

SGI Sustainable Governance
Indicators 2009

Institutional Learning

Organizational reform report



Indicator **Self-monitoring**

Question **Does the government monitor whether its institutional arrangements are appropriate?**

30 OECD 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 = Institutional arrangements are selectively and sporadically monitored.*
- 2-1 = There is no monitoring.*

Denmark

value 9

As part of a continuous modernization policy dating back to the governments of Poul Schlüter in the 1980s, the current government monitors institutional arrangements and has introduced many reform programs. Its current public-management and governance strategy includes contacts, result-oriented salaries, measurements, evaluations and efficiency reports.

The Danish constitution leaves much room for discretion when it comes to the institutional arrangements of government. Much is done using informal procedures and rules, and formalized arrangements can be changed rather easily. This arrangement permits a rather flexible way of working and smooth adaptation to new developments. Many institutional arrangements have been revised, whether because a new government introduced a new style or because some events made change seem necessary. There is, however, no formal mechanism for regularly monitoring the government's institutional arrangements.

Finland

value 9

Monitoring activities are frequent and institutionalized. A new coordination tool, Finnish Program Management, was adopted by Prime Minister Matti Vanhanen's first government (2003 – 2007), changing working methods at the political and managerial levels of government. The new system aims at a more horizontal and strategic policy-making process, as well as at effective implementation. Government policy-review sessions are an integral part of the management process. The principle of horizontality is essential, and was introduced to meet several institutional arrangement demands. Policymakers had been concerned that many important issues were falling inefficiently between sector accountabilities, and that a sector-based administrative machinery was failing to meet the needs of citizens and society.

General monitoring of the cabinet program covers, among other things, eight broad-based policy areas. Several of these, including administrative reform and structural reform of the municipal and service sectors, focus explicitly on institutional arrangements. Also, several of the government bills presented to parliament during the 2007 autumn session concerned transfers of tasks and task areas between ministries and bureaus.

Annotation: Prime Minister's Office, "Program Management within the Finnish Government." (Helsinki: Prime Minister's Office Publications, December 2007).

Norway

value 9

Self-monitoring in Norway has an informal rather than formal nature. On a formal level, there is a parliamentary committee devoted to monitoring whether government and parliamentary activity adheres to the constitutional framework. However, there is no specific government institution whose main task is explicit monitoring.

Nevertheless, on an informal level there is substantial monitoring of the way institutional arrangements affect government functions. For example, the various ministries' portfolios are often reviewed and changed. In particular, each time there has been a change in government over the last decade, there has also been a reallocation of ministers' portfolios.

Canada

value 8

Within the PCO, it is primarily the Machinery of Government Secretariat that is in charge of advising the prime minister on matters related to: the structure, organization and functioning of government; the organization of the Cabinet and its committees; and the roles of the Crown and the governor general. In the past, the secretariat has recommended some far-reaching changes in the roles and mandates of the economic development, foreign affairs and trade departments.

In addition to the secretariat, the Treasury Board also plays a role in monitoring the institutional adaptability of government. The Treasury Board Secretariat (TBS) is charged with overseeing the financial-management functions in departments and agencies and ensuring value for money.

New Zealand

value 8

The cabinet and its committees each may ask ministers and departments for reports on particular issues. Each department has to produce a statement of intent, against

which its performance can later be compared. The SSC monitors performance and reviews institutional arrangements.

In recent years, the government has reviewed some of the reforms made under the New Public Management (NPM) system, making changes where appropriate. Institutional arrangements in the core executive have been regularly monitored following the change to a mixed-member proportional representation system in the 1990s.

South Korea

value 8

Awareness of institutional reform issues in the Roh administration was high. The administration included many young and reform-minded people who believed that institutional reform was crucial to policy change. This was the logical result of a generational and political change in Korean politics. The generation of politicians who were active in the democracy movement naturally planned to change the institutions built during the transformation process from military dictatorship to democracy after 1987.

Within the Roh government, a number of institutions formed part of a monitoring system. The latest monitoring system is the Government Innovation Index. The Center for Government Innovation first developed and now monitors this system. This index regularly measured the levels of innovation and efficiency achieved by official and semi-official institutions. It also served to develop new strategies for the public sector.

Sweden

value 8

Despite the problems of policy coordination in the government office and the rather unique governmental system of having autonomous agencies and subnational governments, Sweden still manages to have a rather regular system of review, which is conducted by a number of royal commissions. This system of review has led, for example, to cabinet portfolios being frequently revised as well as departments being merged and then split up again. At the agency level, there is perhaps an even larger degree of institutional flexibility, as seen by the fact that new agencies are created quite often, although sometimes through the merging of existing agencies.

At the same time, however, it should be noted that there is a difference between these types of structural changes and reforms aimed at altering institutional relationships, which have proven to be much more problematic. Indeed, for a rather extensive period of time, there has been some frustration in the government office regarding the agencies' high degree of autonomy. Since 1985, three royal commissions have been charged with addressing this issue, but all three have on the whole been failures.

Moreover, it comes as no surprise that two royal commissions are now in charge of

steering and control for the government office. In general, Sweden's inability to reform its department-agency relationships raises serious questions about its ability to successfully carry out administrative reforms.

Australia

value 7

There is little in the way of formal processes to indicate that institutional arrangements are monitored regularly, but it is clear that such monitoring does on occasion occur. Periodically, institutional arrangements change, often manifesting as rearrangements and renaming of departments.

Austria

value 7

Institutional governance arrangements are not subject to monitoring by actors within the government. Likewise, in more general terms, there is no regular and efficient monitoring of institutional governance arrangements. The main monitoring institutions are the Court of Audit and the Ombuds Office, both of which are associated with the Federal Assembly. They monitor the government's cost efficiency and bureaucratic efficiency.

Iceland

value 7

There is no established, formal system of self-monitoring. However, in recent years ad hoc monitoring has become more common. Monitoring of institutional arrangements does not occur on a regular basis. Institutional arrangements are reconsidered from time to time, and in 2007 the ministry structure was revised. The new cabinet coalition between the Social Democratic Alliance and the Independence Party announced several changes, which were to take effect on January 1, 2008. Among these changes, responsibility for municipal affairs was to be moved from the Ministry of Social Affairs to the Ministry of Communications, tourism was to be moved from the Ministry of Communications to the Ministry of Industry, and the responsibility for social security transfers was to go from the Ministry of Health to the Ministry of Social Affairs.

Mexico

value 7

Mexico's government has been open to international best-practice ideas, and participates in international forums where issues of governance and organization are discussed. Incoming governments tend to partially rearrange the prevailing institutional arrangements. However, these changes typically respond to personal

views or preferences rather than an informed or academic opinion. In early 2007 there was some serious discussion of a possible “reform of the state,” though it remained unclear how much effect this would have. The problem is not a lack of monitoring or awareness, but rather the political difficulties associated with implementing necessary change. Additionally, there is frequent systemic feedback on government structures, sometimes informal, from organizations such as the World Bank and the OECD.

Netherlands

value 7 The institutional arrangements of governing are monitored regularly in terms of their appropriateness. However, the subject is very controversial in the parliament, as there is no consensus on what constitutes appropriate procedures. Consequently, it is rather hard to say whether this monitoring has any significant effect.

Switzerland

value 7 Some self-monitoring occurs within the framework of Swiss political processes, but it has not yet been institutionalized. What self-monitoring of the institutional framework does occur is largely indirect, as a result of policies being evaluated.

United States

value 7 Political responsiveness has been more important on the part of the chief executive than has any abstract notion of administrative efficiency. Administrative complexities with an administrative system caught between congressional and presidential demands make institutional changes difficult. The monitoring of institutional performance is ad hoc and driven by the challenges of maintaining competent decision-making processes in an unstable environment.

On the other hand, as every administration has to invent itself when taking office, institutional arrangements are regularly analyzed and revised. That is particularly true at the presidential level, where institutional arrangements, including those with a statutory basis, undergo fundamental change every four years, and they are also undergoing change during the course of an administration. The change comprises formal as well as informal changes. The major mechanism is the allocation of personnel and the definition of authority and access structures to the president and his closest associates, who act as final arbiters.

Annotation: Donald F. Kettl, “Reforming the Executive Branch of the Federal Government,” in *The Executive Branch*, edited by Joel D. Aberbach and Mark A. Peterson, (New York: Oxford UP, 2005), 344–375.

Hungary

value 6 The government has tried to monitor the institutional arrangements of governing in various ways. The influential State Audit Office has performed a large number of analyses, and the new State Reform Committee has dealt with the reform of institutional arrangements. However, monitoring has not been done on a regular basis and has not been separated from the decision-making process.

Portugal

value 6 One possible indication that suggests that monitoring and adaptation have taken place is the fact that the rules of procedure for the Council of Ministers, which functions as a monitoring mechanism, were changed twice in little more than two years. At the same time, there is apparently no specific institution explicitly tasked with executing this monitoring or reform function. The mechanisms envisioned in Decree Law 202 of October 27, 2006, however, seem to be oriented toward increasing reform capacity.

Slovakia

value 6 There has been no regular self-monitoring of government institutions. Audits are conducted when problems with implementation arise or there has been a change in ministers. Most of the audits are carried out by external private sector organizations.

Ireland

value 5 Regular self-monitoring does not seem to be a feature of the Irish polity. Rather, reforms are carried out when obvious needs arise. Some of these cases are almost invisible to the outsider. For example, ministerial portfolios can be shifted from government to government, although this may sometimes be for political rather than administrative convenience. Moreover, the Department of the Taoiseach has undergone considerable expansion over the past couple of decades, ministers have more political support staff, and ministries pay far more attention to public relations and communications.

Japan

value 5 The last decade has seen substantial criticism of Japan's institutional and organizational mechanisms. As a result, the government has sought to implement an institutional monitoring process, aiming at more efficient and transparent

government workings. A Headquarters for Administrative Reform was created in the cabinet in January 2001, for example. A new Council for the Promotion of Regulatory Reform was established in January 2007 to advise the prime minister, consisting of political outsiders, businessmen and academics.

Major organizational mechanisms such as the relationship between prime minister, cabinet and ministries are naturally monitored less often and more informally. Recently, the prime minister's personality and strength have determined this process. Abe, for example, considered strengthening the Cabinet Secretariat, giving unclear signals about his approach to reform-minded bodies like the CEFP.

Luxembourg

value 5 A Ministry for Public Service and Administrative Reform was created in 1995 when Jean-Claude Juncker became prime minister. The ministry has developed modest monitoring activities. In addition, audits are commissioned by the Chamber of Deputies from time to time, in order to review specific government practices. However, this usually happens only after concrete and significant misgivings have been expressed about the performance of parts of the administration.

United Kingdom

value 5 There is a flip side to the centralization of the British central government and the flexibility with which it has been handled in the last decade: namely, insufficient procedural structure for carrying out reform. Because there is no standard mechanism in place for self-monitoring within the government, reforms are very much ad hoc. Indeed, there is much criticism of the fact that politicians respond to events on a day-to-day basis rather than pursue considered long-term strategies.

Czech Republic

value 4 On the whole, there has not been any systematic monitoring of the institutional arrangements of governing. Rather, there are only sporadic audits within particular ministries. The results of these audits are seldom used to improve institutional arrangements and tend to remain ignored.

France

value 4 An organized system of self-monitoring can be found in traditional institutions such as the State Council, which in its role as a permanent observer and advisor, also analyses the effects of reform. The existence of such traditional institutions, however, hinders the development of modern agencies which could assume these

tasks. Political change in France generally takes place in reaction to public opinion, countrywide protest or as a result of EU reform guidelines; it is much less the result of a self-monitoring system.

Germany

value 4 There have been some recent attempts to create a self-monitoring system in Germany. The New Public Management agenda brought some progress by putting new stress on the monitoring of processes and their output. A newly created body, the National Regulatory Control Council (Normenkontrollrat), has been tasked with evaluating bureaucratic costs, but has only limited capacity to monitor political programs.

Italy

value 4 Attention paid to self-monitoring is rather sporadic, as the government during the period under review seemed overwhelmed by coalition problems. Attempts to modify the working of the cabinet and its procedures have also taken place but have had limited effect.

Spain

value 4 There are certain deficiencies in the process of monitoring institutional arrangements of governing within central government. These tasks can be developed under the supervision of the Ministry for the Presidency in the Cabinet Office (Consejo de Ministros), which includes the Secretary of State for Relations with the Cortes Generales, or parliament, and the Secretary of State of Communication.

However, these bodies do not spend time evaluating governing mechanisms, which are mired in legal precedent and are difficult to modify under the current functioning of the Cabinet Office. Even if the government decided to change a ministry name, for example, the internal structure of the organization would remain almost unchanged just as does the institutional arrangements of governing.

Turkey

value 4 While rules exist, institutional arrangements for self-monitoring are not regular, and most often depends on the activities of the PMO. In addition to the formal and regular inspection of ministerial activities, the Office of the President encompasses a state supervisory council to monitor the practices of state institutions.

The Prime Minister's Office also contains a high supervisory council of state and inspectors to fulfill such duties. Interministerial committees may also assess institutional arrangements. In preparing development or strategic plans, sectoral sub-committees prepare reports on effectiveness and efficiency of governing. Given enduring political and ideological quarrels, particularly over the issue of laicism, institutional reorganizations tend to be viewed not as a way to enable more effective governance but as a move to gain strategic advantage by a certain political side. Before deliberating over technical or institutional arrangements, government has to overcome veto players who are not democratically legitimized and act on ideological grounds.

Belgium

value 3 Institutional arrangements in the federal government by definition result from a set of rather complex compromises and are seldom made on strategic considerations. Hence, efficiency gains or improvements of policy outputs are not what is usually at the heart of institutional reforms. It follows from this statement, that monitoring of the appropriateness of institutional arrangements is not considered a core task by the government..

Greece

value 3 Greek legislation specifies the roles and functions of government organs, down to ministers' advisory staffs and the management of relations between the government, parliament and administration. This legislation spells out different institutions' competencies. However, procedural rules and work formats are less clear, depending largely on the decision-making style of the prime minister and the individual ministers. No clearly laid out governing arrangement, which would allow a predictable sequence of actions, exists. The lack of mechanisms, expertise and resources that would be useful for policy planning, implementation and evaluation leads to deficiencies in monitoring.

Poland

value 3 There is no regular self-monitoring of institutional arrangements. Government structures are only scrutinized in the face of manifest problems. The PiS government undertook an ambitious evaluation of its policies and the work of line ministries from December 2006 to February 2007. However, this evaluation did not focus on the quality of institutional arrangements, was rather unsystematic and did not have any lasting effects.

Indicator Institutional reform

Question Does the government improve its strategic capacity by changing the institutional arrangements of governing?

30 OECD 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 = Strategic capacity is considerably improved through institutional change.*
- 8-6 = Strategic capacity is improved through institutional change.*
- 5-3 = Strategic capacity is not improved through institutional change.*
- 2-1 = The government loses strategic capacity by changing its institutional arrangements.*

Norway

value 9 As a result of the continuous institutional self-monitoring, the government often improves its strategic capacity by changing its institutional arrangements. This continuous reform is reflected in the frequent changes in ministers' portfolios, which often but not exclusively takes place after a change in government.

A more specific example might be the ongoing overhaul of Norwegian foreign policy and the functioning of the Norwegian Ministry of Foreign Affairs. This ministry was criticized for being slow to respond to the 2003 tsunami in Asia, and has also had difficulties in defining the role of Norwegian foreign policy after the fall of the Berlin Wall. By the close of this period of analysis, the ministry had undergone a process of evaluation and self-evaluation, and the government was deciding on how to reform the ministry from top to bottom.

Another example of such institutional reform was the recent policy to gather all state ownership of firms (including ownership of fully owned state firms and partially owned firms alike) into one single ministry of industry. In the past this ownership had been scattered across various ministries.

Denmark

value 8 When it came to power in 2001, the first Fogh Rasmussen government launched its first reform program, entitled "With the Citizens at the Helm." As part of this program, he abolished some ministries, merged others, and carried out a number of internal reorganizations. The prime minister also abolished a number of councils and committees. In his New Year's speech at the end of the year, he criticized so-called "judges of taste," that is, experts that he felt had too much influence.

Viewed as a whole, over the last few years, the reforms have increased the efficiency

of public-sector institutions. This partly results from the tax moratorium, which prevents the sector from growing, and the so-called “three E’s” (efficiency, economy and effectiveness) have consequently gained in importance. Other reasons for increased efficiency include enhanced digitalization of administration and additional training for top civil servants. Given the importance of the local level in the Danish administration, much of this drive toward efficiency has taken place in cooperation with the association of municipalities called Local Government Denmark.

Finland

value 8

In accordance with the program management approach, institutional reforms of governing can be realized. Substantial reforms, including the fusion of ministries, have also have taken place in recent years. For example, in late 2007, the former Ministry of Trade and Industry was merged with the Labor Ministry due to strategic considerations. The new ministry was put in charge of employment and economic issues.

Hungary

value 8

The Hungarian government adopted large-scale institutional reforms of the executive branch after the 2006 elections. Reforms have been strongly patterned on the British model and have touched almost all institutional arrangements of governing. The implementation of these changes has been complicated by a number of other simultaneously ongoing reform challenges, by the reform fatigue of the population and by the fierce resistance of the parliamentary opposition. Reforms have suffered from a certain tension between centralizing and decentralizing measures.

Australia

value 7

Recommendations that result from reviews of government are generally accepted and implemented. These investigations have covered all aspects of government responsibility, including finance, taxation, social welfare, defense, security and the environment. However, outcomes of reforms to institutional arrangements have been mixed. Some reforms have simply represented political repositioning rather than genuine strategic policy improvement. Other reforms clearly have improved strategic capacity. For example, the transfer of responsibility for working-age welfare recipients from the Department of Family and Community Services to the Department of Employment and Workplace Relations at the beginning of 2005 was consistent with the government’s policy goal of increasing welfare recipients’ participation in paid employment and of reducing the number of people on welfare rolls.

Canada

value 7 Canadian governments frequently make use of their capacity to adapt their institutional arrangements so as to improve strategic capacity. Most recently, the shift from the Liberal government under Prime Minister Paul Martin to the Conservative Harper government has resulted in significant changes within government institutions. For example, Prime Minister Stephen Harper reintroduced the institution of Cabinet committees. Moreover, the PCO was required to alter its organization and refocus the efforts of its secretariats on their core functions. Within a very short time, the PCO's financial resources were reduced by about 20 percent. The current government has focused on improving existing structures and processes rather than on promoting change.

Germany

value 7 Reforms in Germany are often discussed in the context of and legitimized by pressure attributed to "globalization" or "Europeanization." The recent reform of the federal system was discussed on these grounds. One major aim of the reform was to improve the federal system's institutional fitness and capacity to cope with European policies and politics. However, the country has had little general discussion – particularly compared to other European countries – of how to improve the administration's strategic capacities in institutional terms.

Iceland

value 7 The government improves its strategic capacity by changing and merging ministries. This took place in the period under review, when the Ministry of Commerce was separated from the Ministry of Industry. There is also a pending merger between the ministries of Agriculture and Fisheries.

Mexico

value 7 Although the Mexican government has indeed improved its strategic capacity as a result of institutional reforms, these have by no means been sufficient. Improvements have been unevenly distributed. Some departments have experienced major rearrangements, while others remain highly bureaucratic and inefficient. For example, the Ministry of Finance has greatly improved its strategic capacity, and is now one of the most efficient departments in the country's government. Other departments lag behind. The Fox administration completely reorganized the

President's Office and redefined the role of the cabinet, seeking to make it more managerial and less political. A skeptic might say there was more change than genuine improvement, but it is certainly possible to find areas – for example, in electronic governance – where international practices were adopted to good effect. To date, Calderon has been less of an institutional reformer, though he has called for national consultations on the issue of constitutional reform.

New Zealand

value 7 Previous governments sought to improve strategic capacity through considerable emphasis on structural reform, particularly in the 1980s and 1990s. More recently, emphasis has been less on structural changes than on other issues impeding performance, including organizational culture and the need for a “whole of government” approach to policy development and service delivery. However, the large number of government agencies makes this cross-department coordination and working style difficult to achieve. In response, central agencies have begun playing more of a coordinating role in recent years.

Sweden

value 7 Sweden has a very rational and technocratic style of governance that occasionally undergoes very impressive reform projects. As a unitary state – albeit one characterized by strong local units – Sweden is therefore able to efficiently implement institutional reforms. Nevertheless, in themselves, these institutional reforms say very little about the country's overall strategic capacity, as such capacity is contingent not only on institutional variables but also on the size and quality of the staff, management efficiency and the control of resources.

United Kingdom

value 7 Reforms carried out in the spirit of the new public management philosophy, which strengthened the center of government and gave it greater power to hold accountable those involved with policy delivery, have improved the UK government's strategic capacity considerably. These reforms have also shifted responsibilities from the center to government agencies or other actors. The degree to which devolution has improved the central government's strategic capacity is less clear, as much depends on whether or not conflicts over resources can be resolved.

In addition to centralizing decision-making, the Blair government improved the staffing of most units within the Prime Minister's Office and created two new units, the Strategic Communication Unit and the Research and Intelligence Unit. The

Policy Unit was merged with the private office to create a Policy Directorate, and efforts were made to integrate the Prime Minister's Office more closely with the Cabinet Office. The Strategy Unit was established in 2001 to work on more long-term policies, and an Office of Public Service Reform was set up to facilitate public sector reform.

United States

value 7

In theory, the U.S. system of governance harbors a huge potential for improving the strategic capacity for governance. The extraordinarily close proximity of leading researchers from the academic community to the government in Washington, D.C., their frequent invitation to and statements in hearings before congressional committees, their consultation by the U.S. administration, their integration into the strategic planning of policies by appointing them to advisory positions within the administration, their appointment to the many special committees and commissions charged with investigating specific policy fields or issues and with informing and advising the U.S. government on such policies, and the large academic staff of the Congressional Research Service all contribute to improving the strategic capacity for governance. They would be able to ensure that political decision-makers take into account and pursue not only short-term, but also long-term strategic goals and that politicians know about the externalities and interdependencies of policies.

The reality during the reporting period, however, is a somewhat different story. The Bush administration is widely considered to have used markedly inferior institutional arrangements for decision-making compared with previous administrations in the recent past. It has been notable for its lack of attention to objective analysis and its being dominated by individuals trusted by the president. Overall, it would appear that the Bush administration has reduced the strategic capacity of the U.S. government.

Austria

value 6

At the beginning of its first term (2000–2003), the ÖVP-FPÖ coalition installed a coalition committee to improve its strategic capacity to undertake institutional reform. However, this committee only achieved modest results and was not carried over into the government's second term (2003–2007).

More generally, both the government and the opposition established the Austria Convent in 2003 for the purpose of preparing a new constitution. Owing to the large number of veto players, the group failed to reach an agreement on a systematic reform of governmental structures, and the convent ended in 2005 with no substantial results.

France

value 6

As with other EU member states, reforms in France are often legitimized by a pressure to reform as attributed to international challenges. Many recent reforms in France (such as the introduction of regulatory agencies) were accepted because they proved to be successful in other EU member states or in the United States.

The French political elite has also argued that its political system must be reformed to meet norms and guidelines of the European Union or be able to withstand international competition. Comparing the French system with the best practices and benchmarking of other countries plays a central role in the debate over French reforms. Genuine reforms to increase the strategic capacity of the government (aside from the budgetary law) have not materialized. The current debate is not only concentrated on the government, but also on the strengthening of parliament and the government opposition.

Ireland

value 6

Although the structures of government in Ireland have for the most part been highly stable in recent years, there have been some moves toward improving the government's strategic capacity. First, the most recent partnership agreement between the government, unions, farmers and employer's groups (i.e., the "Towards 2016" plan) covers policy over a significantly longer time frame than previous agreements did, which indicates a greater emphasis on setting long-term policy objectives. Furthermore, strategic capacities have also been improved by the fact that regulatory impact assessments (RIAs) have become mandatory on all proposals for new regulation.

A general drive toward the modernization of public services has witnessed an increased emphasis on strategic planning and capacity in the Irish civil service as well as in the various governmental departments.

Netherlands

value 6

The government's strategic capacity is adequate. Nevertheless, the government is trying to reduce the size of the civil service and make it more efficient. Budgetary considerations and public pressure drive this push toward reductions. In theory, this downsizing is justifiable. In practice, however, such a reduction might ultimately be detrimental to the government's strategic capacity. Future developments will show whether this is truly the case.

Portugal

value 6

EU membership effectively acts as an “institutional shock” that forces policies and institutions to adaptation. In the case of Portugal, membership and periodic revisions of the constitution have led to significant changes and improvements in its institutional arrangements.

Furthermore, internal coordination of the government has been enhanced by two changes. First, a number of changes were made in the rules of procedure in the Council of Ministers. Second, there were changes in the government composition, whereby ministers with more “public” and “outspoken” profiles were replaced by individuals more likely to comply with the high level of centralized coordination typical of the incumbent government. Moreover, some areas have witnessed increased strategic planning and communication between different ministries to an unprecedented level in Portugal’s democratic history.

Nevertheless, the low frequency with which the impact and implementation of policies is evaluated remains a significant problem. There are assessments of fiscal impacts, and ministers and the government as a whole are formally allowed to evaluate issues in terms of the levels of resistance and technical obstacles to policy implementation as well as their economic and social consequences. However, the infrequency of such evaluations undermines the government’s strategic capacity.

South Korea

value 6

The Roh government tried various institutional arrangements with mixed results. For example, many special committees were established, directly responsible to the president, aimed at improving the efficiency of policy-making and minimizing bureaucratic delays and complacency. However, this did not necessarily improve strategic capacity. In fact, many institutional reform attempts failed.

The Korean president’s powerful position and his single five-year term present severe obstacles to the government’s strategic capacity. There have been discussions for years on switching from the presidential system to a cabinet system, and Roh supported this reform, but the opposition Grand National Party (GNP) rejected this proposal. Alternative proposals to allow the reelection of the president, in order to avoid the “lame duck” phenomenon, also led nowhere.

Smaller changes in government decision-making procedures were more successful. Increasing the scope of formal and informal interactions with civil society represented an important change during the Roh administration. The inclusion of civil society groups improved the government’s strategic capacity, because these contacts provided information that made it easier to anticipate potential support or resistance.

Czech Republic

value 5 The government and public administration have been organized relatively rigidly. Much of the practice of governing has been constrained by the nature of coalition governments, reinforced by the inertia of officials and very difficult to change. Following the country's accession to the European Union, programs were initiated to improve administrative practices and to take advantage of modern methods of management. Preliminary steps have proved much easier than actual implementation.

Italy

value 5 It is standard procedure that a new government changes the structure of the government office, the composition of the ministers without portfolio and also the number and responsibilities of line ministries. This happens primarily following the composition of the government and the division of powers. As a consequence, prime ministers always try to improve their strategic capacity as compared with the ministers. One example is the creation by the Prodi II government of a ministry which monitors, controls and enforces the implementation of the government program. Overall and in spite of rather vague talks about the need to change the government's institutional arrangement to improve its policy-making capacity, however, no serious project was developed and implemented in the period under review.

Luxembourg

value 5 There were a number of structural changes in the Luxembourg government prior to the current period of review. However, they cannot be regarded as having considerably increased the government's strategic capacity. Most reforms of the present period were of a minor scale, such as an initiative to increase the service orientation of civil servants who have direct contact with citizens.

Slovakia

value 5 The Dzurinda government's far-reaching reforms were not associated with, or preceded by, similarly profound changes in the institutional arrangements of governing. While decentralization was substantial and the capacity for obtaining and using EU funds was strengthened, there were few changes made to the formal organization of central government. The fact that the government successfully adopted large-scale reforms points to an increase in the government's strategic

capacity. And it was the clever use of existing institutions at the hands of a committed reform team – not institutional reforms per se – that yielded this increase.

Spain

value 5 The Spanish government at the time of writing has re-evaluated existing institutional arrangements which were inherited from the previous administration. From this evaluation an institutional re-structuring of cabinet ministries and advisory agencies took place. Some new ministries were created, such as the Ministry of Housing, and two vice-presidencies were created: the political vice-presidency and the economic vice-presidency.

In general, it appears difficult to enact reforms based on scientific knowledge or external advice due to a legalistic administrative culture and the legal stance of the majority of bureaucrats who are involved in policy-making and implementation. In this regard, a strategic vision is rare in political decisions, as it is subject to the forces of political relationships and political externalities.

Switzerland

value 5 The federal government functions only partially successfully. The introduction of new administrative techniques, such as New Public Management practices, has helped. However, efforts towards substantial institutional reform are often met with resistance on the part of the Swiss public and cantons.

Turkey

value 5 Changes in institutional arrangements are motivated by practical and political considerations rather than substantive reasons, such as institutional improvement. If or when institutional arrangements are changed or reorganized, it is usually to simply meet the needs of the day. For example, whenever a new cabinet is formed, responsibilities are reorganized and redistributed. These changes are justified on grounds of efficiency, productivity or strategic capacity.

However, for instance, in a coalition government, the new arrangement is almost invariably the result of hard-bargaining by coalition parties. Single-party governments are not immune from this sort of compromise arrangements, as the party leader also has to consider power balances and factional conflicts within his party.

Greece

value 4 The Greek government occasionally tries to improve its strategic capacity by changing its institutional arrangements. Examples have included the creation of a new agency tasked with managing responses to national disasters, and of a new fund

to finance social cohesion policy. However, these are top-heavy initiatives, for which success depends on the prime minister and the minister given responsibility. Changes in institutional arrangements are rarely wholesale, and rarely represent a long-term orientation. In the current period of review, there were no examples which demonstrated significant improvement in the government's strategic capacity as a result of changing the institutional arrangements of governing.

Japan

value 4

Although Koizumi acted to improve the government's strategic capacity during his early years in office, more recent moves have diluted this effect. The departure of Takanaka, the leading reformer within the cabinet, from the economic and fiscal policy portfolio to internal affairs in order to take over postal reform, showed how small the base of reformers was. His successor, Kaoru Yosano, was known to be much closer to bureaucrats, and this raised the threat of renewed ministry influence over the CEFP, reducing the prime minister's ability to use this body strategically. Abe's appointment of Yosano as chief cabinet secretary countered the tendency to make the Cabinet Secretariat more independent from ministries, in order to formulate overarching policies. Abe said he wanted to strengthen central policy-formulating mechanisms, in part by raising the number of outside experts, but his personnel policy seemed to run counter to these tendencies.

Poland

value 4

Institutional arrangements have been relatively stable. Save for the new guidelines on RIA in 2006, the PiS government for a long time did relatively little to improve its strategic capacity. Only in March 2007 was a major re-haul of ministerial organizational structures (and the relationship between structures) launched.

Belgium

value 3

Under the Verhofstadt government, there were no changes made to the institutional arrangements of governing to increase strategic capacity or otherwise. Generally, however, if changes are made, they are usually motivated by a desire for further decentralization, not by a desire to increase strategic capacity. This, in turn, does seem to limit rather than increase the strategic capacity of policy deliberation and policy-making in Belgium.

This report is part of the Sustainable Governance Indicators 2009 project, which assesses and compares the reform capacities of the OECD member states.

More on the SGI 2009 at www.sgi-network.org

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