

SGI Sustainable Governance
Indicators 2009

Steering Capability

Societal consultation



Indicator Mobilizing public support

Question Does the government consult with unions, business, religious, social and environmental interest groups in developing policy?

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 government successfully motivates economic and social actors to support its policy.*
- 8-6 = The government facilitates acceptance of its policy among economic and social actors.*
- 5-3 = The government consults with economic and social actors.*
- 2-1 = The government rarely consults with economic and social actors.*

Finland

value 10 In Finland's consensually oriented political system, interest organizations and associations are regularly consulted in order to include a variety of views in the policy-making process. This also in turn helps generate public support for government policies

Switzerland

value 10 Within Switzerland's strong corporatist political system, there are numerous pre-parliamentary procedures and committees designed to involve different societal groups, whose task it is to advise the government. These instruments are designed to prevent proposals from failing in parliament or in referenda and to offer solutions that benefit all parties. However, conflict between interest groups over issues associated with European integration and the process of globalization has undermined the country's historically strong system of corporatism.

Denmark

value 9 Denmark has a long tradition of involving economic and social actors at all stages of the policy-making cycle and occasionally even in the implementation stages. Both formally and informally, the administration enjoys good contacts with the main interest organizations, such as the trade unions, employers' unions, various business organizations and NGOs as well as with the leaders of major companies. Interest organizations provide politicians and civil servants with important information.

Furthermore, although corporatism is still present, it has changed over the years. Two important recent examples are the Globalization Council and the process on so-called quality reform of the public sector. In both cases, the government consulted widely with various societal interest groups and, in the latter case, also with employees in the public sector. As a result of this process, in 2007, the government made a tripartite agreement on a number of efforts to improve the public sector.

Iceland

value 9

Iceland has a long tradition of formal as well as informal consultation between the government and labor-market associations. Parliament has a working agreement to consult interest organizations in this context, but not necessarily a rule about who or which representatives will be summoned.

In the past, this often meant that the government facilitated wage agreements ex post by devaluing the currency or printing money to keep employers afloat. More recently, this has meant that the government offers ex ante to adjust its policies in ways that make it easier for the negotiating parties to reach agreement. Hence, the government's stance has become less accommodative, and more disciplined.

Recently, the government has been at loggerheads with various interest groups, such as the Organization of the Handicapped in Iceland and the Union of Professors at State Universities, in disputes over pay and rights that were ultimately taken to court. These court cases seem to reflect a hardening atmosphere with less effective consultation than in the past and less appetite for reconciliation. Even so, organizations, firms and individuals have always had good access to individual ministers.

Ireland

value 9

A neo-corporatist approach to governance has characterized Irish politics since the 1987 signing of the Program for National Economic Recovery (PNER). This program was a relatively modest agreement based on annual wage increases of 2 percent and supported by a series of government commitments to stimulate employment, to broaden the tax base, to permit lower taxation of workers' earnings, and to improve social protections.

This PNER approach has focused key areas of Irish policy on broad strategies agreed to in tripartite "social partnership" agreements. The economic growth experienced in the mid- to late 1990s solidified this tradition. Furthermore, a noteworthy trend in social partnership agreements has seen their terms of reference expanding from macroeconomic policy parameters to include an ever-widening range of social issues. This, in turn, has led to the inclusion of interest groups apart from those representing the interests of unions, farmers and employers, and it has seen the inclusion of groups from the community and voluntary sectors in negotiations. The

PNER was followed by successive agreements of ever-increasing complexity and scope, as is indicated by their commitment to ambitious targets for economic growth, investment in education and health care, social inclusion and action to promote enterprise, and employment through the maintenance of an innovative and competitive business environment.

The latest such agreement – entitled “Towards 2016” – was agreed to in June 2006. The implementation of full RIAs has succeeded in improving the rapport between elected officials and the electorate because it mandates a formal consultation process including all the relevant stakeholders. In practice, government associations and related interest groups typically enjoy close association. The 2004 government white paper entitled “Regulating Better” indicated a desire to further broaden consultative procedures involved in Irish regulation.

Luxembourg

value 9

Luxembourg’s political culture is characterized by the search for consensus and attempts to prevent conflict. The Tripartite Coordination Committee, established in 1978, embodies the so-called Luxembourg model. As its name indicates, this committee is composed of an equal number of government, trade union and employers’ representatives. Formed in the wake of a crisis in the steel industry, it was intended as an exceptional response to an exceptional situation, but has nonetheless managed to remain active. The government still uses it as a consensus-finding device for all kinds of societal, economic and fiscal problems. Critics periodically question the committee’s democratic credentials, arguing that it assumes responsibility for decisions that are rightly the domain of the legislature. However, once the committee has reached consensus, the Chamber of Deputies typically ratifies those compromises.

Netherlands

value 9

The consociational democratic government in the Netherlands seeks to secure the early cooperation of the various interest groups. Incorporating these interest groups into the policy-making process has been facilitated by the creation of advisory boards, tripartite councils and quasi-autonomous nongovernmental organizations (so called *quangos*). Such bodies advise the government on new policy proposals, and some of them may even issue binding resolutions for which the government bears no responsibility.

One of the clearest examples of this political culture can be found in the socioeconomic sphere of policy-making. In this field, two organizations – the Social and Economic Council (SER) and the Labor Foundation (Stichting van de Arbeid) – serve as partners and co-evaluators of governmental policy proposals. The Labor Foundation is a federation of different employee and employers associations. The

foundation usually meets with the Council of Ministers twice a year to propose future policy recommendations. In many cases, these consultations facilitate the acceptance of and support for government policies by societal groups.

Norway

value 9

Norway is a consensus-oriented society. Not only are interested parties fully informed of measures under discussion, but they also play an active role in the legislative process. In particular, there is a firm tradition of consultation with trade unions and business organizations. Interested parties are invited to express their views before new laws are presented to parliament. Social confrontations over policy-making (e.g., political strikes or violent forms of protest) have been almost nonexistent in recent years.

Sweden

value 9

Sweden has a very high degree of corporatism. Although the degree of corporatism has declined in recent decades, it is based on the classic coordination between the Social Democratic Party (SAP) and the Swedish Trade Union Confederation (LO). Although the government is orientated toward integrating various societal groups, there are some limits. For example, governments have been criticized for failing to respond to some of the demands put forward by groups promoting changed environmental and gender policies. Nevertheless, societal organizations are almost always involved at different stages in the process of policy-making.

On the one hand, they are regularly represented on the special commissions of inquiry the government convenes to prepare reform suggestions. As a result, the organizations' perspectives are often considered already from the beginning stages. On the other hand, they are normally consulted when a special commission of inquiry delivers a report, and the input from these consultations is taken into consideration when the government makes its final policy proposal.

United States

value 9

When it comes to consultation with external groups, the U.S. equivalent of a parliamentary government includes both the executive and legislative branches. On the executive side, there are no regular, formalized consultations conducted by the White House. However, the White House Office of Public Liaison maintains contacts and often organizes meetings with external groups. Interested parties, such as business or labor groups, also meet informally with both White House and department officials about pending legislative or changes in administrative policy.

The president's agenda is promulgated through media-based strategies to reach the

public or crucial segments of the public that are expected to support presidential initiatives, that is, the mobilization is selective. This targeting is crucial in advance of the congressional policy process for alerting interest groups supporting the president. In general, such informal consultation may over-represent groups that are likely to support the administration's position. On the legislative side, Congress usually holds hearings that involve testimony from a wide range of groups. In this way, even if the administration consults with a relatively narrow range of groups, Congress still draws most of the other affected interest groups into the process.

Sometimes, however, congressional committees stack hearings, thereby favoring supporters of a bill and excluding its critics. In any case, allowing a group to testify at a hearing does not necessarily indicate any actual willingness to accommodate its interests.

New Zealand

value 8

New Zealand has a strong tradition of broad consultation with interest groups and individuals. The government is aware of the need for public support in policy-making, and thus consults with sector and interest groups, especially those which it recognizes as forming part of its own power base. Consultation is also required when undertaking RIAs, if legislation or regulation has been proposed. Select committees usually invite public submissions and hold hearings on proposed legislation following its parliamentary introduction.

However, for a long time politics was based on a left-right socioeconomic cleavage, structured into a two-party system. Naturally, opportunities for a left-wing government to win support for its policies among business and farmers' associations was limited (and vice versa). During the radical economic and social reforms of the mid-1980s to the mid-1990s, confrontation increased and adversarial interest groups were deliberately excluded from consultations. Nevertheless, there has always been a norm of acceptance of majority rule. More recently, with the development of a multiparty system, the cleavage structure has become more diversified. This has led to more consensus-seeking in recent years

Spain

value 8

The Spanish government at the time of writing represents a shift in approach from the prior administration, which focused its communications in business organizations and trade unions. The current government, in contrast, reaches out to NGOs, advocacy groups, and other representatives of civil society. In this respect, during the government's term there has been ample consultation with all social actors in the planning of legislation.

Trade unions, employers' associations, environmental organizations and NGOs have all been satisfied with their relationship with the government and the open channels

of communication. The Ministry of Labor and Social Policy alone has signed 24 agreements with civil society groups concerning various social issues, including pensions, the labor market and the regularization of immigrants, among other items. The NGOs are particularly satisfied since their influence on government decision-making within the ministerial levels has been greatly enhanced. Even the Church's interests have been heard and partially attended to, despite issues over the teaching of the Catholic religion in schools,

The extent and success of such consultations in preparing policy initiatives depends on the particular sector, but the majority-rules tenor of Spanish politics allows the government to overlook social actors' views if external support is not necessary on a particular bill, if there is no possible veto that could halt a bill or and if the electoral chances of the government party is not damaged by its position.

Austria

value 7

Austria's "social partnership" version of corporatism awards the leading economic interest groups with a privileged status in political decision-making. Nevertheless, this special position has been eroded by the global recession, growing segmentation within the labor market, Austria's accession to the European Union and the increasingly competitive nature of party politics. The social partners' position was especially weakened under the most-recent ÖVP-FPÖ government (2000–2007).

Despite these changes, the ministries and the Federal Assembly continue to regularly invite these interest groups to consult with them, especially during periods in which laws are being assessed.

Belgium

value 7

There is a tradition of consensual policy-making, whereby the government facilitates the acceptance of its policies among economic and social actors. However, on some important matters, consensual policy-making has proven impossible following the resistance to certain reforms by businesses or the public. This has led to the government retreating from planned action and delays in the reform process.

Canada

value 7

Over the past 30 years or so, the government has established elaborate consultative processes. Key actors from the business community, environment groups and volunteer associations are consulted on a continuing basis. Nevertheless, some groups have complained that their involvement has only a limited impact on the government and its decision-making process. Public consultation, they argue, is mostly "just for show" or simply meant to demonstrate that consultations have taken

place.

The Harper government is perceived as having an ideological bias against interest groups, regardless of whether they are general interest groups or interest groups closely aligned with its political party. In doing so, the government attempts to present itself as being focused on the well-being of the entire nation rather than just on the narrow interests of the supporters of its own party.

Germany

value 7

Historically, German governments have worked closely with civil society groups including business organizations and trade unions. During the law-making process societal groups are invited to comment on draft bills and to give suggestions for revision.

However, experts say this process has taken on an increasingly ad-hoc character in recent years, and differs substantially from policy to policy. The Schröder government established many semi-institutionalized expert bodies to prepare proposals, which also partly served to circumvent the traditional parliamentary and partisan coordination processes.

The period of this review saw major changes in the traditional corporatist routine, with a loosening of ties between the SPD and the major trade unions. Ties between the CDU, business associations and churches, the conservative party's traditional partners, have also loosened somewhat.

Italy

value 7

The government often consults groups (in particular trade unions) on matters of particular importance. In the 1990s, Italy developed its own method of dialogue with social partners called "concertazione." On the regional level, in the field of health policy as just one example, dialogue with social partners is compulsory. On the national level, an agreement was instead agreed upon in 1993 which is, however, not legally binding. This agreement sets out that on matters of wages, occupation and other related state policies there should be extensive governmental consultations, and whenever possible, a broad accord on politics which have an impact on such matters. The government, as well as the size and composition of its parliamentary majority, are key in determining whether such societal consultation is taken seriously. The Prodi II government – also because at least two essential coalition partner parties had close ties to trade unions – involved trade unions in its reform projects. However, it did not always succeed in securing the support of trade unions, and there are often complaints from such groups that consultations are not effective or satisfactory. Policies related to science, new technologies and ethics enjoy the broad participation of social and related lobbies. In such cases, the government office (Presidenza del Consiglio) has even established standing departments and committees which include high-ranking external experts.

Japan

value 7

The Japanese government has long sought to embrace major social groups, in order to make its policies more acceptable and sustainable. This mechanism has been referred to as an “iron triangle” linking politicians of the ruling LDP, the ministerial bureaucracy and leading business circles, through the establishment of advisory councils associated with ministries and agencies. This led to considerable interest entanglement, through mechanisms such as lobbying legislators or filling senior business positions with former bureaucrats, and a tendency to exclude other interest groups such as trade unions or environmentalists.

The breakdown of the iron triangle in the 1990s strained this kind of strategic, but also collusive cooperation to the point of demise. Nevertheless, the government still needs to seek the support of other societal forces, in what might be termed a horizontal-fragmentized model of policy-making. Since the late 1990s, the government has attempted to make administration more transparent and involve more societal forces. Progress is difficult, as there is no established pattern of voluntarism in the social groups which the government might seek as partners. Yet on many issues, including environmental concerns, development support and refugee issues, the government does seek cooperation with social groups, often organized as NGOs or nonprofit organizations.

Australia

value 6

The Liberal-National Coalition government, in power from 1996 to late 2007, was closely associated with business lobby groups. In particular, the Business Council of Australia, which represents 100 CEOs of Australia’s largest companies, was a very strong supporter of the government’s changes to industrial relations legislation. In contrast, the government was heavily criticized for muting the voices of other stakeholders, such as social and environmental interest groups, by reducing government funding if these groups spoke out on political affairs. In 2005 the government disbanded the Aboriginal and Torres Strait Islander Commission (ATSIC), a body elected by Indigenous Australian communities to represent their interests at the federal level. ATSIC was replaced by the National Indigenous Council, a body appointed by the federal government to provide advice on Indigenous affairs. This move was widely criticized.

Czech Republic

value 6

The main formal means of communication with social interest groups is the Council for Economic and Social Accord, a tripartite body that includes trade unions, various employers’ representatives and government officials. Practically any social or

economic policy issue can be raised in this forum, and it does occasionally play a role in the formulation of government proposals that will reassure and gain the acceptance of representatives of social interest groups. Nevertheless, the group does not receive much media attention and has only a limited impact on the wider public. The council's effectiveness also depends on the government's willingness to listen to the concerns of its members. This willingness was relatively high under the center-left government.

In addition to the Council for Economic and Social Accord, other forms of consultation exist. Most notably, the interests of depressed regions are formally represented to the central government, and representatives have argued for assistance in repairing the environmental damage caused by past coal mining. Environmental groups, on the other hand, have felt excluded from formal processes, but they have found a powerful voice by pursuing legal action to delay opposed developments and by securing coverage in the national – and sometimes even international – media.

Slovakia

value 6

The government is obliged to consult interest associations during the legislative process. There is also a tripartite Government Council for Economic and Social Cooperation, which is in charge of facilitating the discussion of socioeconomic issues.

During its tenure, the Dzurinda government consulted with interest groups but refrained from forging any agreements or pacts. It further alienated the trade unions by limiting the competencies of the Government Council for Economic and Social Cooperation. The Fico government, in contrast, has been characterized by its strong union ties. Indeed, Smer-SD, the dominant party, signed a general agreement with five trade unions before the 2006 elections. The unions pledged their support for Smer-SD in the elections, and the party promised to introduce pro-labor policy measures in the event of electoral victory.

United Kingdom

value 6

The Blair government reformed the policy-making process by making it more collaborative, and by creating partnerships between the government, the private sector and the “third sector” of voluntary bodies and charities. It also institutionalized many formal contacts with several stakeholders by including them as members in government-established committees, circulating government consultative documents, and by consulting a wide variety of groups on the contents of delegated legislation. Consultation is an integral aspect of regulatory impact assessments and the policy –formulation process.

Whereas traditional pressure group politics proved rather effective for a long time – especially with regard to Labour governments and trade unions – this is no longer the

case. The growth and increase in numbers of direct action groups demonstrates not only the limits of consultation, but a considerable lack of widespread trust in the effectiveness of established insider groups.

There are too few formal channels through which social partners and NGOs can be engaged. The burden of inclusion is often placed on the organizations themselves, who must prove effective in mobilizing support or lobbying. The Public Administration Committee, which examined innovations in citizen participation in government in 2001, found few examples of listening exercises in central departments and agencies leading to dramatic changes in government policies. And while the consultation process within the RIA scheme was found to be initially successful in gaining legitimacy and support for new policies, the process grew increasingly problematic as goals were missed and stakeholders became frustrated with government's attempt to maintain meticulous control of the consultation process. In short, neither the traditional route of intermediation nor the government's newly tried paths have been utterly successful in garnering acceptance for its policy projects.

Greece

value 5

Social dialogue and the functioning of corporatist structures are relatively new in Greece (dating back only to the early 1990s), but today the government exchanges views and information with business and labor groups whenever a major policy shift is envisaged. However, except for the biennial rounds of negotiation on wages and salaries, in which the government, employees and the employers take part, there is no institutionalized channel of exchange of views and information between the government and the country's economic and social actors. Moreover, a polarizing political culture and the polemics that dominate the exchanges between government and the opposition, and between government and economic groups, often obscure the possibilities for meaningful consultation.

NGOs are sometimes consulted by ministers in areas such as environmental policy or social assistance, but the consultative organs in the ministries involved, which include representatives of civil society, are of a cosmetic nature and do not participate in substantive policy-making. For instance, the Economic and Social Committee, which is modeled on the EU's Economic and Social Committee, and which includes representatives of employers and employees, issues opinion papers and makes recommendations, but has limited influence on decision-making.

Hungary

value 5

The Hungarian government has only inconsistently sought support from interest associations. It has consulted with these groups in different ways, ranging from the normal legislative consultation process to formal tripartite negotiations and informal

meetings at the ministerial level, but has not forged any official agreements or pacts. Perceiving most interest associations to be unprepared, indifferent or even hostile, the government pushed through its unpopular 2006 austerity program without the assistance, and in some cases against the opposition of major economic and social actors.

Mexico

value 5

For many years, Mexico's civil society was based on strong corporative organizations such as private sector chambers and large unions. Nowadays, in some of the major socially oriented organizations such as the Mexican Social Security Institute, all three sectors – government, business and labor – are formally represented. This has led to a tradition of communication between government and these organizations, but the links are generally exploited to win support for government measures, rather than for genuine consultation. The government does genuinely listen to some economic and social actors, however. Business groups, particularly those representing big business, have considerable influence. Small businesses, despite having their own organization, are largely bypassed on major issues.

The issue of trade union representation is more complicated. Most Mexican workers are not enrolled in effective unions, but there are indeed some very powerful trade unions, such as the teachers' union and the oil workers' union. These unions have direct access to party politics. The oil workers' union is close to the Institutional Revolutionary Party (PRI), while the teachers' union, once close to the PRI, now attempts to broker deals between PRI and the National Action Party (PAN). These unions do influence government, but the influence is mainly political rather than syndical.

Portugal

value 5

The government consults with associations very regularly in order to secure their support for individual policies. In general, socioeconomic policies (e.g., those regarding pensions, wages and labor regulations) are heavily influenced by corporatist arrangements in which the government, trade unions and employers' associations formally negotiate such matters. In this regard, a government supported by a parliamentary majority retains a considerable degree of autonomy. Moreover, over the last two years, these negotiations have been generally successful, and their outcomes can be said to have resulted from genuine compromises, to have engendered feasible policies, and to have resulted from genuine compromises (although they have sometimes excluded the largest trade union, which is linked to the Portuguese Communist Party, or PCP).

Historically speaking, one could argue that the influence of interest associations has

been greater in the policy domains in which the successful implementation of measures is highly dependent on the consent of highly specialized professionals (e.g., health, justice, defense, security and education). Members of these associations are always represented on the committees set up for reform-related legislation and policies. In general, such individuals tend to inhibit general reform measures by strenuously championing the particular interests of the group they represent. During the period under examination, one of the government's touchstones has been changing its relationship with organized interests. Consultation has continued to take place, but the government has often refused to allow the results of such consultation to influence policy. In fact, the government has even been willing to engage in open confrontation with these organized interests and, so far, the general public seems to have approved of the government's new policy of confrontation rather than accommodation. However, the acrimony engendered by this approach may have unforeseeable consequences on the government's relationship with several organized interest groups as well as on its ability to implement policies.

South Korea

value 5

The Roh administration put great effort into consulting with economic and social actors, but in the 2005 period, it was not successful in winning acceptance. Most societal groups and most Koreans saw the Roh administration as a failure, although the reasons for this harsh assessment vary. The administration met resistance from big business from the beginning, although the chaebol profited from administration policies, such as the free trade agreement, that were clearly in the interest of the export-oriented business conglomerates.

Roh's policies were initially influenced and supported by labor unions and progressive NGOs. However, he failed to satisfy their wishes in issues such as the abolishment of the National Security Law, the improvement of labor rights and control of real estate speculation. Following 2005, Roh's agenda shifted, focusing more on opening markets (in the context of the free trade area negotiations) and financial liberalization (specifically, the financial hub initiative).

In most policy areas, interested parties are fully informed of proposed measures and are consulted at various stages of the policy-making process. Consultation with trade unions, business and civil society organizations is today a standard approach. However, because the latter organizations are divided ideologically, acceptance of government policies is normally not high.

Turkey

value 5

The government regularly consults economic actors, such as the two most influential business organizations, TÜSIAD and MÜSIAD, as well as the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and economic organizations such as

the transporters' union, groups related to private civil aviation, the exporters' union and tourism industry associations. Contrary to previous administrations, the government has also held talks with religious minority communities based in Istanbul.

On the other hand, the government has fought with and often avoids discussions with the Council of Higher Education (YÖK) and thus with universities, with most labor unions and with sectarian Muslim organizations of the Alevi. All these organizations are strongly influenced by a Kemalist state ideology, which tends to view the current AKP government as threatening Turkey's political system and secular traditions.

At the end of the day, the government alone is responsible for carrying out its program and most attempts at public consultation are done for public relations rather than to seek a change in policies or draft laws. Frequently, economic and social actors such as business associations, trade unions, chambers of commerce, bar associations, medical associations and so on, complain that they are not consulted about decisions that concern their areas of interest or expertise.

France

value 4

Within a political system, there are numerous committees with representatives who hail from different societal groups and whose task it is to advise the government. Observation, however, has shown that advisory meetings, which have become increasingly important, still have little effect on the government's work. Legislative proposals are often put before parliament by the government and passed without the prior approval of interest groups including, to some extent, trade unions.

As a consequence, large protests do occur, often taking the form of strikes. Strikes have been acknowledged as part of France's political culture, and participation in strikes is a generally accepted form of protest. Experts regularly highlight the fact that France has not yet developed a civil society. The country's culture of protest has the effect that most interest groups complain about the legitimacy of government decision-making when it leads to results that do not fulfill their expectations.

Poland

value 3

Polish law provides for different methods of societal consultation. The Polish government is obliged by law to consult all parties affected by a proposed piece of legislation. For a number of issues, it also has to consult a commission representing trade unions and business associations, and there is also a joint commission of central and local governments which plays a role in the consultation process. The PiS government made little use of these provisions and institutions. Save for the Catholic Church and the Solidarity trade union, the government did not listen to social or economic actors and did not really try to motivate them to support its policies.

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

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