



# Organizational Reform Report

Self-monitoring, Institutional Reform

Sustainable Governance  
Indicators 2017

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. Earlier 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 has been implemented that includes monitoring of the government program. In an implementation plan adopted several years ago (2011), the Katainen cabinet introduced new measures for monitoring the government's plan, with elements including a statement of the program's main objectives; a definition of responsibilities for policy preparation and other key measures and projects; and a process for turning these into a strategic intersectoral policy framework. This monitoring system has been adopted by subsequent governments, and the Stubb cabinet (2014 – 2015) even made monitoring data publicly available. The Secretariat for Government Strategy Work assists the government and ministries in implementing and monitoring the present Sipilä cabinet's five strategic key projects.

Citation:

<http://valtioneuvosto.fi/en/implementation-of-the-government-programme/information>;  
 "Government Programme Monitoring Data", <https://www.avoindata.fi/data/fi/dataset/hallitusohjelman-seurantadata>;  
 Valtioneuvoston kanslia, "Jyrki Kataisen ja Alexander Stubbin hallitusohjelmien loppuseuranta 2015",  
<http://valtioneuvosto.fi/documents/10184/321857/Hallitusohjelmien+loppuseuranta+032015.pdf/44d7de02-958c-4b1c-8633-201038a0f2f5>

### Hungary

Score 9

In Hungary, there is no regular formal monitoring of the institutional arrangements of governing in place. However, there is strong and rather comprehensive oversight

of the working of the state apparatus from the top down, measured against the political will of the leadership, and the government has been quick to change any institutional arrangements it has deemed to be politically dangerous. The Orbán governments underperform with regard to coherent policy planning, but react quickly to failures in individual political cases or in major policymaking mistakes. Public policy has often been very volatile, changing according to the government's current needs. There is a relatively high number of plenipotentiaries without the line-ministerial structures for specific issues. Overseeing them and integrating them into policymaking requires additional emphasis and may turn out to be counter-productive in the long run.

## 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 government followed the example of its immediate predecessor, the Labour government of Helen Clark, by keeping its support parties at arm's length from the cabinet. All 20 cabinet seats are held by National 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 undersecretary (he declined a promotion to ministerial level in a December 2015 cabinet reshuffle). 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.dpvc.govt.nz/cabinet/ministers/ministerial-list> (accessed October 24, 2015).

## Sweden

**Score 9** Institutional arrangements of governing obviously cover 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. The red-green government that came into power in 2014 has launched a process of reducing the number of performance indicators that agencies are requested to provide data on. These efforts are part of a larger project to replace New Public Management models of public sector management with a more professionally and trust-based model of management. Several reforms of this kind have been developed during 2016 and are scheduled to be implemented in 2017.

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 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).

The current government, which won the election in part based on the promise of transparency and fairness, has begun setting up independent committees that will monitor certain government processes. One example is the creation of an independent advisory board that will aid in the selection of senators in an effort to reduce partisanship in lawmaking. The political will seem to be there, but it is too early to gauge their potential impact as few of these committees have been fully formed.

Citation:

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

## Denmark

### Score 8

There have been ongoing discussions on monitoring and management within the public sector. Given 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. The current government has formulated an ambitious plan to improve efficiency in the public sector at the same time as tightly monitoring budgets.

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. Its focus is on ensuring both efficiency and productivity within the public sector, broadly defined. There has been significant effort undertaken to digitalize public administration, including those services directly interacting with citizens. Annual tax reporting is digitalized and most communication utilizes the e-boks system. Since 1 November 2014, all citizens above 15 years must be connected to Digital Post (there is the possibility to receive physical post, for example, for the cognitively and physically handicapped).

Denmark ranks 9th on the UN's 2016 list of e-government development index.

## Citation:

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

“90-årig mand taber sag: Glemte at tjekke sin e-Boks - og så faldt hammeren,” <http://www.bt.dk/danmark/90-aarig-mand-taber-sag-glemte-at-tjekke-sin-e-boks-og-saa-faldt-hammeren> (Accessed 17 October 2016).

UN E-government development index, <https://publicadministration.un.org/egovkb/en-us/Reports/UN-E-Government-Survey-2016>, Accessed December 1st 2016.

## 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 (both institutions and rules of procedure) 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. For instance, the Sunset Commission recently reviewed the structure and performance of public nonprofit institutions in Lithuania. 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).

## Turkey

- Score 8 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. Each administrative institution has its own internal control unit for monitoring how financial rules are implemented. However, these units are not fully effective. The Prime Minister's Office (PMO) 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.

Turkey has undergone an organizational change involving the creation of new institutions, the merging or splitting of ministerial bodies, legal changes and rapid personnel shifts. These developments make monitoring exceedingly difficult. The

OECD Sigma assessments provide some insight on actual operations. As stated in the annual report of the PMO and of the Ministry of Development, coordination and monitoring are major weaknesses in Turkish public administration.

The European Commission's recent Enlargement Strategy document also emphasizes that regular monitoring of governmental performance enables effective auditing and the realization of objectives.

During the review period, the debate on changing Turkey's political system towards presidentialism has intensified. This is not due to clearly observable inefficiencies of the parliamentary system however, but rather, due to former Prime Minister and incumbent President Erdogan's conviction that a shift towards presidentialism could stabilize politics and solve the country's economic and social problems. For the time being, it is unclear in which manner and to what extent self-monitoring would be considered relevant in the new constitutional framework that President Erdogan and the AKP have in mind.

Citation:

TC Maliye Bakanlığı, İç Denetim Koordinasyon Kurulu, Kamu İç Denetim Rehberi, <http://www.idkk.gov.tr/Sayfalar/Mevzuat/Ucuncul%20Duzey%20Mevzuat/KamuIcDenetimRehberi.aspx> (accessed 27 October 2015)

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Enlargement Strategy and Main Challenges 2014-15, [ec.europa.eu/enlargement/pdf/key\\_documents/2014/20141008-strategy-paper\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2014/20141008-strategy-paper_en.pdf) (accessed 27 October 2015)

## United Kingdom

Score 8

Flexibility and informal meetings are a key feature of the government system, enabling it to respond in a way uniquely tailored to the situation at hand that 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 and does so through a range of mechanisms, which have been reinforced by recent civil service reforms, particularly civil service management procedures. A key change introduced by the new government is the introduction of the more wide-ranging "single departmental plans," which replace the use of business plans. These single departmental plans set clear priorities for departments, encompassing manifesto commitments, critical business-as-usual activity, and efficiency and productivity initiatives. In addition, self-monitoring occurs through implementation task forces (a 2015 innovation which complements cabinet committees), regular assessments of progress by the Civil Service Board chaired by the Cabinet Secretary and a new so-called shadow civil service board. The shadow civil service board is composed of junior civil servants and charged with assessing specific projects and advising senior management. In response to critiques from Select Committees and the Institute for Government, the government revised its guidance on the Machinery of Government, placing greater emphasis on the importance of senior leadership and accountability.

This self-monitoring has been bolstered by a renewed commitment to open government and the public release of data. Executive monitoring is complemented by media scrutiny, parliamentary committees, various policy-specific statutory bodies and independent organizations, such as the Institute of Government. The Institute of Government stated that its task of monitoring central government was facilitated by the availability of data, “the fact we can produce this report supports that.”

Citation:

<https://www.gov.uk/government/organisations/civil-service/about/our-governance#civil-service-board> <https://civilservice.blog.gov.uk/2015/07/29/clarifying-our-priorities-single-departmental-plans/> <https://www.gov.uk/government/speeches/cabinet-committees-and-implementation-taskforces-membership-list>

## 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 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 as set out in its four Annual Reviews of the Programme for Government. Specific examples have been discussed in relation to other SGI 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 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):

<http://www.csc.gov.il/About/Pages/Roles.aspx>

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

<http://mof.gov.il/AG/About/Pages/About.aspx>

“About the Inspection General for State Comptroller Affairs”, PMO website(Hebrew):

<http://www.pmo.gov.il/BikoretHamedina/Pages/Default.aspx>

“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](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)

Protocol – The Special Committee – Reforms in the Civil Service Commission:

<https://oknesset.org/committee/meeting/11826/>

## Japan

### Score 7

Governmental institutional reform has been a major topic of consideration and debate in Japanese politics for more than a decade. The post-2012 LDP-led government under Prime Minister Abe 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 Kantei. Subsequent cabinets have in recent years thus given considerable and recurring thought to institutional (re-)arrangements.

## 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 they are evaluated only in extreme circumstances.

Yet from 2011 to 2016, just such extreme circumstances have emerged. A series of self-induced crises in economic policy, driven by fundamental conflicts over long-term budget policy, has led commentators to question some of the seemingly 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 2015, the extreme-conservative Tea

Party faction among House Republicans raised questions about the power of the speaker of the House to control the agenda. Both Democratic and Republican Senate majorities have discussed abolishing or severely curtailing the Senate filibuster – a major change that could be accomplished by a simple-majority vote only at the beginning of a new Congress.

## Australia

Score 6 There is little in the way of formal processes to indicate that institutional arrangements are monitored regularly, but such monitoring does occur occasionally. Institutional arrangements do periodically 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 such as migration, Australian authorities carefully monitor the impact of policies, and rapidly change policy directions if appropriate.

## Chile

Score 6 Ministries are required 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. Since March 2014, the Act on National Government has furnished the ministerial nomination processes with a new flexibility; it no longer lists ministers, but only sets a maximum number for the government as a whole. This enables nominations to better reflect current needs. For example, in 2014, the government created a second minister at the Ministry of Economy and Communication with responsibility for foreign trade and business, and two ministers at the Ministry of Social Affairs responsible for different social-policy areas. In 2015, a new post, Minister of Public Administration, was created with the main purpose to steer administrative reform. However, it is generally difficult to estimate how systematic and consolidated the government's self-monitoring activities truly are.

## Italy

**Score 6** 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). However, many proposals for a deeper restructuring of government offered by these review exercises have not been implemented. Under the Renzi government, the Prime Minister's Office has been partially restructured to increase effectiveness in implementing the government's program. However, a full restructuring is yet to be undertaken. A comprehensive reform of state bureaucracy promoted by the minister for public administration will strengthen governmental instruments for monitoring the effectiveness of the state administration.

## Mexico

**Score 6** Historically, Mexico has often found ways of dealing with the so-called agency problem in policy implementation, which explains why institutional arrangements need constant monitoring. Traditionally this agency problem was dealt with by a high degree of authoritarianism. In today's Mexico, democracy – even if sometimes insufficiently implemented – requires new models of overcoming this agency problem in an increasingly diversified and complex state structure. Particularly policymakers at the central level and in the more advanced states are becoming aware that effectively governing complexity requires different principles. Yet, pockets of authoritarianism, weak state capacity and widespread corruption result in uneven capacity for monitoring institutional arrangements and regulatory reforms. At the top of the political pyramid, the quality of self-monitoring still depends much on the personal engagement of the president. Mexican policymakers have tended to engage quite frequently in administrative reorganization, possibly to excess. President Peña Nieto has been an ambitious reformer and there is some question as to whether he has tried to reform excessively.

## Portugal

**Score 6** The previous Coelho government spoke of the need to reform the state and produced a 98-page plan. However, few policies included in this plan have been implemented.

The current Costa government, coming into office on 26 November 2015, has published a Programa do XXI Governo Constitucional and the Lei Orgânica do XXI Governo. Both documents, if implemented, necessitate monitoring the institutional

arrangements of governance. However, it remains to be seen whether this government, as with its predecessors, will be able to deliver on its plans for institutional reform beyond mere legal approval of new arrangements.

Citation:

Programa do XXI Governo Constitucional, 2015 - 2019.

Lei Orgânica do XXI Governo Decreto - Lei # 251 - A/2015 de 17 December 2015.

## South Korea

### Score 6

Originally focused on the goal of economic democratization, the Park Geun-hye administration quickly abandoned its vision of a democratically organized economy, instead adopting an agenda driven by deregulation and business-friendly policies.

In 2013, Park additionally announced the Government 3.0 program, which focuses on improving transparency in the government and supporting the creative-economy initiative. Flaws or failures in governance have been exposed by a number of recent monitoring failures or scandals, such as the revelation of corruption in the Defense Acquisition Program Administration, and the failure to obtain desired technology from the United States packaged as part of a purchase of U.S.-built combat aircraft.

The president's office monitors institutional governance arrangements. The president frequently reorganizes ministries and government agencies when inefficiencies are detected. Unfortunately, it seems that meaningful improvements are achieved only after major problems become obvious, as for example following the lack of coordination between government agencies during the Sewol ferry-disaster rescue operation.

By the close of the review period, abuse-of-power scandals and allegations of influence peddling through informal Blue House networks had undermined trust in formal institutions and policy-making procedures. Recent events revealed a surprising lack of checks and balances. In particular, persons without formal government positions seem to have wielded undue access and influence over policymaking without any check-and-balance mechanisms in place. As the review period closed, discussions of impeaching the president for abusing her power were underway, as was a consideration of a constitutional reform that would limit the president's power.

Citation:

Joong Ang Daily, June 20, 2014, "Park unveils 'Government 3.0'"

## Austria

### Score 5

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 2016, the introduction of specific working groups within the cabinet, under the auspices of the chancellor's "New Deal," may represent an increasing awareness of this structural deficit and its consequences.

In general, the structural conditions for monitoring institutional arrangements are suboptimal. Nonetheless, a substantial debate may have been opened.

## France

### Score 5

There are plenty of reports prepared at the request of governmental authorities in view of reforming rules, procedures and structures. The Court of Accounts plays a very active and stimulating role in this regard. 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 has produced very modest results over the past five years. Among the government bodies least adaptable to structural change is local government, a system that is multilayered, complex, and no longer in line with the challenges of the modern economy and society. All serious attempts at reform have failed. The territorial reform approved in July 2015 is a good example: the number of

regions has been reduced from 22 to 13, but this has not been supported and accompanied by a major effort of streamlining competences and resources, beyond the strengthening of metropolitan regions.

## Greece

**Score 5** Since 2010, the external monitoring of Greece's bailout loans has pressured Greece to overcome its operational weaknesses within government. Since Syriza took control of government in January 2015, monitoring has been only very selectively and sporadically implemented as the country went through a period of reform inertia, government instability, renegotiation of its bailout package and subsequent implementation of its Third Economic Adjustment Program.

In the period under review, though some new mechanisms for monitoring government were available, such as competent parliamentary committees and interministerial committees, they were mostly marginalized by the incumbent government, as has been the case with previous governments.

## 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 2009-2013 cabinet reshuffled several ministerial portfolios to strengthen policy coordination and administrative capacity. The 2013-2016 cabinet immediately reversed some of these mergers, increasing the number of cabinet ministers from 8 to 10.

## Luxembourg

**Score 5** In the absence of systematic monitoring of institutional arrangements, the government relies mainly on international expertise. EU and OECD data significantly effects the political agenda, and the implementation of social and economic policies. For example, the 2007 OECD country report on research and innovation, led to the creation of a higher research and innovation committee and subsequently to the updated ERAWATCH assessment of research systems and policies in 2013.

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 led to the reform of language teaching in 2009. The OECD audit of the country's public employment service (L'Agence pour le

développement de l'emploi, ADEM), against 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 and forward-looking planning capacities. No ministry or administration is currently able to fulfill these requirements.

Citation:

Alexander, Susan, and Milena Slavcheva. "RIO Country Report 2015: Luxembourg." European Commission, 2015, [rio.jrc.ec.europa.eu/en/file/9475/download?token=bWx1mCeH](http://rio.jrc.ec.europa.eu/en/file/9475/download?token=bWx1mCeH). Accessed 21 Feb. 2017.

"Luxembourg RIO Country Report." European Commission, [rio.jrc.ec.europa.eu/en/country-analysis/Luxembourg/country-report](http://rio.jrc.ec.europa.eu/en/country-analysis/Luxembourg/country-report). Accessed 21 Feb. 2017.

"OECD Reviews of Innovation Policy: Luxembourg 2015." OECD, 2015, [www.oecd.org/sti/inno/Luxembourg-Innovation-2015.pdf](http://www.oecd.org/sti/inno/Luxembourg-Innovation-2015.pdf). Accessed 21 Feb. 2017.

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Shewbridge, Claire, et al. "OECD Reviews of Evaluation and Assessment in Education: Luxembourg." OECD, 2012, [www.oecd.org/edu/school/OECD%20Reviews%20of%20Evaluation%20and%20Assessment%20in%20Education%20-%20Luxembourg.pdf](http://www.oecd.org/edu/school/OECD%20Reviews%20of%20Evaluation%20and%20Assessment%20in%20Education%20-%20Luxembourg.pdf). Accessed 21 Feb. 2017.

## Malta

### Score 5

Structures for monitoring institutional governance exist, but are often weakened by the existence of large ministerial secretariats staffed with political appointees, which at the end of 2015 totaled 542 – mainly allies of the serving minister. Placing these individuals in the public service can constitute unconstitutional practices. There are suggestions that these positions should be formalized under the constitution in order to improve the selection process for such posts and determining where candidates are placed. This organizational structure emphasizes observance of ministerial policy directives over effective monitoring. However, since 2013, there have been improvements in the monitoring of institutional arrangements, with some reforms implemented. 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. There has also been an increase in policy consultations exercises, while greater attention has been given to reforming procedures.

Citation:

Over 450 employed in government positions of trust The Malta Independent 20/12/15

Positions of Trust: A Constitutional quagmire Malta Today 22/06/16

Unconstitutional Jobs Times of Malta 07/10/16

## Spain

**Score 5** The Spanish prime minister has the power (both constitutionally and politically) 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. Although Prime Minister Rajoy introduced alterations in ministries' names and jurisdictions after taking office in 2011, he did so without a prior impact assessment. The division of the previously unified 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 since 2012, but Rajoy did not reverse this decision. Likewise, following 2015 and 2016 elections, no serious consideration was made of organizational reform to improve governing arrangements.

No central actor performs this self-monitoring function. However, the laws 19/2013 on transparency, access to public information and good governance, and 39/2015 on general administrative procedure state that the Government Office (GO) has to engage in planning, evaluation and comprehensive monitoring of general legislation, and where appropriate must promote revision and simplification. During the period under review, the government's internal structure and the procedures of governing were not subject to oversight.

## 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. Deliberations on proposed legislation serve less often to prompt such debates.

## 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** During 2016 efforts to reform extended institutional monitoring in the framework the better regulation project. Despite progress, monitoring efforts face resistance or difficulties posed by line ministries. (Tense) Relations with political parties and the parliament point to the need for a joint effort. Some government inconsistencies and

conflicts with independent state officers have not helped its efforts.

At the central level, efforts following EU accession, and responding to EU standards, led to some monitoring. With better regulation plans, this is extending to more sectors. Difficulties, however, persist due to weak capacities and mechanisms, including the absence of a central monitoring body.

Relations between the executive, political parties and the parliament have been gloomy. A record number of laws passed by the parliament were referred to the Supreme Court in 2016, with many judged unconstitutional. There has been lack of will for finding solutions. This delayed or changed the content of laws on important issues, while others stalled.

The public service capacity level is affected by voluntary early retirements, not planned, and their impact not yet assessed.

Citation:

With one eye on the job, the other on elections, mps pass 80 bills, Cyprus Mail, 14.04.2016, <http://cyprus-mail.com/2016/04/14/one-eye-on-the-job-the-other-on-elections-mps-pass-80-bills/>

## 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. However, given the tensions within the governing coalitions, these are focused on presenting successes and underestimating failures, often shifting blame to other ministries (held by different coalition partner) or institutions.

## Netherlands

Score 4

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 or senate now formally directs that process. The second is an adaptation to less parliamentary support for the Rutte I and II governments. Informal coordination processes between government ministers, and all members of the senate and second chamber have become crucial for governing at the national level.

Two organizational-reform crises have emerged in recent times that threaten citizens' well-being in the long run. The first is the underfunded, understaffed and

not-well-thought-out transfer of policy responsibility to municipal and local governments within important domains such as youth care, health care and senior-citizen care. Many local governments lack the expertise, budgetary powers and monitoring/evaluation capacity to implement these changes without grave difficulties. In many cases, they have joined local-government alliances or have outsourced such tasks to commercial firms without adequate democratic oversight capacity from the local bureaucracy and/or (elected) local council members. Second, there is a looming reform crisis in the justice and policing system, which undermines the government's task of protecting citizens' security. The reform of the policing system from regional or local bodies into a single big national organization is stagnating; police officers have mounted strikes based on wage and working-condition issues; and the top echelon of the police leadership is in disarray. The former national head of policy is under investigation for "pampering" the police's national Works Council. The investigation has recently been expanded to now also include the former Minister for Justice and Safety. The digitization of the justice system and the reduction in the number of courts, in addition to imposed cutbacks, has wreaked havoc within the judicial branch of government. There is a crisis in the relations between the political and the bureaucratic elements, given that the Department of Justice and Security is supposed to provide political guidance to both of these reform movements.

Thus, self-monitoring is lacking in core policy domains such as law enforcement and the judicial system, where implementation failures threaten the security of citizens. The same is true of health care and social care for the elderly.

On the other hand, administrative reforms of the water sector are good examples of the shift from classical hierarchical to horizontal multilevel governance.

Citation:

NRC-Handelsblad, Tweede Kamer: onderzoek ook rol Opstelten, 2 November 2016

AD Nieuws, Politietop verdient goudgeld, 27 January 2016 (ad.nl, consulted 9 November 2016)

Op peil. Wettelijke ex-post evaluatie Deltawet Waterveiligheid en Zoetwatervoorzorg, June 2016 (rijksoverheid.nl, consulten 9 November 2016)

"Chaos op Justitie nog niet voorbij, NRC-Handelsblad, 24 September 2015

"Is Justitie politiek te managen", in NRC-Handelsblad 1 October 2015

"Onbestuurbaar? Dat vind ik zo'n apocalyptisch woord", in NRC-Handelsblad, 16 October 2015

## Poland

Score 4

The PiS government has adopted a number of institutional reforms, but has not monitored the institutional arrangements of government in a systematic and regular way.

## 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. Occasionally, OECD and World Bank have been involved in governance reviews.

## 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 Cerar government the number of audits performed by private-sector organizations remained low.

## Belgium

- Score 3 In 1992, Belgium became a federal state with one central government, three regional governments (Flanders, Brussels, Wallonia), three communities (Dutch-, French- and German-speaking, each with a parliament and a government), 10 provinces, and 589 municipalities (there was a merger in 1975). The federal and regional/community governments have many overlapping competences.

As a consequence, Belgian institutions are far from efficient. The responsibility split between municipalities and regions has not been re-optimized appropriately, in particular in Brussels. Many decisions require interministerial coordination, which makes Belgium almost as complex as Europe. Very frequently, 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 backward toward yesterday's centralized structures.

One efficient solution would be to devolve competences that do not require intense coordination fully to the regions, while centralizing others that require intense coordination. 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, for example).

## Slovakia

### Score 3

There is no regular and systematic self-monitoring of institutional arrangements in Slovakia. Governments and governmental bodies (such as the parliament, Government Office) must issue annual reports and a final report at the end of their term in office, however, these documents focus more on policies and formal financial accounting rather than institutional design. In addition, there are sporadic audits within particular ministries. 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 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). After the OECD review of regulatory policy in Lithuania, the Government Office announced that the Sunset Commission's mandate would be extended to deal with better-regulation issues, and that a better-regulation unit would be established within the core government. Although the country has developed or improved a number of adequate evidence-based instruments over the past five years (such as functional-review processes and the monitoring and evaluation of budget programs), their use in promoting strategic and long-term decisions has been limited.

Citation:

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

OECD, Regulatory Policy in Lithuania: Focusing on the Delivery Side, OECD Reviews of Regulatory Reform, OECD Publishing, Paris, 2015 [http://www.oecd-ilibrary.org/governance/regulatory-policy-in-lithuania\\_9789264239340-en](http://www.oecd-ilibrary.org/governance/regulatory-policy-in-lithuania_9789264239340-en)

## 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. One area of institutional change that has been largely neglected has been the reform of Parliament's conventions and opportunities for public engagement.

Citation:

Cabinet Manual: <http://www.cabinetmanual.cabinetoffice.govt.nz/3.28> (accessed October 30, 2015).

Grant Duncan, 2014: New Zealand's Cabinet Manual: How Does It Shape Constitutional Conventions?, *Parliamentary Affairs* 2015, 68:4, 737-756.

## 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. Again, governments have not hesitated to alter the configuration of departments or agencies when deemed necessary to reflect the changing agenda of the government.

## Denmark

**Score 8** The last major reform within the public sector was the structural reform of 2007, which resulted in larger municipalities and fewer regions. In addition, the 2012 Budget Law brought about a different way of managing public finances. Importantly, there is now a system of sanctions vis-à-vis municipalities and regions. In contrast to the past, actual expenditures have not exceeded planned/budgeted levels (if anything, an opposite tendency has arisen). The new regime has, in this sense, attained its intended outcome. Through the new budgeting system, the government has improved its strategic ability to reach its goals.

There is ongoing discussion on how to improve efficiency and productivity within the public sector. Now major institutional changes have been made to reach these objectives, whereby policies have been changed (e.g., changes within primary schooling).

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).

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).

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

## Iceland

Score 8

Iceland's recent governments have sought to improve the central government's strategic capacity by reviewing ministerial structures. The 2007-2009 cabinet of Haarde initiated this process, while the 2009-2013 cabinet of Sigurðardóttir continued this process by reducing the number of ministries from 12 to 8 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 2013-2016 cabinet, however, has partially reversed these reforms by again increasing the number of ministers by two.

## Italy

Score 8

Despite several years of public debate, successive governments have been unable to improve the effectiveness and efficiency of central government. During the period under review, 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 recent reform of the electoral system aims to reduce parliamentary fragmentation and strengthen the majority party. At the same time, a wide ranging constitutional reform has received the parliamentary approval. Among other objectives, this law 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. The recentralization of powers at the expense of regional governments will increase the ability of central government to promote important infrastructures, environmental plans and national networks. The prime minister and government have demonstrated substantial political will to implement wide-ranging reforms.

## 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-resources constraints experienced by the PKC. Leadership changes within the State Chancellery in 2015 may lead to a reassessment of strategic capacities at the center of government.

## 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 a core characteristic of the UK 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. Recent civil service reforms have also served to enhance strategic capacity, while various open data initiatives have increased government transparency.

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.

The proposed separation of the United Kingdom from the European Union will test the system's ability to reform and adapt. The creation of the new Department for Business, Energy and Industrial Strategy is a first attempt to ensure modern industrial strategies after Brexit.

## 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. Of course, the change of names alone might not be sufficient. For instance, there has also been a long debate on the need to improve the country's infrastructure, but implementation in this area has been rather disappointing.

## Finland

Score 7

While institutional arrangements have not changed much, the Sipilä government has continuously considered plans to promote and implement strategic aims within government and to reduce costs. These plans have included merging ministries and re-allocating ministerial responsibilities, but the outcome of these efforts are less than successful. Plans to merge the Ministry of Environment and the Ministry of Agriculture and Forestry were heavily opposed, and re-allocation efforts have had, inter alia, the improbable consequence that Finland's Ministry of Justice and Employment is overstrained. Several factors, including the fairly high degree of independence accorded to Finnish ministries and the quite broad nature of recent cabinets, tend to undermine policy coordination across government bodies, and thereby highlight the need for reforms that improve coordination efforts. The Sipilä government's strategic goals are now discussed regularly in evening strategy sessions which have partly replaced the traditional earlier "Evening School" as an informal meeting between ministry staffers and heads of the parliamentary groups. The sessions serve as a venue for in-depth consultation and consensus-building.

## Germany

Score 7

In general, institutional reforms intended to improve the government's management capacities are extremely rare. As in other countries, strategic capacities and reform efforts are heavily influenced by constitutional and public-governance structures and

traditions. The federal system assigns considerable independent authority to the states. In turn, the states have 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. The German Federalism Reforms, which together represent one of the more far-reaching institutional changes of recent years, have started to have an impact on the adaptability of the federal politics (Reus/Zohlnhöfer 2015). Nevertheless, flexibility, adaptability, and acceleration are mainly achieved via informal political channels.

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.

Dominic Heinz, 2016: Coordination in budget policy after the Second Federal Reform: Beyond Unity and Diversity, in: German Politics 25 (2), 286-300.

## 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 and some of the initial momentum has been lost as the government enters its final year and a general election looms. Nonetheless, improvements in strategic capacity introduced during the period of the Troika agreement have been retained.

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, a Fiscal Advisory Council established, and a parliamentary inquiry into the banking crisis completed its public hearings.

During this dáil, members of the Dáil Eireann elected the Ceann Comhairle (Speaker of the House) directly by secret ballot for the first time. All parliamentary committees have been established and committee chairs appointed using the D'Hondt system. Under the new system, 13 of the 19 core committees are chaired by opposition members.

## 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)

Dahan, Momi, "Why do local authorities hold back pay?," IDI website 15.11.2009 (Hebrew)

Milman, Omri, "Mayors to Kahlon: 'If you would promote the differential allocation we won't build in our territory'", *Calcalist* 2.9.2015:

## Japan

Score 7

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 a tradition of parallel party-centered policy deliberation. In comparison, the post-2012 Abe-led government has been quite successful in pushing at least portions 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, paired with opposing political parties' weakness, was at least as important. The passage of the security laws in 2015 – a major success from the government's perspective – may seem to provide evidence of more robust institutional arrangements than in earlier years. However, problems in moving the economic-reform agenda decisively forward in many fields such as labor market reform suggest that the Abe-led government has also had difficulty in overcoming stumbling blocks deriving from longtime traditions.

## 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. Nevertheless, 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 (Luxembourgish, French and German), 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

"ePractice." European Commission, 21 Apr. 2016. [joinup.ec.europa.eu/community/epractice/description?utm\\_source=epractice&utm\\_medium=epractice&utm\\_campaign=epractice](http://joinup.ec.europa.eu/community/epractice/description?utm_source=epractice&utm_medium=epractice&utm_campaign=epractice). Accessed 21 Feb. 2017.

"Luxembourg: eGovernment State of Play." European Commission, [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=5561). Accessed 21 Feb. 2017.

"Luxembourg." European Commission, [ec.europa.eu/information\\_society/newsroom/cf/dae/document.cfm?doc\\_id=6459](http://ec.europa.eu/information_society/newsroom/cf/dae/document.cfm?doc_id=6459). Accessed 21 Feb. 2017.

"Programme national de réforme du Grand-Duché de Luxembourg dans le cadre du semestre européen 2015." Le gouvernement du Grand-Duché de Luxembourg, 2015, [www.gouvernement.lu/5664568/2015-pnr-luxembourg-fr.pdf](http://www.gouvernement.lu/5664568/2015-pnr-luxembourg-fr.pdf). Accessed 21 Feb. 2017.

"Providing an Alternative to Silence: Towards Greater Protection and Support for Whistleblowers in the EU." Transparency International Luxembourg, 2013, [www.transparency.lu/wp-content/uploads/2013/12/Luxembourg-ATS-Providing-an-alternative-to-silence-Country-Report-ENG-v4.11.2013-Clean.pdf](http://www.transparency.lu/wp-content/uploads/2013/12/Luxembourg-ATS-Providing-an-alternative-to-silence-Country-Report-ENG-v4.11.2013-Clean.pdf). Accessed 21 Feb. 2017.

## Malta

Score 7

Accession to the EU has improved the government's strategic capacity. Furthermore, with support from the University of Malta and Malta College of Arts, Science and Technology, there is now greater emphasis on capacity-building and change-management training for senior public officers. Meeting long-term objectives and adhering to EU directives have given rise to a number of departments and authorities designed to respond to this challenge. Malta still lags behind and enforcement mechanisms remain weak. 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.

## Mexico

Score 7

While Mexican policy elites are often receptive to new ideas and open to administrative reform, many of these reforms remain unimplemented and are abandoned before they can take root. This is especially true with regard to domestic security and law enforcement. Too often, the re-drawing of organizational diagrams has taken precedence over the implementation of desperately needed, but difficult, reforms to strengthen the rule of law.

The current government, driven by strong reform pressures in the administrative, social and security sectors, has followed this general trend. The administration created the “Pact for Mexico,” which was signed by the heads of the main political parties very shortly after President Peña Nieto took office. The president has shown an affinity for a governing model characterized by independent agencies entrusted with decision-making powers. His administration has fallen short when it comes to transparency and accountability for how reform decisions are made and implemented.

## Spain

### Score 7

During the period under review, which coincided with the new government appointed after the 2016 elections and the beginning of a new legislative term, some minor changes were made to the names and responsibilities of some departments. This includes, for example, industry policy being added to the what is now titled the Ministry of Economy, Industry and Competitiveness and a department for energy and digital agenda issues was created. However, the internal central-government structure and the procedures of governing have remained almost unchanged.

A more substantial and comprehensive improvement could have been achieved through an interministerial administrative-reform process (CORA), but the scope of this process been somewhat limited despite being praised by the OECD. The CORA reform has mainly consisted 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.

Citation:

Rajoy’s new Cabinet (2016):

<http://www.lamoncloa.gob.es/lang/en/gobierno/gabinete/Paginas/index.aspx>

## 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** In recent years, some improvements in strategic capacity have been made by modifying 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 minor institutional changes that increased its strategic capacity. Furthermore, the creation and implementation of complementary institutions such as the environmental tribunals (Tribunales Ambientales) and the Supervisory Board for the Environment (Superintendencia de Medio Ambiente, SMA) 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** The Orešković government sought to strengthen interministerial coordination by creating the position of chief integration officer in the Prime Minister's Office. Plans for a reorganization of public administration, presented at the beginning of 2016 by Dubravka Jurlina Alibegović, minister of public administration in the Orešković government, were not implemented before the elections in September 2016.

## Czech Republic

**Score 6** After the shift from indirect to direct presidential elections in January 2013, the institutional structures of governing have undergone little change. In 2016, an amendment to the law on party finance introduced an independent office for the oversight of party and campaign financing.

## 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 or messy adjustments (when not dropped altogether). This triggers hostility to change when, in fact, very little has been done. This is particularly true when the executive is weak, as has been the case over the past years in spite of the efforts of the new prime minister, Manuel Valls.

## 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 Council was marginalized after the government turnover of 2015. This continued during the period under review because Syriza ministers associated reforms exclusively with neo-liberalism and viewed with suspicion almost all government organs which they found in place. However, in an about face, the Syriza-ANEL government tried to enhance its strategic capacity in several ways. It assigned some sensitive tasks to Deputy Prime Minister Yannis Dragasakis and his team, such as plans for restructuring the Greek public debt. And, it founded a new institution, the Council of Administrative Reform, to oversee reforms in various policy sectors.

## Netherlands

**Score 6** No major changes have taken place in strategic arrangements or capacities beyond what has already been mentioned regarding externally driven policy coordination in fiscal and economic matters. Generally, strategic capacity is rather strong. Though there are signs that government officials are aware of a need for strategic change. However, due to the long period of austerity, which is only now coming to an end, strategic capacities have not been strengthened.

## South Korea

**Score 6** During her term, Park Geun-hye has implemented a number of changes in the government's organizational layout, creating a future-oriented super ministry in charge of science, information and communications; reviving the fisheries and maritime-affairs ministry, and transferring 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. However, most experts are concerned about these frequent changes and the effect they have on the continuity and stability of state affairs.

The most significant recent change in institutional arrangements was the passage of the National Assembly Advancement Act, which 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. In early 2016, the opposition members of parliament engaged in a record-breaking filibuster to block an anti-terrorism bill sponsored by the Saenuri Party.

The National Assembly Advancement Act, which requires that contested bills gain the support of at least 60% of lawmakers for passage, came under fire during Park's administration. President Park, a proponent of this 2012 act when her party was in opposition, pushed the National Assembly to overturn the 60% rule so that the government and ruling party could pass contentious bills despite opposition parties' resistance.

Citation:

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

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<http://www.reuters.com/article/us-southkorea-politics-filibuster-idUSKCN0W41BX>

## 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.

During the assessment period, Turkey developed sectoral strategies and action plans for 2015-2018 on biotechnology, entrepreneurship, small and medium scale enterprises, productivity and information society. Several strategy documents were also prepared such as a National Employment Strategy. Also, a National Strategy of Regional Development was prepared for the period of 2014-2023. The central government's institutions and agencies, local administrations, universities, and the state economic enterprises (KITs) also prepared strategic plans.

The European Commission's recent Enlargement Strategy document underlines that public administration reform is essential in the process of integration and must be based on certain principles such as strategic management, monitoring and the integration of national, local and sectoral policies.

Making matters worse, debates continue to rage on over the transformation of Turkey's parliamentary system into a presidential system, which has been driven by President Erdogan and the ruling AKP in an effort to, as they assert, reduce the frictions resulting from the "current military-drafted constitution" and thereby enhance "efficiency and democracy." And although the AKP failed in November 2015 to secure enough seats in parliament to enable it to draw a new constitution, it has nonetheless declared its intent to consult with opposition parties in an effort to reform the constitutional system. The debates have increased significantly after the failed coup attempt and the government's subsequent drafting of new paragraphs for the constitution to realize the shift towards presidentialism.

Citation:

Stratejik Yönetimde Kapasite Geliştirme Teknik Destek Projesi Revize Edilmiş Taslak Boşluk Değerlendirme Raporu , <http://www.sp.gov.tr/tr/html/54/Stratejik+Yonetimde+Kapasite+Gelistirme+Projesi>, (accessed 27 October 2015)

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Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Enlargement Strategy and Main Challenges 2014-15, [ec.europa.eu/enlargement/pdf/key\\_documents/2014/20141008-strategy-paper\\_en.pdf](http://ec.europa.eu/enlargement/pdf/key_documents/2014/20141008-strategy-paper_en.pdf) (accessed 27 October 2015)

## Austria

Score 5

The government usually promises more innovation at the beginning of a legislative 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 headway has been made 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. In the period under review, reforms of the institutional arrangements of governing has been largely confined to changes in RIA.

## Cyprus

**Score 5** The government continued efforts to improve the efficiency of the administration and give it more coherence and clear policy orientations. It aims at bridging gaps, responding to persisting deficiencies and clearing confusion as to roles and competences at all levels. This government's capacities are slowly improving.

Improvements are due to ongoing reforms aimed at developing strategic planning capacities, implementation monitoring and evaluation mechanisms. These efforts require more training and capacity building activities to achieve the required level for administrative management skills and capacity.

## 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 that the Costa government has significantly changed institutional arrangements to improve strategic capacity during the period under review.

## Romania

**Score 5** The Ciolos government adopted some institutional reforms, most notably the creation of the new Ministry of Public Consultation and Civic Dialogue and the streamlining of the structures and processes for absorbing EU funds. While consultations with social actors and non-governmental experts increased, the government did not address issues such as the lack of strategic planning or the low quality of RIA. The reform of the subnational administration remained only pledges.

## Slovakia

**Score 5** 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. Later on, it shifted the control over the distribution of EU structural funds to the Government Office in an effort to improve coordination and control of strategic public investments. In the period under review, no major changes in institutional arrangements were adopted. The Ministry of Finance’s “value-for-money” initiative has introduced regular spending reviews. The planned amendment of the Act on Civil Service, postponed to the 2016-2020 term, has progressed slowly.

### Citation:

OECD (2015): Public Governance Review Slovak Republic: Better Co-Ordination for Better Policies, Services and Results. Paris.

Liptáková, J. (2016): Value for Money Project Implemented, in: Slovak Spectator, July 28 (<https://spectator.sme.sk/c/20225671/value-for-money-project-implemented.html>).

## Slovenia

**Score 5** At the beginning of its term, the Cerar government increased the number of ministries from 13 to 16 and changed ministerial portfolios. By establishing separate ministries for public administration, infrastructure and environment/spatial planning, as well as by creating a ministry without a portfolio responsible for development, strategic projects and cohesion, the Cerar government improved its strategic capacity. The strengthening of the Government Office for Development and European Cohesion Policy and the changing procedures associated with the creation of a new ministry for development, strategic projects and cohesion have helped to substantially increase the absorption rate. The government’s Public Administration Development Strategy 2015-2020 adopted in April 2015 is relatively brief on institutional reform. However, one goal has been the fostering of closer cooperation between municipalities in the fields of public services and tourism. To address this issue, the Cerar government adopted a strategy for the development of local government in September 2016.

### Citation:

Government of the Republic of Slovenia (2015): Public Administration 2020: Public Administration Development Strategy 2015-2020. Ljubljana

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## 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.

## Poland

**Score 4** Upon entering office, the PiS government has changed the institutional arrangements of governing. It has changed the portfolios of ministries several times, set up new cabinet committees, overhauled the Civil Service Act and strengthened the position of central government vis-à-vis subnational governments. However, the strategic capacity of the PiS government has primarily rested on its majority in parliament, the strong party discipline and the uncontested role of party leader Jarosław Kaczyński.

## United States

**Score 4** The U.S. government is exceptionally resistant to constructive institutional reform. There are several major sources of rigidity. First, 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 was the case from 2011 to

2016, the president and Congress often represent different political parties with competing institutional interests, and one party is highly inclined to obstruct the other.

## Belgium

**Score 3** Most reforms are the consequence of bargaining between power levels, with successive political tensions between the federal government, Flanders and Wallonia (the latter being governed by parties who are in the opposition on the national level). Eventually, protracted negotiations end up with some type of compromise that rarely improves overall efficiency.

The main case in point is the Brussels capital region (which is restricted to about one-fourth the actual Brussels agglomeration in terms of area, and one-half in terms of population). Its restricted boundaries result in numerous overlapping jurisdictions with Flanders and Wallonia. Moreover, within the Brussels region, competences are split between the 19 communes and the region. This creates another layer of overlap and gridlock, in particular for city planning. The creation of a pedestrian zone in the city center, without sufficient coordination with the other communes or the region, created major traffic jams. Questions regarding the Brussels airport or the highway “ring” around Brussels are managed by Flanders. The building of a rapid train service toward the south (to provide alternative transportation to Walloon commuters) is largely managed by Wallonia, which has priorities beyond reducing traffic in Brussels.

However, as the general process has trended toward decentralization, local efforts have had positive effects and can be seen as an improvement in strategic capacity.

## Hungary

**Score 2** From time to time, Orbán has reorganized the workings of his government with an open effort to get rid of managing smaller issues and promoting rivalry in the top elite to weaken them, but there has been no substantial institutional reform. The latest mini-reform was the establishment of two cabinet committees (strategic and economic) in summer 2016. The Orbán governments’ institutional reorganizations have tended to weaken rather than improve the government’s strategic capacity. The over-centralization of decision-making resulting from these steps has created bottlenecks at the top and facilitated political patronage. Moreover, instead of reforms there has often only been a reform rhetoric. For instance in late 2016, PMO minister Lázár renewed his earlier call to reform public administration, but again failed to add substance.

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