



# Organizational Reform Report

Self-monitoring, Institutional Reform

Sustainable Governance  
Indicators 2016

Indicator

## Self-monitoring

Question

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

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

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

### Finland

Score 10

The monitoring and evaluation of existing institutional models forms an important element of the Finnish political and administrative system. Attempts to improve the proportionality of the electoral system and alter constituency sizes are examples of how evaluation and monitoring processes in Finland mainly focus on administrative and steering issues. A system of program management has been implemented that includes monitoring of the government program. In an implementation plan adopted in 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 Sipilä cabinet's five strategic key projects.

:

<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 Stubb in 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. However, there is strong and rather comprehensive oversight of the working of the state apparatus from the top down, and the government has been

quick to change any institutional arrangements it has deemed to be ineffective. The Orbán governments underperform with regard to coherent policy planning, but react quickly to failures in individual cases. Public policy has often been very volatile, changing according to the government's current needs.

## New Zealand

### Score 9

Following from the change to a proportional electoral system in 1996, institutional arrangements in the core executive as well as executive-legislative relations and democratic decision-making have been regularly and effectively monitored. Although the first government under the new electoral system was a majority coalition, subsequent governments have lacked a parliamentary majority. Rather than assembling a formal coalition, the present National-led government followed the example of its immediate predecessor, the Labour-led government of Helen Clark, by keeping its support parties at arm's length from the cabinet. All 20 cabinet seats are held by National Party members. Two of the three support parties (United Future and the Maori Party) have been given ministerial portfolios outside of cabinet but within the larger executive. The solitary Act MP, a newcomer to Parliament, has been given the title of 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.dPMC.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 wants to reduce the number of evaluating agencies, as part of a larger project to replace New Public Management-models of public sector management with a more professionally based model of management.

Citation:

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

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

## Denmark

### Score 8

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

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

The agency for modernization at the Ministry of Finance is responsible for innovation and efficiency in the public sector. 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 (there is the possibility to opt out, for example, for the elderly). In 2011, Denmark had the highest percentage of e-government among EU countries.

Citation:

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

## Latvia

Score 8

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

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

## Lithuania

Score 8

Lithuania's policymakers monitor institutional governing arrangements (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).

## Canada

- Score 7** Government structures are constantly changing in Canada, for better and for worse. It is not a static system, but there are few procedural structures in place to (self-) monitor whether current arrangements are appropriate or whether changes have resulted in the intended improvements. Instead, changes are initiated by the government in power whenever it deems appropriate, with little or no ex post evaluation. In the case of the recent merger of the Department of Foreign Affairs and International Trade (DFAIT) with the Canadian International Development Agency (CIDA), for example, the government offered no details about the exact nature of the amalgamation as conceived, nor about the cost savings it was intended to realize. Other examples in which comprehensive evaluation following an organizational reform has been lacking include the establishment of Service Canada as a delivery platform for government services in 2000, and the split of Human Resources Development Canada into two departments in 2004 (only to be merged again in 2008).

Citation:

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

## Germany

- Score 7** There is neither a particular institution nor a commission that independently and impartially operates as an oversight body with respect to governmental activities. In addition, institutional self-monitoring capacities are still low. However, the creation

of the Better Regulation unit in the Federal Chancellery and the extension of the competences of the National Regulatory Control Council (Normenkontrollrat, NKR) – an independent advisory body – have strengthened the capacities for self-monitoring.

## Ireland

**Score 7** The present government has a mandate for institutional reform and has made some progress in implementing its program in this area 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).

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

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

"Information security management and survivability of Internet and computer infrastructure for government offices", state comptroller yearly publication 63b, 2013: [http://www.mevaker.gov.il/he/Reports/Report\\_95/8e003e9a-3404-4626-a2ab-eddb638549ed/8254.pdf](http://www.mevaker.gov.il/he/Reports/Report_95/8e003e9a-3404-4626-a2ab-eddb638549ed/8254.pdf) (Hebrew).

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

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

## Japan

**Score 7** Governmental institutional reform has been a major topic of consideration and debate in Japanese politics for more than a decade. The DPJ-led governments of 2010 to 2012 drew lessons from the perceived failures of institutional reforms enacted under the first DPJ Prime Minister Hatoyama (2009/10) and introduced quite

significant changes. The current 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 PM 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.

## South Korea

### Score 7

In contrast to the Lee Myung-bak administration, which came to office with the clear goals of streamlining the South Korean government and bureaucracy and passing deregulatory legislation, the current Park Geun-hye administration was originally focused on the goal economic democratization. However, the Park 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.

Several major Park-administration policies, such as the creative-economy initiative and the "trustpolitik"-based approach toward North Korea, remain unclear and poorly integrated into existing institutions of policymaking.

Citation:

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

## United Kingdom

### Score 7

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>

## 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 2015, 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.

## Australia

**Score 6** There is little in the way of formal processes to indicate that institutional arrangements are monitored regularly, but it is clear that such monitoring does occur occasionally. 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, the current government decided to create a second minister in the Ministry of Economy and Communication with responsibility for foreign trade and business, and to have two ministers in the Ministry of Social Affairs responsible for different social-policy areas. However, it is generally difficult to estimate how systematic and consolidated the government's self-monitoring activities truly are.

## Mexico

**Score 6** In general terms, Mexico has historically found ways of dealing with the so-called agency problem, which explains why institutional arrangements need constant monitoring, but at the price of a degree of authoritarianism. Now, Mexico is much more democratic, but administration is much more complex. Policymakers are more aware than they once were, at least at the central level of government. In contrast, the situation is more heterogeneous at the state and local levels, where one can more often find perverse incentives or overly mechanistic interpretations of what the situation requires.

The quality of self-monitoring has depended strongly on the personality of the president. Calderón was a professional politician and administrative reformer who took substantial interest in the structure of his own government. He reorganized the structure of his cabinet and abolished several ministries in 2009. Over a longer period of time, Mexican policymakers have tended to engage quite frequently in administrative reorganization, possibly to excess. President Peña Nieto has been a dramatically ambitious reformer, and there is some question as to whether he has tried to reform excessively. However, as of the time of writing, the pace of reform had begun to slow with the approach of the 2015 congressional elections.

## Poland

**Score 6** As part of its reform efforts, the Kopacz government regularly monitored the institutional arrangements of governing.

## Turkey

**Score 6** Several units in the hierarchic Turkish administration contribute to the monitoring process directly or indirectly. These include the State Supervisory Council, the Prime Ministry Inspection Board, the Directorate General of Legislation Development and Publication, the Directorate General of Laws and Decrees, and the Council of State. 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 a regular monitoring of governmental performance enables effective auditing and the realization of objectives.

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)

## France

### Score 5

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

A report, produced by the OECD in 2011 at the request of the Ministry of Public Administration (now renamed as the Ministry of Administrative Reform), offered an overview of government organization and public administration, and presented reform proposals. Since 2012, many of these proposals have been implemented and resulted in a new organizational chart for central services provided by ministries as of 2014. However, after New Democracy's defeat to Syriza in the European Parliament elections of May 2014 and Syriza's rise to the seat of government in January 2015, monitoring was only very selectively and sporadically implemented as the country went through a period of reform inertia, government instability and renegotiation of its bailout package.

In brief, in the period under review, though some new mechanisms for monitoring governing were available, such as competent parliamentary committees and the Government Council on Reform, successive governments marginalized these mechanisms.

## Iceland

**Score 5** Iceland has no formal political or administrative system of self-monitoring organizational reform. Monitoring of institutional arrangements is irregular. Institutional arrangements are occasionally reviewed. For example, the previous government reshuffled several ministerial portfolios to strengthen policy coordination and administrative capacity. The current government immediately reversed some of these mergers, increasing the number of cabinet ministers from eight to 10.

## Italy

**Score 5** In general the attention paid to the internal organization of the government machine has been only selective and sporadic. No systematic monitoring is accomplished on a regular basis. The spending review initiated under the Monti government has been continued under the Letta and Renzi governments. It has focused mainly on financial aspects, but has also involved some monitoring of the institutional arrangements of government (with particular attention given to the structures of local government). The minister for public administration has further developed existing projects aimed at monitoring the effectiveness of the state administration. 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.

## Luxembourg

Score 5

In the absence of systematic monitoring of institutional arrangements, the government relies mainly on international expertise. EU and OECD data has significant impact with regard to changes in the political agenda and the implementation of social and economic policy. 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 and other administration is currently able to fulfil these requirements.

Citation:

[http://erawatch.jrc.ec.europa.eu/erawatch/opencms/information/country\\_pages/lu/](http://erawatch.jrc.ec.europa.eu/erawatch/opencms/information/country_pages/lu/)

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

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

and Assessment in Education LUXEMBOURG, Paris (internet document:

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

## Malta

Score 5

Structures for monitoring institutional governance exist, but are often weakened by the existence of large ministerial secretariats staffed with political appointees – mainly allies of the serving minister. 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. 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.

## Portugal

**Score 5** The overwhelming concern between 2011 and May 2014 was to apply the MoU and seek budgetary consolidation. As noted previously, the policies contained in the MoU were largely retained after its end in May 2014, continuing through the period assessed here (November 2014 – November 2015). This means that monitoring resources were primarily allocated to the implementation of measures in the MoU; demonstrating results to (and, when necessary, negotiating with) the international partners; and monitoring public administration expenditure. Beyond this area, there were no substantial measures concerning monitoring of institutional arrangements implemented over this period, and there is little evidence of de facto monitoring of institutional governing arrangements. What little occurs appears to be reactive to political crises or challenges.

While the government has spoken of the need to “reform the state,” and indeed produced a 98-page plan outlining its intentions in this area, there was little implementation of this plan during the review period – again, reflecting to a substantial degree the fact that it was an election year.

Citation:

For the overall government plan see the government’s 98 page plan for reform of the state Um Estado Melhor. Final Version approved by the Conselho de Ministros on 8 May 2014.

## Spain

**Score 5** The Spanish prime minister has the constitutional and political monopoly to reformulate the institutional organization of the government. Without any legal constraint, he personally decides on the structure of portfolios and other governing arrangements every time he appoints new ministers. This also means that an overloaded prime minister cannot devote much attention to the most effective way to manage those arrangements, and can only sporadically monitor whether the current ones are working. Although Prime Minister Rajoy introduced alterations in ministries’ names and jurisdictions after taking office, 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, as new elections loomed in 2015, no serious consideration was made of any possible future reorganization to improve governing arrangements.

During the period under examination, the government’s internal structure and the procedures of governing remained almost unchanged (with the exception of minor

changes noted under “Institutional Reform”). No central actor performs this self-monitoring function. However, the new 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. Thus, in the future, the GO may also assess the appropriateness of institutional governing arrangements.

Citation:

Ley 19/2013, on Transparency, Access to Public Information, and Good Governance  
[www.mpr.gob.es/otai/Documents/Act-19-2013\\_on\\_transparency\\_access\\_to\\_public\\_information\\_and\\_good\\_governance.pdf](http://www.mpr.gob.es/otai/Documents/Act-19-2013_on_transparency_access_to_public_information_and_good_governance.pdf)

## Austria

### Score 4

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

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

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

In general, the structural conditions for monitoring institutional arrangements are suboptimal. A substantial debate concerning principal structural innovations did not take place.



## Bulgaria

- Score 4 There are no formal ex ante mechanisms for monitoring whether institutional arrangements of governing are appropriate. It is only ex post, when a problem becomes serious enough or a crisis emerges, that reflection regarding the structure of governance and institutional arrangements begins, and such cases are usually spurred by public pressure or pressure from some other government body. 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 Following EU accession, Cyprus has had to respond to EU standards. Monitoring has taken place in specific departments, and an initial focus on better regulation is extending to other sectors as well. Inconsistencies persist due to the poor functioning of institutionalized mechanisms and the absence of a central body with overall monitoring responsibilities.
- As a result, relations between the president, political parties and the parliament have often been tense. As in the past, some laws passed by the parliament were referred to the Supreme Court in 2015. Tensions have also mounted related to reforms undertaken in fulfillment of obligations assumed under the terms of the MoU, focused on issues such as non-performing loans and foreclosures. Conflicts have persisted and even intensified even at the highest level; for example, some have pitted the president or ministers against independent state officials or the parliament. During the review period, an additional rift emerged between the attorney general and the deputy attorney general, with the latter dismissed and as of the time of writing facing charges for corruption before the Supreme Court.

## 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.

## 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 members of parliaments of both coalition and non-coalition parties 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 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. There have been several cases of suicide by civil servants who had served as whistle blowers, indicating organizational cultures that mute self-criticism.

Citation:

"Angstcultuur verlamt recherche", in NRC-Handelsblad 15 September 2015

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

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

"Gaat de rechtbank nu toch weg?", in NRC-Handelsblad 28 August 2015

‘Ombudsman - overheid vergeet burger bij grote stelselwijzigingen’, in NRC-Handelsblad, 25 August 2015

“Onbestuurbaar? Dat vind ik zo’n apocalyptisch woord”, in NRC-Handelsblad, 16 October 2015

## Romania

**Score 4** Romania’s institutional arrangements of governing, including the number and organization of ministries, change rather frequently. However, there is no systematic and regular self-monitoring of institutional arrangements.

## Slovenia

**Score 4** There is no regular self-monitoring of institutional arrangements In Slovenia. The monitoring that takes place is ad hoc and limited. The annual reports of state organizations are formal and self-congratulatory. Under the 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, particularly in Brussels with its 19 municipalities of very different shapes and sizes, each with a mayor striving to conduct his/her own policy. 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. Though 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 government initiated this process, while the 2009-2013 government continued this process by reducing the number of ministries from 12 to eight and reshuffling ministerial responsibilities. Some of the ministries were administratively weak because of their small size. The capacity of these small ministries to cope with complex policy issues, such as international negotiations, was inefficient and ineffective. Further, the informality of small ministries was a disadvantage. The current government, 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, proposed constitutional reform has reached an advanced stage in the parliamentary process. Among other objectives, this bill changes the existing "perfect bicameralism" and reduces significantly the legislative powers of the second chamber with the purpose

of enabling the government to push forward its programs more speedily. 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.

## Mexico

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

The current president has innovated quite effectively in organizational terms. His administration created the "Pact for Mexico," which was signed by the heads of the main political parties very shortly after President Peña Nieto took office, and followed intense negotiations during the previous month. President Peña Nieto has shown an affinity for a model characterized by independent agencies entrusted with decision-making powers, as opposed to the kind of negotiated checks and balances that can degenerate into "partidocracy."

## Norway

**Score 8** Institutional reform is an ongoing process, with frequent reorganizations aimed at improving strategic capacity taking place. This includes changes in ministerial responsibilities and portfolios.



## United Kingdom

**Score 8** As mentioned above, the organizational flexibility of both the core executive and the distribution of tasks to specific ministries is 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.

## 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 is considering plans to further promote and implement strategic aims within government. These plans may include merging ministries and expanding monitoring and planning capacities. 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 furthermore discussed regularly in an evening strategy session that has partly replaced the traditional "evening school" as an informal meeting between ministry staffers and the heads of the parliamentary groups, and serves 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.

## 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.

## 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).

## 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 long-established independent traditions. 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, but the number of EU citizens hired remains low at approximately 5%, especially in the higher ranks. This is due to a compulsory language test in the three national languages, which limits the number of applications from non-nationals who aren't fluent in all of these languages. Other reforms are directed to the area of e-government, such as a planned implementation of electronic internal and external document exchange. To date, Luxembourg has neither an overall e-government law nor specific freedom-of-information legislation.

Citation:

Loi du 18 décembre 2009

[http://ec.europa.eu/information\\_society/newsroom/cf/dae/document.cfm?doc\\_id=5561](http://ec.europa.eu/information_society/newsroom/cf/dae/document.cfm?doc_id=5561)

[http://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)

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

[http://www.odc.public.lu/publications/pnr/2015\\_PNR\\_Luxembourg\\_2020\\_avril\\_2015.pdf](http://www.odc.public.lu/publications/pnr/2015_PNR_Luxembourg_2020_avril_2015.pdf)

[https://joinup.ec.europa.eu/sites/default/files/egov\\_in\\_luxembourg\\_-\\_january\\_2015\\_-\\_v\\_17\\_0\\_final.pdf](https://joinup.ec.europa.eu/sites/default/files/egov_in_luxembourg_-_january_2015_-_v_17_0_final.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>

## 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; 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.

## Poland

Score 7

The Kopacz government has largely relied on the institutional framework of its predecessor. The big cabinet reshuffle in June 2015 brought only minor changes in ministerial portfolios.

## Canada

Score 6

There is little public evidence that changes in institutional arrangements have significantly improved the strategic-governance capacity of Canada's federal government. These may have produced marginal improvements. For example, the

establishment of Service Canada as a delivery platform for government services was a major organizational change in the 2000s. There has been no comprehensive evaluation of this reform.

In certain cases, there may actually be too much organizational change, given that such change can be very disruptive and costly. For example, in 2004, Human Resources Development Canada was split into two departments, Human Resources and Skills Development Canada and Social Development Canada (SDC). In 2008, the two departments were merged again, with SDC losing its separate identity. In 2013, HRSDC again changed its name, this time to the Employment and Social Development Canada (ESDC), with little if any rationale provided for this change. It is unclear what benefits, if any, arose from this departmental reshuffling. The frequency of departmental reorganizations has diminished in recent years, which is probably a positive development. Recent changes include the merging of CIDA into DFAIT and the reorientation of the National Research Council from basic to applied research.

## Chile

**Score 6** Some improvements in strategic capacity have been made by changing institutional arrangements. For example, in 2012 the erstwhile Planning Ministry (Ministerio de Planificación, MIDEPLAN) was transformed into the Ministry of Social Development (Ministerio de Desarrollo Social, MDS), with some slight institutional changes that increased its strategic capacity. Furthermore, the creation and implementation of complementary institutions such as the environmental tribunals (Tribunales Ambientales) and the Supervisory Board for the Environment (Superintendencia Ambiental) in 2013 have improved capacity in these areas. But in general terms, attempts to alter institutional arrangements tend to encounter very substantial bureaucratic obstacles.

## Croatia

**Score 6** In the period under review, no major institutional reforms were undertaken. In mid-2015, parliament eventually passed the government's long-awaited Strategy for Public Administration. However, this strategy failed to specify the measures needed for achieving the many goals set out in the document.

## 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. Debates about institutional reform in 2015 have focused on the creation of an independent

regulatory body to monitor party finance and the reform of the office of the public prosecutor.

## 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.

## 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.

## South Korea

**Score 6** As each new president reorganizes the government's structure according to his or her political visions and goals, government reorganization has occurred at the beginning of each new president's term, every five years. 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. The current ruling party, the Saenuri Party, has attributed deadlocks in the National Assembly to the act. One example was the legislative standstill from August until 30 September 2014 due to disagreements over the Sewol bill. The bill called for the appointment of an independent counsel and a 17-member panel to conduct an 18-month inquiry tasked with bringing charges against those responsible for the Sewol Ferry disaster in early 2014.

The main opposition party sat out all sessions at the Assembly during this time to protest the Saenuri Party's stance on the bill. Finally, in early November 2014, parliament passed the bill, but criticism of the act's outcomes has been strong, particularly within the majority Saenuri Party, which is seeking to revise the measure. President Park, who initiated the enactment of the National Assembly Advancement Act in 2012, is additionally trying to undermine act by putting direct political pressure on the National Assembly rather than engaging in negotiation.

Citation:

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

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

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

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

## Spain

### Score 6

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

During the period under examination, coinciding with the end of the 2011 – 2015 legislative term, the internal central-government structure and the procedures of governing have remained almost unchanged. After the governing party suffered losses in the local and regional elections held in May 2015, Rajoy even emphasized that he would not alter the structure or composition of the government, because in his opinion, the executive was handling Spain's crisis well. The only relevant development was the January 2015 creation a new Directorate-General for United Nations and Human Rights, following Spain's election to the United Nations Security Council. 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:

2014 OECD Public Governance Review of Spain: From Administrative Reform to Continuous Improvement. [www.seap.minhap.gob.es/dms/es/web/areas/reforma\\_aapp/ocde/CORA-GOV-PGC-2014-4-ANN1\\_Public-Governance-Review-of-Spain\\_ENG-para-web/CORA-GOV-PGC%282014%294-ANN1\\_Public-Governance-Review-of-Spain\\_ENG-para%20web.pdf](http://www.seap.minhap.gob.es/dms/es/web/areas/reforma_aapp/ocde/CORA-GOV-PGC-2014-4-ANN1_Public-Governance-Review-of-Spain_ENG-para-web/CORA-GOV-PGC%282014%294-ANN1_Public-Governance-Review-of-Spain_ENG-para%20web.pdf)

## Turkey

Score 6

According to Law 5018 on Public Financial Management and Control, all public institutions, including municipalities and special provincial administrations, must prepare strategic plans. All public bodies have designated a separate department for developing strategy and coordination efforts; however, these departments are not yet completely functional. Maximizing strategic capacity requires resources, expert knowledge, an adequate budget and a participatory approach. The government lacks sufficient personnel to meet the requirements of strategic planning, performance-based programs and activity reports. In this respect, several training and internship programs have been established.

A two-year project seeking to improve strategic management capacity was introduced by the Ministry of Development in 2010. This aims to ensure efficient strategic-planning capacity within key central public organizations, including the General Directorate for Local Authorities, the General Directorate of Budget and Fiscal Control, the Council of Higher Education, and the Court of Accounts. In the 2013 Gap Assessment Report, Turkey was deemed to be ten years behind OECD countries. Major weaknesses cited include the compatibility of existing legislation, a lack of strategic management in budgeting systems and cycles, and a weak performance management and organizational culture.

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.

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)

Kamuda Stratejik Yönetim, <http://www.sp.gov.tr/tr/kurum> (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)

## 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.

## 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.

## Greece

**Score 5** Under pressure from the Troika, the government tried to improve its strategic capacity by establishing the Government Council of Reform in 2012. This was a cabinet committee entrusted with the task of enhancing reform capacity. However, between 2013 and 2014 the committee was never endowed with adequate administrative support to perform its role and only played an auxiliary role to the Prime Minister's Office. The committee was even more marginalized after the Syriza-ANEL coalition government was formed in January 2015, as Syriza ministers associated reforms exclusively with neo-liberalism and viewed with suspicion almost all government organs which they found in place.

## Portugal

**Score 5** There is no evidence of the government changing institutional arrangements to improve strategic capacity during the period under review. The dominant goal during the period was budgetary consolidation. The government has had little flexibility to consider changes in institutional arrangements. What changes have taken place appear to have had at best no impact on strategic capacity.

## 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. In the period under review, the bodies that are responsible for controlling the distribution of EU structural funds became part of the Government Office in order to improve coordination and centralize control over strategic public investments. The implementation of the "effective, reliable and open public-administration programme," the so-called ESO reform, which started in 2013 and was supervised by Minister of the Interior Robert Kaliňák, continued. Its main element has been the creation of new "client centers" that facilitate communication between the state and citizens. However, the reform suffered from unclear priorities and was slowed down by several unclear public tenders related to electronic services and products. Other overdue administrative reforms have been delayed or postponed. It was not until October 2015 that the government adopted a Strategy on Human Resource

Management in the Civil Service (2015-2020). The adoption of the new Civil Service Act was postponed to the next term.

Citation:

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

## 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, it 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 increase the absorption rate. In spring 2015, the Ministry of Public Administration prepared a first draft of the Public Administration Development Strategy and conducted three open-call debates with stakeholders and the public. One of the most important goals of the strategy is to develop closer cooperation between municipalities in the fields of public services (particularly in water supply and public utilities), tourism, municipal administration, communal services, and inspectors.

## Switzerland

Score 5

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

While the basic structures of federalism and direct democracy are very robust, and direct democracy provides incentives for political parties to cooperate within the context of power-sharing structures, lower-level government structures are subject to constant change. Recent examples of such change have affected parliamentary practices, fiscal federalism and the judicial system, canton- and communal-level electoral systems, communal organization, and public management. Nevertheless, one of the most important reforms, the reorganization of the Federal Council and its collegiate system, has failed despite several attempts.

## Cyprus

**Score 4** The efficiency of the administration declined between 2009 and 2012, largely as a result of a lack of government coherence or clear policy orientations. Gaps and deficiencies persist, with a confusion as to roles and competences even at the highest level. This has undermined the government's capacities.

However, extensive changes and reforms aimed at improving or developing strategic-planning, implementation-monitoring and evaluation mechanisms are envisioned or are in some cases under way. Reforms affecting administrative structures and progress are progressing slowly due to decades of inertia and limited management skills and capacity.

## Romania

**Score 4** While successive governments have pursued institutional changes with the publicly declared goal of improving the government's strategic capacity and the effectiveness of public policymaking, most institutional changes have in reality been driven by short-term tactical calculations in the pursuit of partisan objectives and/or electoral gains. The Ponta government only half-heartedly started to implement the Strategy for Consolidating Public Administration agreed upon with the EU. It initiated working groups to reform public administration and encouraged ministries, the Chancellery, and the General Secretariat of the Government, among other institutions, to implement recommended changes. However, the government lacked commitment, so that changes remained shallow and ineffective.

## 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 during 2015, 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, and an attempt to meet contrasting or asymmetrical demands (Dutch speakers want a given prerogative, which French speakers oppose; while French speakers have another request, which Dutch speakers oppose) through global negotiations, at the end of which both sides will obtain some demands (but not all, as any deal is a compromise) through some “package deals” and logrolling. Therefore most reforms do not improve efficiency overall.

For instance, the boundaries of the Brussels capital region (which are restricted to about one-fourth the actual Brussels agglomeration in terms of area, and one-half in terms of population) results in a number of overlapping issues with Flanders and Wallonia. Within the Brussels region, the competence split between the 19 communes and the region also creates overlap and gridlock, in particular for city planning.

Many tasks, such as road construction, public transportation, airport noise or water pollution, have become extremely challenging to manage. A case in point is the air-traffic routes from Brussels International Airport, the airport being located in Flanders, but very close to the Brussels and Walloon regions. However, as the general process has trended toward decentralization, some efforts have had positive effects and can be seen as an improvement in strategic capacity.

## Hungary

### Score 2

Following the three 2014 elections, János Lázár, the minister of PMO announced a “radical” reform of government, including the transfer of some ministries to the countryside. With the exception of the changes made in fall 2015 to strengthen Orbán’s personal political cabinet, nothing has happened. By and large, the Orbán governments’ institutional reforms 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, facilitated political patronage, and led to the adoption of ideological decisions that have often proven ineffective in achieving their stated objectives.

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