seems more focused on who is to blame rather than on whether institutional arrangements can be improved.

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.

Cyprus

- Score 4 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. This inconsistency is due to the absence or poor functioning of institutionalized mechanisms, and to the fact that no central body has been given overall responsibility for this task. Despite the economic crisis, political infighting and rhetorical grandstanding have prevented the achievement of radical improvements in the relationships between the president, the main political parties and the parliament.

The March 2013 change in governments and the need to meet the terms of the MoU helped change this environment somewhat. Subsequent reforms have sought to create efficient procedures and promote cooperation. In practice, a mixed picture has emerged, with instances of tensions between the House and the Presidential Palace. However, the House has also cooperated with MoU imperatives, adopting laws initially viewed as “unacceptable.”

Czech Republic

- Score 4 There is no systematic monitoring of the institutional arrangements of governing. 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. The spending review initiated under the Monti government has been continued under the Letta and Renzi governments. 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. However, there is no systematic and regular self-monitoring of institutional arrangements.

Slovenia

Score 4 There is no regular self-monitoring of institutional arrangements in Slovenia. The monitoring that takes place is ad hoc and limited. The annual reports of state organizations are formal and self-congratulatory. Under the Bratušek government, the number of audits performed by private-sector organizations remained low.

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.

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).

Slovakia

Score 3

There is no regular self-monitoring of institutional arrangements in Slovakia. The institutions and processes of governing are analyzed only infrequently and selectively. Shortcomings in audit procedures persist.

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 Butkevičius government reestablished the Strategic Planning Committee and maintained a number of the institutional bodies established under the previous government (such as the State Progress Council and the Sunset Commission, which was renamed the Public Management Improvement Commission).

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 mid- to late 1990s. An effective framework is in place with the Cabinet Manual, which has begun to attract more and more interest from other jurisdictions. Cabinet office circulars are used for minor changes. Particularly after the change of government in 2008, a number of such modifications were made.

Citation:

Cabinet Manual: <http://www.cabinetmanual.cabinetoffice.govt.nz/3.28> (accessed October 9, 2014).

Grant Duncan, 2014: New Zealand's Cabinet Manual: How Does It Shape Constitutional Conventions?, Parliamentary Affairs, advance access, November 6, 2014.

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. Perhaps most importantly, coordination among government departments has increased. Furthermore, the agency system is continuously reviewed and the structure of the system is reformed, for instance through mergers of agencies. Third, the departments' steering of the agency has increased, formally and informally.

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.

Denmark

Score 8

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, but some major objectives including ensuring the financial viability of welfare arrangements (fiscal sustainability) have been reached.

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. The Lisbon Strategy, which by 2010 did not produce the desired results, has been renewed by Horizon 2020. It remains to be seen whether Horizon 2020 will achieve more.

The new Helle Thorning-Schmidt government inherited existing reform programs in 2011, but given the financial crisis, focus was largely turned toward the short-run. This included the possibility of pursuing an expansionary fiscal policy to counteract the drop in economic activity (phrased as a “kick-start” of the economy). While Denmark is among the countries that pursued the most expansionary fiscal policies in the wake of the financial crisis, the government’s freedom to act was somewhat curtailed by EU budget norms which could not be exceeded. In this period, new structural reforms – in addition to those implemented by the previous government – carried out important changes to study grants, social assistance and disability pensions. More recently, the government has turned its focus to the efficiency of welfare service provision, setting relatively ambitious targets. Structural reforms, productivity and digitalization are in the government’s focus. According to Eurostat, Denmark is one of the leading countries with respect to digitalization. In 2011, Denmark had the highest percentage of e-government among EU countries, ahead of Sweden and Finland. Also noteworthy, according to The World Bank, Denmark has one of the most efficient public administrations.

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 (accessed 27 April 2013).

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

Carsten Greve and Niels Ejersbo, *Udviklingen i styringen af den offentlige sektor*. Baggrundspapir til Produktivitetskommissionen. <http://produktivitetskommissionen.dk/media/142136/Baggrundsnotat%20af%20Greve%20og%20Ejersbo.pdf> (Accessed 22 October 2014).

eGovernment, <http://ec.europa.eu/digital-agenda/sites/digital-agenda/files/KKAH12001ENN-chap6-PDFWEB-6.pdf> (accessed 22 October 2014).

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 assigns considerable independent authority to the states which, in turn, play a crucial role in implementing federal legislation. This creates a complex environment with many institutional veto players across different levels. Institutional and organizational inertia spells for low levels of strategic capacity, although the German Federalism Reform has begun to have an impact in some areas, as is demonstrated by the fact that the states *Länder* are increasingly using their new legislative competences and the *Bundesrat*’s veto has become less relevant (Reus/Zohlhöfer 2015).

Citation:

Iris Reus/Reimut Zohlnhöfer, 2015: Die christlich-liberale Koalition als Nutznießer der Föderalismusreform? Die Rolle des Bundesrates und die Entwicklung des Föderalismus unter der zweiten Regierung Merkel, in: Reimut Zohlnhöfer and Thomas Saalfeld (eds.): Politik im Schatten der Krise. Eine Bilanz der Regierung Merkel, 2009-2013, Wiesbaden: Springer VS, 245-272.

Iceland

Score 8 Iceland's recent governments have sought to improve the central government's strategic capacity by reviewing ministerial structures. The 2007 to 2009 government initiated this process, while the previous government took continued this process by reducing the number of ministries from 12 to eight and reshuffling ministerial responsibilities. Some of the ministries were administratively weak, because of their small size. The capacity of these small ministries to cope with complex policy issues, such as international negotiations, was inefficient and ineffective. Further, the informality of small ministries was a disadvantage. The new government, however, has partially reversed these reforms by again increasing the number of ministers by two.

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 undertake long-term strategic planning.

Despite a promising start, the performance of the PKC has been underwhelming. Rather than offer a cross-sectoral, meta-approach, the PKC has become mired in the details of policy planning and has duplicated the work of ministries. This is a result of human resource constraints experienced by the PKC.

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 created the "Pact for Mexico," which was signed by the heads of the

main political parties very shortly after Pena Nieto took office, and followed intense negotiations during the previous month. Pena Nieto has shown an affinity for a model characterized by independent agencies entrusted with decision-making powers, as opposed to the kind of negotiated checks and balances that can degenerate into “partidocracy.”

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.

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 restoration of a lead role in financial supervision to the Bank of England, the alteration of the basis for financial regulation, and a shift in the balance between state, market and 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.

Finland

Score 7 While institutional arrangements have not changed much, at the time of writing, the government is considering plans to promote and implement strategic knowledge within government. These plans include the merging of ministries and an expansion of monitoring and planning power. Several factors, not least the fairly high degree of independence of Finnish ministries and the broad nature of recent cabinet activities, to restrict policy coordination across government bodies, have highlighted the need for these reforms and improve coordination efforts. Given these conditions, the reduction in the use of inexpensive inter-ministerial, for planning and consensus-building, is an example of misguided strategic policy.

Ireland

Score 7 Radical change was called for in the wake of the dramatic policy and governance failures that contributed to the severity of the crisis. However, the specific reforms implemented have been relatively limited.

Institutional arrangements for supervising and regulating the financial-services sector have been overhauled to address shortcomings that contributed to the crisis. The Department of Finance has been restructured and strengthened, and a Fiscal Advisory Council established.

Several improvements in strategic capacity introduced during the period of the Troika agreement have been retained.

Israel

Score 7 Reforms regarding government planning, regulations, innovation, information sharing and performance evaluation are based on principles of decentralization, privatization and regulation. While various structural reforms are pursued in order to improve decision-making in the interest of the common good, some elements of government administration still perform insufficiently, including overly complex bureaucratic arrangements. 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 organizational culture, while designated authorities and cabinets bypass the formal structure in order to accelerate the planning process.

Citation:

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)

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

"Employing and management in the public service", Conference in the name of Eli Horovitz 2013: <https://www.idi.org.il/media/2803303/public%20service%20b.pdf> (Hebrew)

"The CEO of the social-economic cabinet approved the establishment of an authority for technological innovation", Minister of the Economy website 15.9.2014: <http://economy.gov.il/Publications/PressReleases/Pages/CabinetForTechnologicalInnovation.aspx> (Hebrew)

Italy

Score 7

Although the need to improve the effectiveness and efficacy of the institutions of central government has been a constant topic in the political debate of Italy in recent years not much was done in the past. During the period under review, the Letta government more or less delegated this area of reforms to parliament, and the Renzi government has raised this issue to a central position in its program. A junior minister without portfolio, a close ally of the prime minister, has been in charge of a department for institutional reforms within the government office. A constitutional reform bill has been promoted and approved in its first reading by the Senate. Among other objectives, this bill changes the existing "perfect bicameralism" and reduces significantly the legislative powers of the second chamber with the purpose of enabling the government to push forward its programs more speedily.

Luxembourg

Score 7

The previous 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. This is due to a compulsory language test in the three national languages, which limits the number of applications from non-nationals who aren't fluent in all of these languages. Other reforms are directed to the area of e-government, such as a planned implementation of electronic internal and external document exchange. To date, Luxembourg has neither an overall e-government law nor specific freedom-of-information legislation.

Citation:

Loi du 18 décembre 2009

http://ec.europa.eu/information_society/newsroom/cf/dae/document.cfm?doc_id=5561

http://ec.europa.eu/information_society/newsroom/cf/dae/document.cfm?doc_id=6459

http://www.epractice.eu/files/eGov%20in%20LU%20-%20May%202014%20-%20v.16.0_0.pdf

Poland

Score 7 In the period under review, the Tusk government largely relied on the institutional framework it had developed in the years since 2007. The cabinet reshuffles in November 2013 and September 2014 brought minor changes in ministerial portfolios.

Spain

Score 7 The last significant changes to Spain's governing arrangements were introduced in 2012, when Prime Minister Rajoy reorganized ministerial portfolios and other institutional elements of the executive. The most important decision made at that time – the division of the former Ministry of Economy and Finance into two separate ministries – has not received generally positive assessments since, as this action reduced economic coordination within the government.

During the period under examination, the internal structure and the procedures of governing have remained almost unchanged. However, some relevant developments seem positive, including a minor reorganization of the Prime Minister's Office in 2013 (to adapt it to the new National Security Strategy), and the creation of some directorates-general (for example the new DG for United Nations and Human Rights following the election of Spain as member of the U.N. Security Council). A more substantial improvement may have been achieved through an interministerial administrative-reform process (CORA), but its scope has been very limited to date, consisting of a reduction in the number of extant units due to strict budgetary considerations, without paying attention to the government's strategic capacity to make and implement political decisions. A draft bill on administrative procedure, under discussion in late 2014, shows promising new concern for planning and evaluation within the lawmaking process, and promises to improve efficiency within the Council of Ministers.

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. In 2013, HRSDC again changed its name, this time to the Employment and Social Development Canada (ESDC), with little if any rationale provided for this change. 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 institutional arrangements. For example, in 2012 the erstwhile Planning Ministry (Ministerio de Planificación, MIDEPLAN) was transformed into the Ministry of Social Development (Ministerio de Desarrollo Social, MDS), with some slight institutional changes that increased its strategic capacity. Furthermore, the creation and implementation of complementary institutions such as the environmental tribunals (Tribunales Ambientales) and Supervisory Board for the Environment (Superintendencia Ambiental) in 2013 have improved capacity in these areas. But in general terms, attempts to alter institutional arrangements tend to encounter very substantial bureaucratic obstacles.

Croatia

Score 6 In the period under review, the Milanović government reformed the EU-related institutional arrangements and started to prepare a public-administration reform. EU accession led to a shift in responsibility for EU coordination to the Ministry of Foreign Affairs. Moreover, the former Central Office for Development Strategy and Coordination of EU Funds (CODEF) was integrated into the Ministry of Regional Development. In autumn 2014, the government presented a first draft of an eagerly awaited Strategy for Public Administration by the Year 2020. Drafted without consultation with experts and stakeholders, the strategy has been criticized for neglecting local self-government issues, service quality, EU governance and eligibility requirements for the civil service.

Czech Republic

Score 6 After the shift from indirect to direct presidential elections in January 2013, institutional structures have undergone little change. Unclear political majorities

have limited the strategic capacity of the government, so that no major attempts at institutional reform have been undertaken. The actual impact of the rising number of advisers to the prime minister and of the new civil service law, both intended to improve the professionalism of government, remains to be seen.

France

Score 6 French governments are usually 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 seriously into consideration the recommendations of international organizations, if they do not fit with the views and short-term interests of the governing coalition. Resistance from vested interests also limits the quality and depth of reforms. Too often the changes, even if initially ambitious, become merely cosmetic adjustments (when not dropped altogether). This results in a public that grows increasingly weary of reforms when, in fact, very little has been done. This is particularly true when the executive is weak, as has been the case in the past three years.

Greece

Score 6 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.

Japan

Score 6 The failed DPJ-led reform initiatives 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. During its first months in office, the Abe-led government was quite successful in pushing parts of its policy agenda through parliament. It is open to debate whether the centralization of power at the cabinet-level was the most important factor or whether the strong majority in both houses of parliament was at least as influential. More recent problems to move the economic reform agenda decisively forward seem to suggest, however, that the Abe-led government also cannot easily overcome stumbling blocks that originate from inbuilt traditions. In the area of security policy, the Abe government brought about a major institutional change by establishing in late 2013 a National Security Council, supported by a 70

employee-strong secretariat, which has since unfolded an array of relevant initiatives.

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 micro-state like Malta, efforts to meet long-term objectives have given rise to a number of departments and authorities designed to respond to this challenge. Despite progress, Malta still lags behind; however, there is growing awareness of the problem, and efforts are being made to respond to these challenges, particularly with an eye toward Malta's scheduled EU presidency in 2017. For example, there is now greater emphasis on capacity-building training for senior public officers than in the past.

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.

Slovakia

- Score 6 The second Fico government adopted a number of institutional reforms at the beginning of its term, including the creation of the Council for Solidarity and Development and the reshuffling of competencies for human rights. In the period under review, institutional reforms have been largely confined to the implementation of the public administration reform, which has progressed slowly.

South Korea

- Score 6 As each new president has reorganized the government's structure according to their political visions and goals, government reorganization has occurred at the beginning of a new president's term every five years. Park Geun-hye pushed changes to the government's organizational layout, including the creation of a future-oriented super ministry in charge of science, information and communications, the revival of the

fisheries and maritime affairs ministry, and the transfer of the foreign ministry's trade negotiating functions to the commerce ministry. The Ministry of Public Administration and Security was renamed as the Ministry of Safety and Public Administration to place a greater focus on safety. Most experts, however, are concerned about these frequent changes and the effect they will have on the continuity and stability of state affairs.

The most significant change in institutional arrangements was the passage of the National Assembly Advancement Act that went into effect in May 2012. The act requires the consent of three-fifths of lawmakers before a bill can be put up for a vote during a plenary session and limits the power of the assembly speaker to bring a bill to a vote. The legislation aimed at preventing the majority party from unilaterally passing controversial bills using its majority. That means that without cooperation between the ruling and main opposition parties, or a significant defection from the opposition bloc, the ruling party is incapable of passing legislation. The current ruling party, the Saenuri Party, has attributed deadlocks in the National Assembly to the act. One example was the legislative standstill from August until 30 September 2014 due to disagreements over the Sewol bill. The bill called for the appointment of an independent counsel and a 17 member panel to conduct an 18 month inquiry to bring charges against those responsible for the Sewol Ferry disaster in early 2014.

The main opposition party sat out all sessions at the Assembly in to protest the Saenuri Party's stance on the bill. Finally, in early November 2014, parliament passed the bill. Nevertheless, charging that the National Assembly advancement act threatens the very roots of democracy by denying voting in the parliament. The Saenuri Party is currently negotiating to revise the act.

Citation:

"Gov't retooling criticized for inefficiencies", The Korea Times, Jan 21, 2013

"The Tyranny of the Minority in South Korea", The Diplomat, Sep 20, 2014

"Parliamentary reform act under fire", The Korea Herald, Oct 15, 2014

"Korean parliament passes Sewol ferry bills", National Catholic Reporter, Nov 8, 2014.

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. All public bodies 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.

A two-year project seeking to improve strategic management capacity was introduced by the Ministry of Development in 2013. This aims to ensure efficient strategic-planning capacity within key central public organizations, including the General Directorate for Local Authorities, the General Directorate of Budget and Fiscal Control, the Council of Higher Education, and the Court of Accounts.

Following Erdoğan's assumption of the presidency in 2014, a debate on the shift toward a semi-presidential system is ongoing. Critics of the AKP fear that the executive branch and the strategic capacity of the government will be unnecessarily strengthened at the expense of the legislature.

Citation:

Ministry of Development, Improved Strategic Management Capacity Project, <http://stratejikyonetisim.org/en/about-us/about-project/>

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.

A very good example can be seen in the field of education, where no significant steps have been possible in two key areas: dismantling the socially exclusive effects of the school system and improving Austrian universities' international standards. The governing parties agree in principle on what needs to be done, but veto powers successfully blocked meaningful reforms during the legislative period.

Bulgaria

Score 5

Bulgarian government bodies do have the capacity to reform, both in the case of reforms initiated from within and reforms originating externally. However, they do not seem to have a strategy for planning such reforms. Instead, reforms happen as a result of a crisis that forces change. Furthermore, the capacity for change is particularly limited when it comes to primary governance structures such as the cabinet, the prime minister and the government office.

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 responded to the OECD's call to move "toward a single government approach" only at the rhetorical level. Strategic capacity remains located within line ministries, and not in the Prime Minister's Office. Policymakers consult academic experts only sporadically, and mainly in the context of concrete reforms.

Portugal

Score 5 There is no evidence of the government changing institutional arrangements to improve strategic capacity over the 2011 – 2014 period. The dominant goal under the bailout was to apply the measures contained in the MoU with the EC-ECB-IMF Troika, and to seek budgetary consolidation. The government has had little flexibility to consider changing institutional arrangements. What changes have taken place appear to have had at best no impact on strategic capacity.

Slovenia

Score 5 Under the Bratušek government, institutional reforms were largely confined to setting up a new Ministry of Culture and shifting the responsibility for public administration from the Ministry of Justice to the Ministry of Interior. The Cerar government has been more active. By establishing separate ministries for public administration, infrastructure and environment/spatial planning, as well as by creating a ministry without portfolio responsible for development, strategic projects and cohesion, the government increased the number of ministries from 13 to 16. The creation of a separate Ministry for Public Administration underlines Prime Minister Cerar's commitment to institutional reform.

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.

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.

Cyprus

Score 4 The efficiency of the administration declined between 2009 and 2012, largely as a result of a lack of government coherence or 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 weakened the government's capacity.

Extensive changes are currently being made to institutional arrangements, with the aim of improving or establishing strategic-planning, implementation-monitoring and evaluation mechanisms. Reforms affecting the whole administrative spectrum are advancing slowly, as they must combat decades of inertia.

Romania

Score 4 While successive governments have pursued institutional changes with the ostensible goal of improving the government's strategic capacity and the effectiveness of public policymaking, most institutional changes have in reality been driven by short-term tactical calculations in the pursuit of partisan objectives. This phenomenon was particularly obvious during the weeks preceding the 2014 presidential elections.

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 amending the constitution to change core institutions are virtually impossible to meet. Second, statutory institutional change requires agreement between the president, the Senate and the House, all of which may have conflicting interests on institutional matters. Third, the committee system in Congress gives members significant 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 supermajority 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 certainly occurred during the review period, the president and Congress often 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. In 2011 and 2012, President Obama declined to assert presidential authority to increase the debt limit without action by Congress. The Senate declined to reform the filibuster rule significantly at the beginning of the 113th Congress in January 2013.

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 19 communes and the region also creates overlap and gridlock, in particular for city planning.

Many tasks, such as road construction, 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.

Hungary

Score 2

In the period under review, the Orbán government continued to announce and implement comprehensive reforms. Following the three 2014 elections, János Lázár, the new minister of the Prime Minister’s Office, announced a radical “state reform,” including the transfer of some ministries to the countryside, a new act on public procurement, the shift of public-service organizational centers for education and health care to the district level, and the creation of a central state company in charge of supervising and collecting all public-service fees. By and large, the Orbán governments’ institutional reforms have tended to weaken rather than improve the government’s strategic capacity. The overcentralization of decision-making resulting

from most reforms has created bottlenecks at the top, has facilitated political patronage, and has led to the adoption of ideological decisions that have often turned out to be inadequate.

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