



Implementation Report

Government Efficiency, Ministerial Compliance, Monitoring
Ministries, Monitoring Agencies and Bureaucracies, Task
Funding, Constitutional Discretion, National Standards

Sustainable Governance Indicators 2018

Indicator

Government Efficiency

Question

To what extent can the government achieve its own policy objectives?

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 can largely implement its own policy objectives.
- 8-6 = The government is partly successful in implementing its policy objectives or can implement some of its policy objectives.
- 5-3 = The government partly fails to implement its objectives or fails to implement several policy objectives.
- 2-1 = The government largely fails to implement its policy objectives.

Latvia

Score 9

The government has a good track record in achieving its own policy objectives. In issue areas considered by the government as high priority – recent examples include economic recovery, euro zone entry criteria, budget reform and fiscal discipline, OECD entry requirements – government performance can be considered excellent. The government has proven to be particularly efficient in implementing policies that have been recommended by international partners (EU, NATO, Council of Europe, OECD).

However, second-tier policy objectives show mixed success rates. For example, despite the fact that successive government declarations have identified education reform as a policy priority, little demonstrable progress has been made toward fulfilling the outlined policy objectives. Furthermore, in the prime minister's annual reports to the parliament in 2012, 2013 and 2014, no significant education policy achievements are recognized. In 2016, however, a reform of the teacher compensation system was passed and significant curriculum reform is currently being implemented. Opposition to the implementation of education-policy objectives has been strong not only on the part of stakeholder groups and opposition parties, but also among the government coalition parties' own parliamentarians.

The PKC monitors progress with respect to government-declaration goals on an annual basis, providing a report to the prime minister. In 2015 this report included an evaluation of Latvia's progress toward its long-term development goals (included in the National Development Plan 2020 and the Latvia 2030 long-term development strategy). The prime minister provided parliament with a progress report on 24

separate performance indicators, reporting good progress in nine cases, adequate/weak performance in 10 cases, and poor performance in eight cases, requiring a reprioritizing or revision of policy measures. A mid-term review of the National Development Plan is expected in 2018.

Citation:

1. Dombrovskis, V. (2012), Prime Minister's Report to the Parliament on the Government Achievements and Planned Activities, Available at (in Latvian): http://titania.saeima.lv/LIVS11/saeimalivs_imp.nsf/0/D694F8C875FD4B47C22579F30041105F?OpenDocument, Last assessed: 21.05.2013.

2. Dombrovskis, V. (2013), Prime Minister's Report to the Parliament on the Government Achievements and Planned Activities, Available at (In Latvian): <http://www.lvportals.lv/viedokli.php?id=254542>, Last assessed: 21.05.2013

3. Declaration on the Cabinet of Ministers', led by Valdis Dombrovskis, Planned Activities (2013), Available at (in Latvian): <http://www.mk.gov.lv/lv/mk/darbibu-reglamentejosie-dokumenti/valdibasdek/>, Last assessed: 21.05.2013.

4. Centre for Public Policy PROVIDUS (2015). Monitoring of Systemic Change in the Aftermath of Zolitude (in Latvian) Available at: <http://providus.lv/musuvalsts/monitorings/4>, Last assessed 22.11.2015.

5. Monitoring Report: Latvia's sustainable development strategy 2030 and National Development Plan 2014 – 2020, and Laimdota Straujuma's government declaration. PKC 2015. (In Latvian) Available at: http://www.pkc.gov.lv/images/MP_zinojums/MPzin_07092015_Uzraudzibas_zinojums.pdf, Last assessed 22.11.2015.

New Zealand

Score 9

Throughout the review period, the three-term National government held minority status, although its 2014 victory, with 47% of the vote and 59 out of 121 seats, brought it closer to majority status than any other under MMP (indeed, the last time a party gained over 50% of the vote was in 1951). Minority status implies that the government has to anticipate the policy preferences of other parties in parliament and needs to seek legislative support on an issue-by-issue basis. Nevertheless, minority single party and minority-coalition governments have been relatively successful in implementing their agendas. The focus of the National minority government's policy priorities included: building a stronger and more competitive economy; ensuring a budgetary surplus; and selectively funding major infrastructure developments and public services.

Citation:

Statement of Intent 2014-2018 (Wellington: Department of the Prime Minister and Cabinet 2014).

Statement of Intent 2014-2018 (Wellington: State Services Commission 2014).

Sweden

Score 9

The implementation capacity of the Swedish government is strong. The circa 340 executive agencies are the key actors in the implementation of policy. Over the past few years, the departments have increased the steering of their agencies. Also,

performance measurement and management have become increasingly important in monitoring the agencies and the implementation process.

Yet like the challenge of efficient policy coordination, policy implementation is also a challenge under the restrictions of new governance forms. The relationship between the government and the agencies no longer follows a strict command and control pattern; rather, it is a more interactive form of governance where departments utilize the expertise in the agencies during the early stages of the policy process. This pattern is largely due to the fact that policy expertise is located not just in the departments but also in the agencies. The total number of staff in the departments is about 4,600, whereas the number of staff at the agency level is about 220,000. To a large extent, and with considerable variation among policy sectors and even specific issues, agencies provide informal advice to government on policy design. In some cases, there is a weekly dialog between departments and agencies, not just on what departments want agencies to do but also on matters of policy design. This means effectively that agencies are involved in shaping the policies they will later implement. This arrangement obviously increases the agencies' commitment to a policy, but at the same time it complicates the implementation process.

The main challenge in implementing government policies is not institutional but political. The current red-green government does not control a majority of seats in the parliament. As a consequence, policy proposals must be negotiated with the opposition parties. If all opposition parties unite against the government, the government's proposals are defeated. The complexity of this parliamentary situation significantly complicates the policy process.

Citation:

Jacobsson, B., J. Pierre and G. Sundström (2015), *Governing the Embedded State* (Oxford: Oxford University Press).

Premfors, R. and G. Sundström (2007), *Regeringskansliet* (Malmö: Liber).

Switzerland

Score 9

The Swiss polity contains many different potential veto points, including political parties, cantons that have veto power in the second chamber, and interest groups with the power to trigger a referendum. Thus, the government must hammer out compromises carefully when drafting legislation. This is done in the pre-parliamentary stage of legislation. Once a bill is introduced into parliament, many of the necessary compromises have already been reached. For this reason, a substantial number of bills are passed in parliament without being modified.

Canada

Score 8

As a result of a parliamentary system in which members of Parliament are elected in single-member constituencies through first-past-the-post voting, the Canadian federal government frequently holds an absolute majority in the House of Commons and thus has considerable freedom to pursue its policy objectives unilaterally.

Halfway through its term, the Liberal government has already implemented many of the policies that the party campaigned on in the October 2015 election. In its first year, the Liberal government formed a gender balanced cabinet, reinstated the long-form census, revoked regulations that restricted scientific research, introduced a new child benefit system, and cut taxes for middle-income earners while increasing taxes for high-income earners. The Liberal government continued to implement policies from its electoral platform in its second year, including progressive tax reform, pension reform, approving cross-country pipelines, legalizing marijuana and increasing the independence of Statistics Canada. The public mandate letters given to each minister will allow the assessment of ministers' performances relative to expectations. Many social problems targeted by public policy, such as persistent education and health care disparities between Canada's indigenous and non-indigenous populations, are complex social phenomena that are only partly amenable to public policy action. In addition, many of the programs funded by Canada's federal government – including health care, post-secondary education, social services and the integration of immigrants – are implemented by provincial governments and requires provincial cooperation to achieve federal policy objectives.

Denmark

Score 8

The current as well as former governments have been minority governments. They have therefore had to seek parliamentary support for their policies from other parties. The Liberal-Conservative government of Lars Løkke Rasmussen lost the elections in September 2011 to a coalition of the Social Democratic Party, the Social Liberal Party and the Socialist People's Party, the latter for the first time taking part in a government. That government was headed by the first female prime minister, Helle Thorning-Schmidt (Social Democratic Party). The June 2015 elections led to the formation of a single party government: the Liberal Party government led by Lars Løkke Rasmussen. In the autumn 2016, a minority government was established between the Liberal Party, the Conservative Party and the Liberal Alliance, still with Rasmussen as prime minister. This is a minority government with parliamentary support from the Danish People's Party. Together these so-called blue parties have 90 seats in the parliament, a majority of one.

The Danish government administration has a reasonable track-record in implementation. It is important to point out that local governments carry out a large

part of implementation, as Denmark is a relatively decentralized state. Decentralized units provide much of the services of the welfare state and the intention is actually to allow some geographical variation. Even so, through stipulations in framework laws and budget constraints, the government is quite successful in steering agencies and administrative bodies even if they are not in a direct hierarchical relationship with the central government.

In recent years, however, tensions have developed between the municipalities and government. Specifically, tensions have resulted when policymakers at the national level have not accepted the choices made by local governments and thus attempted to control local actions via rules and regulations. The difficult financial situation in most municipalities and the need to coordinate local needs with national budget constraints have caused tension. In the past, the municipalities failed to keep expenditure growth below the level agreed to with the central government. As a consequence, a tighter system has been implemented that includes possible financial sanctions for municipalities that exceed the agreed targets.

A major structural reform effective in 2007 changed the organization of the public sector. Fifteen counties were replaced with five regions, that were mainly responsible for health care provision, and 270 municipalities merged into 98 larger units.

Citation:

Jørgen Grønnegård Christensen et al., *Politik og forvaltning*, 4. udg., 2017, chapter 2.

Jørgen Grønnegård Christensen and Jørgen Elklit (eds.), *Det demokratiske system*. 4. udg., Hans Reitzels Forlag, 2016.

Estonia

Score 8

In November 2016, a coalition led by Jüri Ratas (Center Party) entered office after Prime Minister Taavi Rõivas (Reform Party) lost a no confidence vote in the parliament. Basic principles of government for the period 2016 – 2019 stipulate four priorities: to safeguard and increase national security, to bring Estonia out of economic stagnation, to increase public welfare and cohesion, and to grow the population. The Government Action Plan 2016 – 2019 and 100-Day-Action Plan (together with an Evaluation Report published in March 2017) have been published on a government website. Of the 101 tasks for the first 100 days, only 10% remained unaccomplished, mainly due to a need for additional investigation. Thus, in terms of quantity, the government has been sufficiently effective. In terms of quality, significant progress has been made compared to the previous cabinet. First, tasks are better aligned with the strategic policy goals and second, several burning issues have finally been brought into the agenda (e.g., tax reform, pension reform, and securing the sustainability of pension funds).

As a joint effort by the thinktank Praxis and Estonian Employers' Confederation, an independent project Riigireformi Radar (Governance Reform Radar) was launched in

2016 for monitoring the administration's performance in making the government more efficient. An expert panel assesses government's performance every three months along five dimensions. The evaluation in September 2017 commended the accomplishment of an administrative reform (i.e., the amalgamation of municipalities) but remained critical of improvements of central government efficiency.

Finland

Score 8

Given that Finland has lately been governed by broad or fairly broad coalition governments, the constitutional and political conditions for a satisfactory implementation of government plans have been good. A February 2013 session reviewing the implementation record under former Prime Minister Katainen (2011 – 2014) concluded that approximately 80% of the measures outlined in the government program had at that point been undertaken successfully. However, according to the review, the largest and most difficult program issues remained unsolved. Following a cabinet reshuffle, the government program under Prime Minister Stubb (2014 – 2015) was submitted to parliament in June 2014 and was fairly well received. The present Sipilä government announced its program at the end of May 2015; in comparison with earlier programs, which resembled a telephone directory in size, the Sipilä program is much shorter and more strategic and focused. The program announced five strategic priorities that are manifested in 26 key projects, the primary goal being to bring the Finnish economy onto a path of sustainable growth. An action plan for implementation was published in February 2016 and updated in April 2017; a Legislation Assessment Council was appointed in April 2016. Follow-up estimations are now web-published at regular intervals. As evident from these assessments, the government's likelihood of success in implementing its objectives remains a somewhat open question. The government has already been forced to back away from several of its proposals.

Citation:

Ville Pitkänen, "Kenen ääni kuuluu hallitusohjelmassa?", Kanava, 2015, Nr 6, pp. 40-42;

valtioneuvosto.fi/implementation-of-the-government-programme;

[valtioneuvosto.fi/hallitusohjelman toteutus/karkihankkeiden-toimintasuunnitelma](http://valtioneuvosto.fi/hallitusohjelman-toteutus/karkihankkeiden-toimintasuunnitelma);

"Finland, a land of solutions. Mid-term review. Government action plan 2017-2019." <http://valtioneuvosto.fi/documents/10184/321857/Government%20action%20plan%2028092017%20en.pdf/034211c9-84dd-43a7-8d7f-e5d055965a2c>

Germany

Score 8

The last government has successfully realized many of the pledges made in the coalition agreement (cf. Coalition Agreement 2014). It introduced a pension reform that allows eligible workers to retire at 63 and increases pension payments to older mothers and those with a reduced earning capacity. The Bundestag also approved the

country's first general statutory minimum wage, set at €8.50 per hour at the time and increased to €8.84 in 2017. In addition, the coalition parties agreed to introduce legal gender quotas for corporate boards in order to help break the glass ceiling for women in corporate leadership positions. Even for the motorway toll project, the responsible minister has been able to come to an agreement with the European Commission which makes compensatory tax cuts for German car drivers compatible with European law.

A less favorable example concerns a much more complicated project, Germany's energy transition toward renewable energy (Energiewende). A recent National Audit Office report criticized the project for lacking proper coordination, and being subject to the whims of too many federal and state ministries that often work against each other. The Energiewende's implementation presents significant governance challenges. It is a complex challenge that requires cooperation from and coordination between various public and private actors as well as with diverse political levels and jurisdictions – global, European, federal, state, and municipal – as well as interest groups, cooperatives, alliances, banks, and individuals. As a result, political-programmatic goals as well as implementation strategies are continuously in flux.

Refugee and migration policies are a further challenge. The government had agreed on the need for smoothing asylum processes, with quicker decision-making in order to speed up the integration of refugees into the education system and labor market. Through a comprehensive reorganization and staff expansion of the responsible agency (BAMF), the objective of reducing the backlog in asylum applications made some progress. Nonetheless, at the end of October 2017, 546,540 asylum applications had been decided upon, which is 3.1% more than in 2016 (Asylgeschäftsstatistik Oktober 2017). The last government was also successful in reducing the number of incoming refugees through a coordinated policy strategy involving complex agreements with Turkey and a coordinated EU effort to improve border protections. After the record arrival of refugees in 2015 and the decline in 2016, the number of asylum applications decreased by about 75% in 2017.

Citation:

http://www.kas.de/wf/doc/kas_36853-544-2-30.pdf?140820093605

<http://www.spiegel.de/thema/energiewende/>

<https://www.mckinsey.de/energiewendeindex>

<http://www.spiegel.de/politik/deutschland/fluechtlinge-in-deutschland-die-grosse-aufgabe-der-integration-a-1069830.html>

Asylgeschäftsstatistik Oktober 2017:

http://www.bamf.de/SharedDocs/Anlagen/DE/Downloads/Infothek/Statistik/Asyl/201710-statistik-anlage-asyl-geschaeftsbericht.pdf?__blob=publicationFile

Italy

Score 8

The current Gentiloni government, which only took office in the last year of the current parliamentary term, did not have an ambitious government program. The

government had to sensitively conduct budgetary policy. This entailed respecting EU rules (under the close scrutiny of the European Commission), while promoting economic recovery. This was necessary to win parliamentary approval for the electoral reform following the failed attempt of the Renzi government. The government also had to manage and control the number of immigrants arriving in Italy by sea from North Africa, and deal with problems in the pension system. With a few failures in delicate legislative areas (e.g., extending citizenship to children with a migrant background born in Italy), the government has proven fairly successful in achieving its program. In particular, the relationship between the government and the European Commission has improved and the flow of irregular immigrants has been reduced.

Citation:

http://www.programmagoverno.gov.it/media/2998/report_30-ottobre_2016.pdf

Norway

Score 8

The government is a minority government and they depend on support from at least two smaller parties in the parliament. A negotiated agreement governs this relationship, but the agreement has limited influence over budgetary policies. However, it can be expected that this agreement will become increasingly strained and in some instances these support parties will oppose government policy, causing minor “losses” for the government. The potential for conflict between the parties in government has represented one possible impediment to government efficiency, another challenge is gaining support in the parliament. The government can rely on a large, well-trained and capable bureaucracy to implement its policies. However, major educational, health care and local vs regional government reforms have exposed the difficulties in implementing such reforms and demonstrated the need for the government to carefully navigate the needs of different stakeholders and veto players. The government has recently implemented structural reforms of local governance, health care, the police, and the defense and military sector. Though the government faced considerable opposition in some of these areas.

Austria

Score 7

The evaluation of policy success in Austria strongly reflects the reality of coalition governments. Following the formation of a government, coalition parties agree on policy priorities. Implementation success is used as a vehicle to promote party agendas, rather than the government overall, while each coalition party typically blames the other in cases of failure. This can be regarded as a kind of oppositional behavior within the government: One party acts almost like an opposition regarding the agenda of the other party.

This said, if the coalition partners agree on a policy, it is most likely to be adopted, given the high degree of party discipline in parliament and the limited influence of the second chamber.

This may not change under the newly formed coalition government. There is a new coalition partner, the FPÖ. However, the structure of a two-party coalition will be the same as before. Each governing party promote its role in government, even if this means distancing itself from their coalition partner.

Lithuania

Score 7

During the fast process of transition and accession to the European Union, Lithuanian governments' narrow focus on this task produced a lag in policy implementation. The performance of the Kubilius government in terms of implementing its policy priorities was mixed. Although its policy of fiscal consolidation represented one important success, few major structural reforms occurred in Lithuania during the 2008 to 2012 period, with the exception of higher education reform, a partial optimization of the health care network and a restructuring of the energy sector. Although the Butkevičius government outlined a broad set of policy priorities, its implementation record was also mixed. The government introduced the euro in 2015, developed the new "social model," completed the construction of the liquefied-natural-gas terminal in Klaipėda and advanced the renovation of apartment blocks. However, less progress was achieved in other policy areas, including structural reform of higher education and training, health care, and public administration. The Skvernelis government was able to push through a few important reform policies, including a new labor code, the merger of state-owned forestry companies and amendments to the Alcohol Control Law. It is not clear if the government will be able to sustain its reform momentum due to its diminished parliamentary majority following a split within the Social Democratic Party parliamentary group. Coalition politics, shifting political attention, the conflicting strategies of various advocacy coalitions and weak political leadership largely explain the government's failure to implement several major policy objectives. For example, although the merger of state-owned forestry companies is scheduled to begin in 2018, at the time of writing, there remains considerable uncertainty regarding the implementation of this reform and opposing interest groups have renewed their efforts to derail the reform. It is also unclear how the reform and consolidation of higher education institutions will proceed, as a number of changes have been made to the government's initial plan.

The government should also continue improving the effectiveness and efficiency of its spending. In the World Bank's 2016 Worldwide Governance Indicators, Lithuania scored 82 out of 100 for government effectiveness, up from 78.9 in 2014. However, in the World Economic Forum's Global Competitiveness Report 2017-2018, Lithuania ranked 95 out of 137 countries for efficiency of government spending. In

her 2015 speech to the parliament, President Dalia Grybauskaitė identified several examples of unsustainable government projects previously supported by EU structural funds.

Citation:

The Worldwide Governance Indicators of World Bank are available at <http://info.worldbank.org/governance/wgi/#home>

The 2017 – 2018 Global Competitiveness Report of the World Economic Forum: <http://www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017%E2%80%932018.pdf>

Vitalis Nakrošis, Ramūnas Vilpišauskas and Vytautas Kuokštis: Fiscal consolidation and structural reforms in Lithuania in the period 2008-2012: from grand ambitions to hectic firefighting. *International Review of Administrative Sciences* 81 (3), 2015, p. 522–540.

Luxembourg

Score 7

In general, the government can implement its policy objectives, usually outlined in electoral promises or coalition government programs. This might take longer than planned, given that a policy based on maximum consensus is often cumbersome. But projects are sometimes not only slowed down but delayed indefinitely, especially when powerful lobbies are involved. This is particularly the case for major infrastructural or zoning projects, such as the tramway system for the city of Luxembourg, which was under discussion for 25 years before agreement was reached in 2013. A legislative proposal, that was already far advanced, was postponed before the 1999 election. After many years of discussions about that project, the tram line finally started in 2017.

Citation:

“Parliament votes for the tram.” *Luxemburger Wort*, 5 June 2014, www.wort.lu/en/politics/central-train-station-to-luxexpo-parliament-votes-for-the-tram-5390279cb9b398870803124a. Accessed 21 Feb. 2017.

“ Revivez le voyage inaugural avec le couple grand-ducal.” *Luxemburger Wort*, 10. Dec. 2017, www.wort.lu/fr/luxembourg/tram-funiculaire-et-deux-nouvelles-gares-revivez-le-voyage-inaugural-avec-le-couple-grand-ducal-5a2cfc34c1097cee25b7a01b. Accessed 21 Dec. 2017.

Netherlands

Score 7

According to an optimistic estimate by a leading newspaper, the Rutte II government has in its four-year reign implemented 80% of its policy initiatives. Of the 271 initiatives, 158 were successful and 59 were (partial) failures. In its overall assessment of government performance, the General Audit Chamber still finds most departmental reports inadequate in terms of policy effectiveness and efficient monetary expenditure. This is especially true for progress made in cutback policies and, according to parliamentary inquiries, for information- and communications-technology applications and large infrastructure (rail, roads) projects.

The government frequently formulates more far-reaching policy goals than are pursued in practice. Recent policy failures have involved train and rail infrastructure,

job creation, flexible labor market relations, and tax and pension reforms, which were postponed and will need to be addressed by the next government. Nevertheless, the government will claim credit for renewed economic growth, budgetary equilibrium, and important austerity measures (e.g., an increase in working hours, reduced public funding for home care, a gradual decrease in tax relief on mortgages and capping health care costs). In water management, implementation of the “Room for River” plans appear to have been successful.

The national government has devolved a significant number of tasks to subnational governments, which makes government and administrative responsibilities more fuzzy, and policy performance harder to evaluate. Provincial and local audit chambers, do what they can, but the amount and scope of decentralized tasks is simply too large for their capacity at this moment. Policy implementation in the fields of policing, youth care and care for the elderly in particular are increasingly sources of complaints by citizens and professionals, and thus becoming matters of grave concern. In academic and professional evaluation circles, a debate is emerging on how to tailor evaluation research designs to the need for more policy-oriented learning.

Citation:

Eindrapport Parlementair onderzoek naar ICT projecten bij de overheid, Tweede Kamer, vergaderjaar 2014-2015, 33 326, nr. 5

Provinciale en lokale rekenkamers, Algemene Rekenkamer Verslag 2013 (rekenkamer.nl, consulted 27 October 2014)

Pierre Koning, Van toezicht naar inzicht, Beleidsonderzoek Online, July 2015 (beleidsonderzoekonline.nl, consulted 26 October 2015)

NRC-Handelsblad, “Rutte-II deed – grotendeels – wat het beloofde in 2012.,” 14 January 2017

“De rivier is breder, de rust is terug,” NRC-Handelsblad, 22 February 2017

Elsevier Weekblad, “Leo Stevens: waarom we de fiscus niet vertrouwen,” 8 July 2017.

Poland

Score 7

Favored by its absolute majority in parliament and the internal discipline of PiS, the PiS government has been quite effective in implementing its policy objectives. It has succeeded in realizing its major campaign pledges, such as the increase in the minimum wage and the family allowance, tax relief for small businesses, the lowering of the retirement age or the reversion to a higher age for entering school, and it has realized them rather quickly. Precisely because so many bills have sailed so quickly through parliament, the quality of legislation has often proven to be very poor, requiring immediate amendments. Unlike in the PiS government’s first year in office, street protests are no longer the only effective obstacle to implementing the government’s policy objectives. In winter 2016 – 2017, the Sejm crisis and the occupation of the Sejm building by opposition members of parliament delayed the

passing of the budget. In July 2017, President Duda's unexpected veto of two of the three laws on the reform of the judiciary revealed rifts within the PiS and limits to the government's power.

Portugal

Score 7

The Costa government is guided by a very impressive agenda, the Programa do XXI Governo Constitucional 2015 – 2019. In its first two years in office, as detailed elsewhere in this survey, it implemented a number of measures seeking to alleviate conditions of austerity. A number of these measures resulted from the government's negotiations with the PCP, BE and PEV to ensure their parliamentary support. Other more ambitious goals, such as administrative modernization, are also being developed, but will require a broader time-frame for implementation. The government has proved to be considerably more stable than initially predicted, which may allow it to implement its ambitious policy objectives. At the same time, it should be noted that the government continues to face intense scrutiny from the European Union and world markets with regard to budgetary consolidation, along with no-less-intense scrutiny from its parliamentary allies with regard to austerity alleviation. During the period here under analysis, the government was mostly successful in negotiating these pressures and advancing its policy agenda.

Citation:

Programa do XXI Governo Constitucional, 2015 – 2019.

United Kingdom

Score 7

The United Kingdom's political system is highly centralized. For example, there are no "veto players" outside of the central government who could challenge or undermine the government's core policy objectives. There is no written constitution and no constitutional court to challenge government decisions directly and effectively. However, there is provision for judicial review, something the government is currently trying to limit given its extensive use in recent years. The devolution of certain powers to Scotland, Wales and Northern Ireland has meant that some national policy goals are subject to decisions at the subnational level over which the central government has only limited powers. In particular, the influence of the Scottish Parliament, based in Holyrood, has increased substantially following the close outcome of the Scottish referendum and the massive gains made by the Scottish National Party across Scotland in the last UK general election.

Historically, problems in achieving policy objectives have mainly arisen through intra-party disunity and parliamentary party rebellions. Even under the exceptional coalition government, Premier Minister David Cameron had more trouble controlling his own party's right-wing than dealing with the demands of the junior coalition

partner, the Liberal Democrats – until the United Kingdom returned to its traditional one-party government in 2015. That however changed again after the general election in 2017 in which May lost her absolute majority and was forced into a “confidence and supply” arrangement with the Northern Irish unionist DUP. It remains a fact, however, that regarding Brexit some of May’s most vocal opposition comes from both Brexiteers and Remainers within her own Conservative Party. While the former publicly express their concerns almost on a daily basis, the latter also have substantial influence which may well be on display at some future occasion.

Australia

Score 6

In September 2015, Malcolm Turnbull became prime minister. The transition from Abbott to Turnbull increased public optimism that the government would successfully implement its policy agenda. However, optimism soon faded and the government called a “double-dissolution” election in July 2016. Under a double-dissolution election, all 76 senate seats are contested, rather than the usual 40 seats. The strategy backfired. The coalition government only won a very narrow majority in the lower house and a reduced number of seats in the upper house. Policy gridlock increased following the July 2016 election, but in 2017 the government has had more success in negotiating with the minor parties to pass legislation.

Citation:

<http://www.smh.com.au/federal-politics/brilliant-and-fearless-but-paul-keating-was-right-about-turnbull-20090626-czt7.html>

Belgium

Score 6

On 9 October 2014, the newly instituted government published its government agreement, the document meant to guide its policy over the whole government term. Its first objective was to increase the employment rate from 67.5% to 73.2%. The country’s activity rate actually peaked a first time in the fourth quarter of 2014 at 68%, and has only recently recovered (Statbel data), in line with similar euro area countries. Employment rates remained flat over the last year, even though they are about 5 percentage points below the euro area average (and 12 points below Dutch or German levels). This gap is mainly due to comparatively low employment rates among those aged 55 to 64 – about 23 percentage points below the German level, and more generally very low even compared to other advanced EU economies. The government has restricted access to early retirement, which may have contributed to the slight uptick in the employment rate. Moreover, it is possible that a more significant impact has only been delayed. If this diagnosis is correct, the government may see more significant results from these reforms next year.

This government also committed to resolving past differentials in wage inflation that eroded the Belgian labor force's global competitiveness. One reform has been to block "automatic wage indexation," a legal provision that had aligned nominal wage growth with inflation rates. The measure's passage prompted massive protests and strikes. Finally, the government is planning to cut corporate taxation rates. The jury is still out regarding the overall effectiveness of these reforms with regard to delivering higher investment and employment rates.

A second objective has been to reform the pension system. The short-term policy objective was to tighten early retirement rules. This reform passed despite substantial dissent by unions and opposition parties. In the longer term, the government has been trying to introduce additional reforms to reinforce the sustainability of the pension system, but that objective has only a low-to-medium probability of being attained by this government.

The government agreement's third objective was to ensure the sustainability of the social-security system. In this case, the government has articulated a clear direction: It is cutting expenses, reimbursements and coverage across the board, at the risk of harming the lower-middle class. Another stated objective has been to increase GDP, but the government arguably has little control over economic growth.

The government's fourth objective was to reform the tax system and enhance the government's budget balance. Actual reforms have been too timid to produce a substantial gain in efficiency, but have been large enough to affect the budget deficit adversely.

The fifth objective was much broader and concerns energy, environment and science policy. Ministers in this area are comparatively weak within their respective parties, in some cases lacking experience in their portfolio areas, and achievements have accordingly been less clear cut.

The sixth objective was to improve "justice and security." The main policy lever envisioned here is to improve the "efficiency" of the justice system – that is, to make it function with less funding. Progress has been limited thus far.

The other five stated objectives concern 7) asylum and migration policy, 8) public administration and enterprises, 9) a projection of Belgian "values and interests" in international relations, 10) improvements in mobility and road safety (a largely hopeless task given the complexity of Belgian institutions), and 11) transversal issues that include "equality and fairness," "sustainable development" and "privacy and personal-information protection." The government still seems quite determined to make progress on several of these issues, but only time will tell what exactly it will achieve.

Citation:

<https://www.nbb.be/doc/dq/e/dq3/histo/iee1745.pdf>

<https://www.lecho.be/economie-politique/belgique-general/Syndicats-et-patrons-invites-a-mettre-un-coup-d->

http://www.premier.be/sites/default/files/articles/Accord_de_Gouvernement_-_Regeerakkoord.pdf
<http://www.doingbusiness.org/data/exploreconomies/belgium#protecting-minority-investors>
<http://www.premier.be/fr/d%C3%A9claration-du-gouvernement-3>

Bulgaria

Score 6

In general, Bulgarian governments avoid setting policy-performance benchmarks that are available to the public. The two main exceptions are within the area of macroeconomic policy, especially regarding the budget, and compliance with the high-profile requirements of EU membership. The government has succeeded in controlling the fiscal deficit and public debt. With respect to the European Union, Bulgaria has been relatively successful in contracting EU funds, but has not yet achieved its long-standing objectives of joining the Schengen Area, exiting the excessive macroeconomic imbalances procedure and starting the process of joining the euro zone. Despite the government's rhetoric about introducing programmatic budgeting, which necessarily includes performance benchmarks and efficiency measurements, budgeting in Bulgaria in fact remains primarily based on historical expenditures.

Chile

Score 6

Implementation performance varies widely, ranging from excellent in areas where benchmarks and oversight mechanisms are strictly enforced (i.e. the general government budget) to weak in less rigidly monitored areas (i.e. implementation of some sectoral reforms such as Transantiago, the Santiago transport system). The former government of Piñera, for example, did not follow through on policies in the field of crime reduction and public safety, while the current Bachelet government has had to downsize its tax- and education-reform proposals. In general terms, far-reaching reforms that would require constitutional change and thus support by at least three-fifths of the national deputies and senators have not been considered as a part of government programs. Thus, this high hurdle has not yet proved to be a practical obstacle in the achievement of governments' policy objectives. Nevertheless, Bachelet has launched a debate on a constitutional reform.

Citation:
 Independent initiative to measure implementation of the government program:
<https://ciudadanointeligente.org/>
<https://deldichoalhecho.cl/>

France

Score 6

The government is efficient in implementing its programs, as it can rely on a relatively disciplined cabinet, an obedient majority and a competent bureaucracy.

Resistance, if any, comes from social actors. The question whether government policies are effective is another matter. One of the major issues that the Hollande government faced was a lack of credibility concerning its commitments to economic growth, unemployment and the reduction of the public deficit. Optimistic forecasts have been disappointed by poor results on all fronts. Most international organizations (the IMF, OECD and the European Union), think tanks or even national organizations (the French central bank, the statistical institute and the Court of Auditors) have pointed out the impossibility of reaching set targets based on over-optimistic data or forecasts. However, the election of President Macron represents a radical change at the top. The main improvement has been the capacity of the Macron government to combine its policy commitments with intense stakeholder concertation before finalizing legislative proposals. Until now, this method of policymaking has been quite successful. Though it is still rather early to evaluate the effectiveness of this strategy, and its likely success in the medium- to long-term.

Iceland

Score 6

As a rule, the strength of the executive branch vis-à-vis the legislative branch ensures that bills proposed by the government are rarely rejected by parliament. Thus, governments are usually able to achieve all of their policy objectives.

However, legislative proposals by the 2009-2013 left-wing cabinet were twice overturned by the public in national referendums, in 2009 and 2011. On both occasions, the referendums concerned the introduction of government guarantees for losses experienced by Icelandic bank account holders based in the United Kingdom and the Netherlands. In both cases, the president refused to sign into effect the government's legislative proposal, which triggered a constitutional clause referring the proposed legislation to a national referendum.

Other examples of executive weakness include the failure of the 2009-2013 cabinet to deliver on three important elements of its platform: a new constitution, a reform of the system managing Iceland's fisheries, and a deal on Iceland's accession to the European Union that could be put to a national referendum. These failures were due to internal disagreements between the coalition parties (Social Democrats and Left-Green Movement) and the obstructive tactics of the opposition, including extensive, unprecedented filibustering.

The cabinets of Gunnlaugsson (2013-2016) and Jóhannesson (2016), both with a parliamentary majority of 38-25, had no problems in implementing their policy objectives, even though some ministerial initiatives have been thwarted. The Benediktsson three-party coalition cabinet (2017-2017) had much smaller majority, the coalition controlled 32 seats and opposition parties controlled 31 seats. However, this small margin never led to bills being overturned during the coalition's brief tenure.

Ireland

Score 6

One notable and growing trend is the increased use of statutory instruments which clearly empower ministers. It is often the case that a general policy is decided in the Oireachtas, but that the legislative body then delegates the detail and implementation to a minister. This provides the minister with considerable power to shape public policy. The average annual number of statutory instruments in the 1960s was 284; this rose steadily to 445 a year in the 1990s. Between 2010 and 2016 the average annual number rose to 650. This trend plays some role in shifting some policymaking power from the legislature to the executive.

In May 2016, the incoming minority government agreed to suspend water charges and establish an expert commission on the issue. This resulted in the publication of the Report on the Funding of Domestic Public Water Services in Ireland in November 2016. The report's two main recommendations were that there should be a constitutional provision for the public ownership of water utilities and that public water services should be funded through taxation. The report also recommended that excessive or wasteful use of water should be discouraged by charging for such use, consistent with the polluter pays principle.

While the abolition of domestic water charges reduced pressure on the government from angry members of the public, the government must find an estimated €13 billion for infrastructure improvements in the coming years.

Citation:

The 2015 Review of the Programme for Government is available here:

http://www.taoiseach.gov.ie/eng/Publications/Publications_2015/Programme_for_Government_Annual_Report_2015.pdf

Michael Gallagher (2010), 'The Oireachtas,' chpt 7 of John Coakley and Michael Gallagher (eds), *Politics in the Republic of Ireland*. London: Routledge and PSAI Press.

Eoin O'Malley and Shane Martin (2018), 'The Government and the Taoiseach,' in John Coakley and Michael Gallagher (eds), *Politics in the Republic of Ireland*. 6th edition. London: Routledge and PSAI Press.

Israel

Score 6

In 2016, the government began annually coordinating all ministerial reports regarding the implementation of governmental decisions. A team in the PMO breaks every government decision into detailed tasks, and assigns each task to the relevant ministry. Afterward, the ministers and CEOs are required to report progress on these tasks. The first complete report was issued in 2017, addressing all decisions made since 2015 (under the current government). A similar tracking mechanism can be found in "The Monitor," a civil-public program initiated by the Citizens'

Empowerment Center in Israel to follow and monitor the implementation of governmental decisions. Both reports show a very high rate of implementation (over 70%).

In addition, in accordance with government decision 4085, the PMO publishes yearly working plans for line ministries. The yearly plan for 2014 was the first to publish additional detailed benchmarks for policy goals, a practice that has been repeated since that time. However, as this does not indicate progress with respect to previous years, it is difficult to track long-term progress.

While the Israeli government has been modestly efficient in achieving its policy goals, it has often done so by resorting to a highly controversial emergency law (the Arrangements Law) instead of by enacting regular legislation.

In its 43rd report, released in May 2017, the State Comptroller found that there had been fewer complaints against government bodies in 2016 than in the previous years, but that the percentage of justified complaints had increased, and continues to be high. The National Insurance Institute and the Israel Postal Company received the most criticism from the public.

However, the report also addresses the environment and water as cross-border Israeli-Palestinian issues, and draws the conclusion that there is an “absence of government policy. The government of Israel has not yet formulated a policy for cross-border environmental management in general and for the management of water pollution in particular, and has not decided on any single governmental entity to be charged with this issue and manage it with the responsible bodies. This is in spite of the far-reaching consequences of the issue, such as on Israel’s water reserves, public health and even on the political-security level. Therefore, solutions have been prevented or delayed despite sustained damage to the environment, public health and broad Israeli interest.”

Citation:

“Book of working plans 2014,” PMO website (March 2014) (Hebrew)

“Report on the implementation of governmental decisions 2016,” PMO website, <http://www.pmo.gov.il/policyplanning/mimshal/Documents/dm20161607.pdf> (Hebrew)

“The Monitor Project,” Citizens’ Empowerment Center, <http://www.cec.org.il/monitor>

Zachria, Zvi. ‘New Application Will Allow The Public to Follow the Pace of Laws and Government Decision’s Implementations’ – The Marker, 15.7.2015 (Hebrew): <http://www.themarker.com/news/1.2684691>

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“Israel State Comptroller Report on Water Pollution between the State of Israel and Judea, Samaria and the Gaza Strip (Unofficial translation of the original Hebrew text by EcoPeace Middle East), Author: Ret. Judge Yossef Haim Shapira, Comptroller (executive summary),” http://ecopeaceme.org/wp-content/uploads/2017/06/Comptroller-Report_2017_Summary_Translation_by_EcoPeace.pdf

Japan

Score 6

In mid-2017, Abe announced that the government would use a portion of the proceeds of the planned 2019 consumption-tax increase for the purposes of free education and improved child care, rather than for public-debt reductions as initially planned. This will make it impossible to reach the original target of a balanced primary budget in 2020. With regard to restarting nuclear-power plants, a key element of the current energy policy, the government is nowhere as close as it wanted to be.

Abe may want to use the momentum gained through his coalition's retention of two-thirds majorities in both legislative houses in the October 2017 snap election to move the process of constitutional reform ahead. However, as the population is very divided on the issue, and the LDP's coalition partner Komeito is not in full agreement, the concrete agenda on this issue was unclear as of the time of writing.

In terms of international relations, regional tensions have relaxed somewhat since 2016, as evidenced by an increasing number of high-level meetings. The Abe government has skillfully developed good relations with U.S. President Trump, but has also had to adjust to some disadvantageous U.S. policy moves such as the United States' departure from the Trans-Pacific Partnership agreement.

Citation:

Mitsuru Obe, Japan Parliament Approves Overseas Military Expansion, The Wall Street Journal, 18 September 2015, <http://www.wsj.com/articles/japan-parliament-approves-abe-security-bills-1442596867>

Malta

Score 6

Government efficiency has continued to improve. Central to this improvement has been the Prime Minister's Office and the work of the Principal Permanent Secretary's Office. Policy implementation is measured against agreed upon KPIs and benchmarks, policies are monitored and shortfalls highlighted. Templates are sent out to ministries with deadlines and then assessed and reviewed. Every February, the first round of audit closing meetings commence. The preparations over the last year for the EU presidency has improved public service efficiency. Ongoing training has been key. However, problems remain. Recent National Audit Reports have highlighted gross inefficiencies under the previous administration. Current assessments continue to point to persistent failings, including on inventory management, control over service providers and controls related to personal emoluments. They also note missing documentation, deficiencies in stock management and lack of adherence to public procurement regulations. Local councils' performance was suboptimal, with the auditor's report stating that "accounts lacked documentation, were improperly recorded, missing key components and sometimes contained conflicting figures. Effectively, this prohibited

the NAO from analyzing their performance.” Nonetheless, OPM has been working on these issues and the NAO has indicated improvements.

Citation:

Gozo projects lacking good-governance rules Times of Malta 16/12/2015

Briguglio, M An F for Local Councils Times of Malta 12/12/16

Report by the Auditor General Public Accounts 2015

http://www.maltatoday.com.mt/news/national/80417/half_of_nao_recommendations_implemented_auditing_is_not_a_witchhunt#.We2pXVuCyM8

http://www.maltatoday.com.mt/environment/townscapes/79047/no_value_for_money_in_fekruna_bay_expropriation_nao#.We2pt1uCyM8

http://www.maltatoday.com.mt/news/national/79029/labour_urges_pn_to_stop_ignoring_nao_reports_pointing_fingers_at_azzopardi#.We2p4VuCyM8

Slovakia

Score 6

The government manifesto of the third Fico government reiterated many goals of the previous one. Although it comprised around 70 pages, it lacked action plans, timelines and budgets. Long-due reform projects in, for example, education and health care have been or delayed or tackled in an erratic manner. The concept for the education reform was announced in December 2016, although Education Minister Plavčan only presented it in full in March 2017. But then the scandal in which he was involved and which led to his ousting put the reform on hold.

Slovenia

Score 6

The Cerar government’s coalition agreement has been relatively comprehensive and more detailed than those of previous governments. However, many goals and deadlines stated in the agreement have not been met. The announced health care and education reforms have been postponed several times, and then in the middle of 2017 only limited health care changes were announced, shifting much-needed major reform to the next parliamentary term. The tax reform eventually adopted in summer 2016 has been more modest than initially announced, and some additional minor tax reform was announced also in summer 2017. On pensions, the government has agreed with the social partners only on a broad reform outline. As for privatization, the coalition agreement took a cautious approach and remained relatively vague. Given the lack of consensus among the coalition partners about the remaining role of the state, it did not come as a surprise that some privatization decisions led to cracks in the coalition. The promised privatization of Telekom Slovenije, the largest communication company in the country, fell victim to political opposition from within and outside the governing coalition. The same occurred with the promised privatization of Slovenia’s largest bank NLB, which was first postponed until 2017, and then in June 2017 Cerar government finally decided to (again) postpone the privatization, as the current market price was much too low.

Spain

Score 6

The Spanish government has not set a system of benchmarks to evaluate its own performance but has been relatively successful in the implementation of major policy objectives. Two main obstacles stand in the way of the government more easily realizing its declared objectives: first, weak mechanisms of coordination with the 17 Autonomous Communities (which are responsible for many policy areas) and second, ministerial fragmentation. The latter often sees line ministries more oriented toward their individual departmental or bureaucratic interests than toward the government's strategic objectives.

However, thanks to the significant constitutional and political resources at their disposal, the prime minister and core executive gradually built up their internal executive power between 1982 and 2015. This ultimately created conditions under which a coherent set of major objectives can be developed and policy priorities successfully achieved at the national level. The government has also gained power and autonomy as a result of the country's EU membership. However, the current minority government's lack of political support and growing interparty competition among the center-right parties could complicate the legislative negotiation process for the government's policy priorities, especially regarding the approval of the budget.

Since secessionist Catalan members of parliament voted to establish an independent republic in October, the Spanish government has taken control of Catalonia, dissolved its parliament and announced new elections for December 2017. The Spanish senate granted Rajoy unprecedented powers to impose direct rule on Catalonia under article 155 of the constitution.

Citation:

October 2017, The Guardian: "Spain dissolves Catalan parliament and calls fresh elections"

<https://www.theguardian.com/world/2017/oct/27/spanish-pm-mariano-rajoy-asks-senate-powers-dismiss-catalonia-president>

Turkey

Score 6

The government's performance has been mixed during the review period. Finance Minister Naci Ağbal defined the 2017 budget as "growth friendly," and foresaw a TYR 46.9 billion budget deficit and TYR 10.6 billion primary budget surplus. As of October 2017, the budget deficit had reached TYR 35 billion. Presidential and prime ministerial discretionary funds increased 73% compared to 2016.

The economy has weakened over recent years. Meanwhile, Turkey's onetime proactive and strategic foreign and security policies have become increasingly less coherent, particularly with regard to regional conflicts. The AKP's credibility was

undermined by the party leadership's unwillingness to accept the results of the June 2015 elections. Contradictions between the goals of political liberalization and the government's conservative-religious ambitions have become increasingly visible. Seeking to consolidate its control over government, the AKP has instead sought to create a legal framework for its "monopolization" of power. Opposition forces inside and outside of parliament often play into the ruling party's hands.

Governmental inefficiency is widespread, especially in relation to the economy. The first nine months following the implementation of the government's annual economic objectives varied sharply from official budget and 2017 – 2019 medium-term fiscal plan forecasts. The recent devaluation of the Turkish lira has increased the fiscal burden on macroeconomic variables. In the current and the next (2018 – 2020) medium-term fiscal plan, greater fiscal discipline is expected. Unemployment, inflation and the budget deficit will continue to be major economic weaknesses, which will be exacerbated by population growth, refugee issues and security concerns. Results were similarly mixed in other sectors. For instance, the Ministry of Education realized most of its 43 performance objectives, while the Ministry of Health completed most of its 22 objectives for 2016. However, the Ministry of Health failed to realize two key objectives, namely human resource objectives in the health care sector and scientific publications.

No significant progress has been made concerning EU accession since 2015, when economic and financial chapters were opened. Chapters 23 and 24 are currently under blocked by Cyprus. These chapters regulate Turkey's harmonization of fundamental rights and the judiciary with those of the European Union. Despite some signals to continue negotiations from both sides, the European Parliament in November 2016 and Germany since September 2017 have opted to suspense, and Austria has demanded a complete stop to talks.

Citation:

"İşte hükümetin bütçe performansı," 17 October 2017, <http://www.businessht.com.tr/ekonomi/haber/1311270-iste-hukümetin-butce-performansi> (accessed 1 November 2017)

"Turkey challenges EU to 'open new chapters,'" *Hürriyet Daily News*, 10 May 2017, <http://www.hurriyetdailynews.com/turkey-challenges-eu-to-open-new-chapters-112952> (accessed 1 November 2017)

"Bütçe açığı ve örtülü harcamalar çoştı," 16 November 2017, *Sözcü*, <http://www.sozcu.com.tr/2017/ekonomi/butce-acigi-ve-ortulu-harcamalar-costu-2092299/> (accessed 16 November 2017)

Ministry of Development, 2017-2019 Medium Term Programme in Macro-economic and Fiscal Targets, <http://www.mod.gov.tr/Pages/content.aspx?List=16bb86d7%2Dad48%2D4f23%2Db1e3%2D56bbe5b28aaa&ID=13&Source=http%3A%2F%2Fwww%2Emod%2Egov%2Etr%2FPages%2FMediumTermPrograms%2Easp&ContentTypeId=0x0100F7A44FBA3ED2844D8825963D0C0BE391> (accessed 1 November 2017)

Sağlık Bakanlığı 2014 Faaliyet Raporu, <https://dosyasb.saglik.gov.tr/Eklenti/7585,raporpdf.pdf?0> (accessed 1 November 2017)

Milli Eğitim Bakanlığı, 2016 Faaliyet Raporu, https://sgb.meb.gov.tr/meb_iys_dosyalar/2017_02/28172815_2016_FR_webde_yayYmlanacak_kitap.pdf (accessed 1 November 2017)

Pelin Ünker, *Ekonomide tüm hedefler şaşı*, *Cumhuriyet* daily newspaper, 10 September 2015. (accessed 27 October 2015)

Czech Republic

Score 5

The Sobotka government has tried to reconcile conflicting objectives and interests of coalition partners, but only with partial success. The growing tensions between the coalition partners, which culminated in an amendment to the conflict of interest law, against the will of ANO, and the (forced) resignation of Andrej Babiš in May 2017 further antagonized ANO and the Social Democrats. Notwithstanding this situation, the Sobotka government was able to implement a number of popular campaign promises, including the lowering of the fiscal deficit, raising of salaries in the public sector (in particular in health and education), increases in pensions and in the minimum wage, increase in police personnel, and an accelerated drawing of EU funds. However, the government failed to implement the initiated education reform. While it succeeded in expanding public R&D funding, it has only taken the first steps toward a new strategy of economic development. The effectiveness of the government's anti-corruption legislation will be tested by what occurs after Babiš's victory in the 2017 parliamentary elections.

Greece

Score 5

Significant structural reforms have been legislated by successive Greek governments in the last seven years, but their mix and implementation were, and continue to be, uneven. Greece has implemented important labor market reforms, but progress has been less on reducing oligopoly power, reducing the regulatory burden and promoting reform in the public administration.

Policy implementation efforts have been problematic throughout the period under review as in previous periods. Examples of a lingering implementation gap include the problems still encountered by young entrepreneurs and professionals when it comes to establishing and operating a new business. The same can be claimed with regard to privatization of state-owned property, though the government seemed more willing to accept foreign investment.

Privatization targets have been repeatedly revised downwards. The country raised €500 million from asset sales in 2016, missing its bailout target by about €2 billion, mainly due to delays in completing the lease of 14 airports to a consortium led by Germany's Fraport. Two of Greece's biggest projects – the former Hellenicon Airport and the Eldorado Gold, together valued at about €11 billion (.8 billion) – have stalled on bureaucratic and legal wranglings, raising questions about the country's ability to attract the investment desperately required for economic recovery.

On the other hand, there were other government decisions, such as pension cuts and performance-based review of civil servants' pay, which were implemented. The implementation of such cases was due to the pressure exerted on the government by

Greece's lenders, based on the Third Economic Adjustment Program which linked policy implementation with delivery of loans to Greece.

Hungary

Score 5

The Orbán governments have been quite successful in consolidating political power, centralizing policymaking and weakening the remaining checks and balances. At the same time, they have largely failed to meet broader goals such as fostering sustainable economic growth or increasing employment in the private sector. The low degree of government efficiency has been illustrated by frequent policy changes in all policy fields and by the lack of coordination of policy fields, caused also by selection of personnel based on party loyalty, not on merit. A central problem has been the implementation of new bills and regulations. Overhasty policymaking has led to incoherent and contradictory legal texts, causing extreme difficulties for local and county administrations. The government's low level of efficiency has been acknowledged by PMO minister Lázár himself several times.

South Korea

Score 5

The Park Geun-hye government was widely criticized for ineffective policy implementation despite having a majority in parliament until the 2016 parliamentary election. President Moon has promised to implement his agenda successfully by developing 100 policy goals. Yet despite his strong personal mandate deriving from his decisive election victory and strong popularity, Moon's Democratic Party lacks a majority in parliament. Nevertheless, the president has far-reaching powers, and Moon has already implemented several important measures such as the increase in the minimum wage and the creation of more stable jobs in the public sector. As of the time of writing, the new president had been rather successful in implementing policies, enjoying a prolonged honeymoon period thanks in part to the massive discrediting of the conservative opposition due to the Park scandal. However, Moon has also abandoned some of his original agenda items, such as the termination of construction on two nuclear-power plants. After initially being suspended, construction was restarted after criticism from business groups and a vote by a panel commissioned to represent the public opinion. Overall, it is far too early to evaluate the new administration's performance when it comes to the implementation of policies.

Citation:

"S. Korea 'bureaucracy risk' derails economic innovation," Maeil Business Newspaper, March 26, 2014

"Park's approval rating hits record low of 5% ", Korea Times, November 4, 2016, https://www.koreatimes.co.kr/www/news/nation/2016/11/116_217549.html

Croatia

Score 4

During his first year in office, Prime Minister Andrej Plenković announced far-reaching reforms. The HDZ's election program served as the basis for a relatively comprehensive National Reform Program presented to the European Commission in April 2017. However, the program lacked a clear schedule and its implementation has suffered from the Agrokor crisis and the mid-2017 change in the governing coalition. The tax reform adopted at the end of 2016 was the only major reform implemented during Plenković's first year in office. However, even this reform has been implemented only partially, as the government gave up the already prepared introduction of a property tax in June 2017.

Romania

Score 4

The Grindeanu government succeeded in implementing a number of campaign promises, including tax cuts as well substantial increases in the minimum wage, wages in the public sector and pensions. It soon turned out, however, that these measures put a heavy strain on the budget, so that other promises, such as raising public investment, had to be broken. The strong rifts within the coalition and massive public protests further complicated policymaking. Until the end of 2017, the attempts – first by the Grindeanu, then by the Tudose government – to decriminalize corruption, to weaken the DNA and to reduce the independence of the judiciary – failed.

United States

Score 4

In comparison to parliamentary systems that have an expectation of nearly automatic legislative approval of government bills, policy implementation in the U.S. separation-of-powers system is presumed to depend on coalition building, negotiation and relatively broad consensus. In the current, highly polarized state of the major political parties, the ability to act depends heavily on whether partisan control of the presidency and Congress is unified (with the same party controlling the presidency, House, and Senate) or divided.

From 2011 to 2016, with a Democratic president, Republicans controlling one or both houses of Congress and an aggressive far-right ("Tea Party") Republican faction that was often able to block action, the U.S. government had profound difficulty in accomplishing any policy goals. The two Congresses of this period were the least productive (i.e., enacting the fewest laws) of any Congress in the modern era (since the 1920s pre-depression era).

The legislative experience of Trump's first year, however, was unprecedented. The president and Republicans in Congress identified three major legislative priorities – repealing and replacing “Obamacare” (President Obama's health care reform), adopting a major infrastructure rebuilding program, and major tax cuts and tax reform. Trump also wanted major restrictions on immigration (especially from Muslim countries), the renegotiation of major trade agreements and the building of a wall along the border with Mexico. Republicans in Congress resolved to avoid negotiating with Democrats on these measures, hoping to avoid compromises that would be unacceptable to the Republican base.

In fact, Republicans themselves were sufficiently divided that legislative successes were very limited. Of the numerous policy objectives, only a seriously flawed tax cut (including modest tax reforms) was adopted. Given that the act massively increases long-term budget deficits and includes unpopular tax cuts for corporations and the wealthy, it is likely to be amended significantly before many of its provisions go into effect. Until the enactment of this tax cut in December 2017, Trump's first year was shaping to be the first time in modern history when a new president had failed to secure even a single piece of legislation.

Trump's objectives on immigration were pursued by administrative means, without legislation. Trump was successful in sharply increasing deportations of undocumented immigrants, primarily from Mexico. Due to judicial interventions, he was not successful in implementing a ban on entry by Muslims or people from select Muslim countries. Regulatory agencies withdrew large numbers of Obama-era regulations, but whether these decisions will hold up against judicial appeal remains uncertain. At the end of the first year, very few of Trump's policies had been adopted in a manner that promises to be enduring.

Cyprus

Score 3

The European Commission has praised the Cyprian government for its impressive success in containing the fiscal and financial crisis and achieving growth. Notwithstanding, the government's implementation of clauses of the MoU signed with creditors relating to critical and long-term actions, such as sectoral shifts in the economy, reforms, and privatization, has been slow and inadequate. Furthermore, while a NHS was due to be fully operational in 2016, necessary legislation was only passed in 2017.

More decisive reforms would alleviate the negative impacts on people's welfare and reduce the risk of poverty and exclusion. While the government's policies improved economic confidence and competitiveness, the markets remain hesitant.

Citation:

1. Statement of the staff of EU Commission and the ECB... Cyprus, 29.09.2017, <http://www.ecb.europa.eu/press/pr/date/2017/html/ecb.pr170929.en.html>

Mexico

Score 3

The government's ability to implement policy is geographically and functionally uneven. While there are an increasing number of islands of technical expertise and competence, overall policy implementation is still severely hampered by several factors. The most significant of these have been the following four challenges: (a) the state's lack of financial resources due to insufficient taxation capacity, (b) the organizational weakness of subnational governments and the decentralized agencies overseen by federal ministries, (c) high levels of crime and impunity, and (d) the ineffective rule of law.

The central government has been able to find the necessary financial resources for prestige projects and highly visible policy priorities. Overall, however, the state remains unable to provide basic public goods, including education, public health and security, across the territory. Mexico is a federal country, and the quality of governance by state and municipal governments varies enormously. Some municipalities are professionally organized, but others lack basic capacities to provide those public goods that fall within their local responsibility. Until recently, municipal authorities were elected for three-year terms of office with no re-election permitted. This system created negative incentives, as officeholders were not rewarded for considering long-term challenges. However, a recent constitutional reform now allows municipalities to set their own term limits with respect to re-election.

While the president has embarked on several major reform projects, all of these initiatives remain underfunded and most have stalled during the implementation phase. Given President Nieto's historically low approval ratings, it appears unlikely that his administration will be able to get these reforms back on track during its final year in office.

Indicator

Ministerial Compliance

Question

To what extent does the organization of government provide incentives to ensure that ministers implement the government's program?

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 organization of government successfully provides strong incentives for ministers to implement the government's program.
- 8-6 = The organization of government provides some incentives for ministers to implement the government's program.
- 5-3 = The organization of government provides weak incentives for ministers to implement the government's program.
- 2-1 = The organization of government does not provide any incentives for ministers to implement the government's program.

Australia

Score 10

Strong party discipline and adherence to the Westminster doctrine of cabinet collective responsibility ensure that ministers have strong incentives to implement the government's program, rather than follow their own self-interest. Australian prime ministers are very dependent on their party caucuses and cannot govern against the majority in the caucus. Labor prime ministers in particular are limited in their choice of ministers, and typically have to accept the nominations of the various party factions. The recent successful challenge demonstrated that Liberal prime ministers are also increasingly dependent on their caucuses.

Citation:

Pat Weller, Prime ministers, in: Brian Galligan; Winsome Roberts, *The Oxford Companion to Australian Politics*, Sydney: Oxford University Press 2007, S. 460-463.

Canada

Score 10

In the Canadian system, the prime minister, in consultation with political staff, forms the cabinet and appoints his or her ministers, who serve on a discretionary basis. Any cabinet minister who is not perceived by the Prime Minister's Office (PMO) to be a team player, or is seen as a political liability, will have a short career. Cabinet ministers are evaluated and hence promoted and demoted on the basis of their ability to deliver on the government's agenda. The prime minister and his office (PMO) have an important role in appointing deputy ministers and chiefs of staff. Deputy ministers are appointed by the prime minister on the advice of the clerk of the Privy

Council Office. Deputy ministers are promoted (or less often demoted) for a variety of reasons, including the attempt to match their talents to the requirements of the department, efforts to establish a gender and linguistic balance, and so on.

South Korea

Score 10

Ministers in South Korea do not have their own political base, and thus depend almost solely on the support of the president. The president has the authority to appoint and dismiss ministers, and frequently reshuffles the cabinet. The average tenure of a minister has continuously declined over the past two decades. Under the Lee Myung-bak administration, the average period of service was about one year. This high degree of turnover limits ministers' independence, as they are unable to develop their own voice to pursue their own or institutional policy ideas.

The role of National Assembly confirmation hearings for ministerial candidates should not be underestimated. As of the time of writing, seven of Moon Jae-in's ministerial candidates had failed to move past these hearings, in part due to strong media scrutiny.

Sweden

Score 10

In Sweden, ministers and departments do not implement policy. The task is handled by the executive agencies. A major concern in Sweden is the degree to which ministers can, and should, steer the agencies. Swedish agencies are highly autonomous, but departments can formally steer them by appointing the Director General of the agency, deciding on the regulatory and institutional framework of the agency, and allocating financial resources to specific tasks and programs.

In Sweden, as in many other countries, the relationship between departments and agencies, and the willingness of the latter to implement policies defined by the former, can hinder or enable implementation. In Sweden, the relationship between departments and agencies is an institutional relation, not a personal relation between a minister and the director of an agency. Thus, to the extent that it is meaningful to talk about incentives, they must be organizational incentives. Furthermore, implementing policy is a core role for the agencies, so incentives are hardly necessary.

Citation:

Premfors, R. and G. Sundström (2007), *Regeringskansliet* (Malmö: Liber).

Jacobsson, B., J. Pierre and G. Sundström (2015), *Governing the Embedded State: The Organizational Dimension of Governance* (Oxford: Oxford University Press).

United States

Score 10

The president has a high level of control over appointments such as agency and department heads. They serve at the president's discretion and need the support of the White House for their success, both in terms of agency missions and individual careers. Conflicts between the department heads and the White House occasionally emerge, but they are usually limited to a speech or remark that conflicts with presidential policy. As recent presidents have upgraded their ability to monitor agency activities and to draw major issues into the White House, conflicts between the agencies and the White House have largely disappeared.

Chile

Score 9

The president annually evaluates his or her ministers' policy performance. In a commission consisting of the president's advisory ministry (Secretaría General de la Presidencia, Segpres) and budgetary units of the government, ministers have to present their sectoral priorities, and if necessary, arrangements and modifications are made to ensure alignment with the government program.

Denmark

Score 9

Denmark has parliamentary rule. The government can be forced to retire any time if in the minority in parliament. The prime minister is the leader of the government, and he or she does not allow ministers to pursue interests that are not compatible with the declared goals of the government. Close scrutiny by parliament, including by parliamentary committees and an attentive press, seldom lets rogue ministers behave this way for long. The prime minister can both fire and promote ministers, so there are incentives to do what the prime minister expects. Party members can of course revolt against a prime minister, but this happens rarely in Denmark. There is a high degree of party discipline.

Citation:

Carsten Henrichsen, *Offentlig Forvaltning*, 2. ed. Copenhagen: Forlaget Thomson, 2006.

Estonia

Score 9

Estonia typically has coalition governments; reaching an agreement on priorities and goals of the future government is the core issue of the cabinet-formation process. After a coalition cabinet is sworn in, it acts in accordance with the government program and rules of procedure signed by all coalition partners. The process of

program implementation is coordinated by the coalition committee, comprised of a representative of each coalition partner. Compared to some previous governments, the sitting coalition places less emphasis on the coalition committee, instead discussing most issues openly at cabinet meetings. This can be regarded as evidence of general concord within the government, which facilitates implementation of the government program.

France

Score 9

Compliance by ministers, when compared internationally, is good, as a minister can be dismissed at any time and without explanation. In the French majority system and in the absence of real coalition governments, the ministers, who are nominated by the president, are largely loyal to him. Together with the effective hierarchical steering of governmental action, ministers have strong incentives to implement the government's program, following guidelines set up by the president and prime minister. This statement remains true but is highly dependent on the leadership capacities of the president and prime minister. Unlike his predecessor, Macron has made clear that strict compliance is expected from ministers, and there is no doubt that his leadership and policy choices will be supported by ministers who, for most, are not professional politicians.

Hungary

Score 9

Under the third Orbán government, Ministerial compliance has diminished. The replacements for the purged Simicska followers have been loyal, but incompetent, so that their actions have often been chaotic. The increasing disorder has led to soft resistance by János Lázár, the head of the PMO, who has sometimes criticized the official line indirectly but publicly. The creation of two new cabinet committees – an economic cabinet with Mihály Varga and a strategic cabinet with János Lázár – in the summer of 2016 aimed at demonstrating the power of the prime minister, but also at pushing for more policy compliance of ministers and senior officials. Another cabinet committee, on family policy, has been announced.

Iceland

Score 9

Ministers usually follow party lines, but individual ministers have considerable authority to make independent decisions. However, non-collective decisions are rare.

Under the 2009-2013 cabinet, dissent between ministers had little to do with specific ministerial actions. For example, when the parliament voted in 2009 on Iceland's application for EU membership, one government minister, Jón Bjarnason from the

Left-Green Movement, voted against the resolution. Bjarnason repeatedly expressed his opposition to Iceland's accession to the European Union throughout his tenure. Subsequent cabinets have experienced no such ministerial discord – except the aforementioned episode of former prime minister Sigmundur Davíð Gunnlaugsson in early April 2016 as the Panama Papers scandal broke.

Latvia

Score 9

Organizational devices that encourage ministerial compliance include: a public statement of policy intent, a government declaration signed by each minister, a coalition agreement outlining the terms of cooperation between the governing parties and an informal weekly coalition-council meeting. Additionally, the government office monitors compliance with cabinet decisions, while the PKC monitors implementation of the government declaration. Both reporting streams enable the prime minister to fully monitor individual ministers' progress in achieving the government's program. Nevertheless, disagreements between ministers regularly become public and can be divisive. Most recently, ministers have disagreed over the EU migrant relocation scheme and tax system reform.

New Zealand

Score 9

There is a strong tradition of collective responsibility of the cabinet. Ministers are allowed to disagree over policy initiatives, even in public, but once a decision has been made in cabinet they have to follow the collective will. The Cabinet Manual 2008 is very explicit about this. The prime minister has the power to appoint and dismiss ministers (formally it is the governor-general who does this on the advice of the prime minister). In reality, however, whereas the National Party's cabinet is chosen by the prime minister, Labour's is subject to an election by all of its members of parliament, with the prime minister's direct power being largely limited to the ranking of ministers and allocation of portfolios. Naturally, in coalition governments or minority governments with support agreements with other parties, the prime minister's power over the personnel of another party is restricted. Collective responsibility within a formal coalition arrangement is strengthened by an extensive list of coalition management instruments based on a comprehensive coalition agreement with regard to the legislative agenda but also procedures to ensure coalition discipline. On the other hand, there are procedures for dealing with a minority government. The most recent National minority government built on the experience of earlier minority governments on how to ensure ministerial compliance under a confidence and supply mandate. In its Cabinet Office Circular CO (15) 1 "National-led Administration: Consultation and Operating Arrangements," the government at the time of writing specified the nature of its agreements with support parties that receive ministerial appointments outside of cabinet. While such ministers

may disagree with government policy if it lies outside their ministerial responsibility, they are bound by collective responsibility on issues within their portfolio.

Citation:

Cabinet Office Circular CO (15) 1 (Wellington: Cabinet Office 2015).

Norway

Score 9

There is a strong tradition of cabinet government in Norway. The cabinet meets several times a week, and government decisions formally need to be made in cabinet. The convention of close ministerial cooperation increases ministers' identification with the government's program and makes the government work as a team. As long as divisions between coalition partners are not strong, this system guarantees relatively strong cabinet cohesion, as has been the experience in recent years.

Belgium

Score 8

One must distinguish *de jure* powers from the government's *de facto* powers to provide incentives to each minister. *De jure*, the prime minister has little power to exclude ministers from the government. The main architects of government positions are the party presidents who, at the government-formation stage, negotiate for control of the various portfolios and then nominate their people. Every minister's primary incentive is thus to push his or her own party's views, rather than the government's potential view.

That said, this hierarchical structure is actually able to impose strong discipline on each minister when the incentives of party presidents are sufficiently aligned with those of the government.

Finland

Score 8

A number of mechanisms are in place that serve to bind ministers to the government's program. Government programs result from negotiations between the political parties forming the government; in consequence, the coalition partners and ministries closely monitor implementation. Cabinet agenda issues are generally prepared, discussed and coordinated in cabinet committees as well as in informal groups and meetings. On the whole, ministers are closely watched, and are expected to be integral parts of cooperative units. They would no doubt find it difficult as well as unrewarding to pursue narrow self-interests. Nevertheless, individual figures' profile-raising attempts have been discernible in the present Sipilä cabinet, largely within the Finns Party.

Germany

Score 8

In principle, line ministers are responsible for policies that fall under their jurisdiction. Therefore, individual ministers have some leeway to pursue their own or their party's interests. This leeway is substantial in international comparison. Ministers sometimes pursue interests that therefore clash with the chancellor or coalition agreements. In the case of the last government, the coalition agreement bore considerable political weight and proved effective in guiding ministry activities. In terms of budgetary matters, Minister of Finance Wolfgang Schäuble was particularly powerful and able – when he has the chancellor's support – to reject financial requests by other ministries.

The coalition agreements provided for clear rules when a coalition committee will meet and who will join the meetings. As in previous coalitions, it consisted of the chancellor and the vice-chancellor, the leaders of parliamentary groups and party leaders (if they were not already covered by the persons mentioned above). During the period under review, the coalition committee informally became the most important institution in resolving political disagreements within the government.

Ireland

Score 8

The current minority-led government represents a range of different agendas and priorities. The allocation of ministries between them has a significant influence on the overall coherence of government policy.

Individual ministries are to a significant degree independent fiefdoms that can be used by individual ministers to pursue their self-interest – including boosting their chances of reelection – rather than any comprehensive government objective. The system requires even senior ministers to spend considerable time and energy in local constituency work, because few are sufficiently distanced from the risk of losing their seat at the next election. One newspaper recently estimated (informally) that ministers spend only about 10% of their time on national issues.

The two ministries with overarching responsibility for coordinating this program are the Department of the Taoiseach and the Department of Finance.

Ministers are not involved in the appointment or promotion of civil servants; at the higher levels of the civil service, appointment is now in the hands of the independent Top Level Appointments Commission. However, a 2014 conflict over the roles of the minister for justice and the commissioner of the Garda Síochána (the police force) led to the resignation of both men, and eventually the departure of the secretary-general of the Department of Justice as well.

Ministers select their own advisers and consultants and these exercise considerable influence. For the most part, however, individual ministers do implement government policy. But over time there is a tendency for some to pursue increasingly idiosyncratic goals. The ultimate sanction can be exercised by the taoiseach, as occurred in the major cabinet reshuffle of July 2014, which was designed to increase the government's cohesiveness.

Italy

Score 8

The current prime minister, Gentiloni, has weaker instruments to ensure ministers fulfill the government program compared to the previous prime minister, Renzi, who was the leader of the dominant government coalition party. However, given the more modest ambitions of the current cabinet, whose main purpose is to reach the end of the parliamentary term without disaster and prepare for the forthcoming elections, the prime minister has proven more able to steer the government than was initially expected. Gentiloni has been aided by ministers from other parties, because of the weakness of their parties and their need to avoid immediate elections, would prefer not to rock the boat.

Mexico

Score 8

Whatever problems there may be with the Mexican system, it does deal effectively with the so-called agency problem, except during the end of the presidential term, when the lame duck phenomenon occurs. Insofar, the agency problem has increased in 2017 and will further be a challenge during the final month of the current presidency. In contrast, at least during the first two-thirds of a presidential administration, cabinet secretaries mostly have a strong incentive to avoid incurring presidential displeasure. This is less true at the very end of the presidential term, when the cabinet becomes more politicized and some political figures may jump ship to serve the new administration. Usually the government acts as a lame duck during its last months in office, and not much is expected of it.

Poland

Score 8

Since the cabinet consists of a group of people who were more or less hand-picked by PiS party leader Jarosław Kaczyński, the need for using specific organizational devices for exerting pressure on ministers to stay in line with the government's program has been limited. Despite some internal debates and power struggles, ministers have largely been committed to implementing the government's program, one bullet point after another.

Spain

Score 8

All prime ministers since the restoration of democracy have presided over single-party governments – Spain being the only EU country aside from Malta in which there has not been any experience with coalitions at the central-government level. Since the 2016 elections, no coalitions have been formed; rather, all ministries are chaired by PP party members or persons close to the party. Thus, Mariano Rajoy is free to reorganize government structures and dismiss ministers he does not consider able or willing to implement the government's program. Due to this, Rajoy has the capacity to impose his views on the Council of Ministers, in addition to chair party meetings.

The constitution (which stipulates that parliamentary confidence rests personally with the prime minister and his comprehensive government program), the Spanish party system (featuring prime ministers that have up to this point also been the strong leaders of very disciplined parties), and the organization of the executive thus provide strong incentives for all ministers to implement the overall government program rather than seeking the sectoral interests of their individual departments. However, the fact that the government's hierarchical organizational devices provide these potentially strong incentives does not necessarily ensure that ministers always subordinate their sectoral self-interest to the general interests of the government. They actually enjoy some degree of political autonomy, in some cases as important mid-level or regional leaders of the governing party.

Switzerland

Score 8

Government in Switzerland is not (primarily) party-driven. Ministers are expected to work together as a collegium, and to abstain from any politics or policies that benefit their party or themselves as individual politicians. In general, this worked quite well so long as all members of government felt bound by the rules of collegiality. In recent years, due to growing political polarization and an attack on consociational politics by the right-populist party, there have been some deviations from this course. However, even in periods of polarized politics, the Swiss government and its policy implementation is much less driven by the interests of individual politicians or parties than is typically the case for parliamentary governments. In the current review period, ministerial compliance and cooperation were much more pronounced than between 2003 and 2007.

In the Swiss federal system, implementation is first the task of the cantons and even the municipalities. Implementation therefore must be seen as a multilevel process. Implementation varies among the cantons, and is determined by political party government composition, policy pressures and bureaucratic preferences at the cantonal level (Sager and Thomann 2016).

Citation:

SAGER, Fritz, and Eva THOMANN (2016). "A Multiple Streams Approach to Member State Implementation Research: Politics, Problem Construction and Policy Paths in Swiss Asylum Policy," *Journal of Public Policy* 37 (3): 287–314.

United Kingdom

Score 8

The prime minister has traditionally had more or less absolute power to appoint politicians to government positions. She can thus use this power of patronage to earn the loyalty of backbench MPs and to ensure that ministers stick to the government agenda. Despite occasional leaks, the collective responsibility of cabinet is a well-entrenched doctrine and standards of behavior are recorded in the Ministerial Code. The prime minister's power is partly dependent on the incumbent's political strength and calculations by their party as to their future electoral success (which is directly linked to their own job security). Party whips also play a key role in passing legislation and thus in supporting the government, and – although Conservative MPs elected since 2010 are sometimes considered to be more prone to rebellion – any MPs with strong political ambitions have to be wary of being branded as mavericks. However, this label has become significantly less stigmatizing over the past years. In this spirit, prominent cabinet members have recently shown open insubordination – backed by substantial factions within the Conservative Party – to pursue their own political agenda and aims. This continues to burden the May government's performance. Yet, despite the absence of a majority government for all but two years since 2009, the government is generally able to implement its programs, although Brexit, very evidently, will test this to the limit.

Bulgaria

Score 7

The prime minister does not have significant legal powers vis-à-vis his ministerial colleagues. The 1991 constitution defines the Council of Ministers as a collective body, with the prime minister being only "an equal among equals." The position of the prime minister thus strongly depends on his or her informal political authority. When the prime minister is a party leader and features a relatively strong personality, as in the case of the Borissov governments, the informal influence is significant. The de facto accountability of ministers to the prime minister was most recently demonstrated in October 2017 by the resignation of the minister of health, Nikolay Petrov, following the prime minister's demand. Thus, the organization of government provides incentives to ensure that ministers implement the government program only to the extent that the program is a priority for the prime minister. When there is a coalition government, as in the case of the third Borissov cabinet, it is unclear to what extent the prime minister's informal power to incentivize line ministers appointed by coalition partners is sufficient to ensure the implementation of the government program.

Israel

Score 7

Influences from the OECD and global best practice methods have altered Israel's governmental organization in recent years. Values of transparency, planning, comparability and supervision by a designated PMO unit have been introduced, arguably improving implementation of the overall government program by increasing ministerial accountability vis-a-vis the government and the public. These new actions accompany more traditional compliance mechanisms such as weekly cabinet sessions and interministerial roundtable events.

Structural elements have worked against this trend by imposing a greater degree of centralization. The government's budget process essentially undermines the authority of individual ministers by creating a negative incentive for cooperation and forcing ministers into a more combative stance against each other. The Arrangements Law (an omnibus law which includes bills and amendments specifically aimed at restricting expenditure and achieve economic goals) is another bold expression of the additional power given to the budgeting department of the Ministry of Finance. This law is often used to cancel or negate reforms or legislation already passed by other ministries, thus undermining their commitment to the government's program.

Citation:

Blander, Dana, "Hok Ha-Hesderim: Necessary evil or necessarily evil?," IDI website 14.1.2007 (Hebrew) Salonim, Ori, "Measuring performance in the public service," The eleventh annual Hertzliya conference official publication (Hebrew)

"Book of working plans 2014," PMO website (March 2014) (Hebrew)

Japan

Score 7

Japan's political framework formally provides the prime minister with powerful tools to control ministers. Prime ministers can appoint and fire ministers at will. Moreover, prime ministers can effectively veto specific sectoral policies. In practice, however, prime ministerial options have been more limited, as most have lacked full control over their own parties or over the powerful and entrenched bureaucracy.

Recent governments, including the current Abe government, have sought to centralize policymaking within the core executive. Some measures have been institutional, such as giving new weight to the Cabinet Secretariat attached to the Cabinet Office and to the Council for Economic and Fiscal Policy, a cabinet committee in which the prime minister has a stronger voice. Other measures include a stronger role in top-level personnel decisions, aided by the formal introduction of the Cabinet Bureau of Personnel Affairs in 2014. Such institutional measures have proved quite successful.

Lithuania

Score 7

The government's organization provides ministers with various incentives to implement the government's agenda. The primary organizational instruments include coalition agreements, government programs, multiannual government priorities, identified priority actions and monitoring processes, cabinet meetings and deliberations, and the assignment of ministerial responsibility for policy areas. Since prime-ministerial powers within the executive are limited by constitutional provisions and the fragmentation of coalition governments, officeholders need to seek support from other cabinet ministers (including ministers of finance, who tend to share the prime minister's party affiliation), from parliamentary groups, and from the president (who has a veto power over draft laws) as they seek to implement the major objectives of the government program. In addition, as they implement governmental policy, line ministries tend to focus on the sectoral-policy aims falling under their responsibility at the expense of related horizontal-policy aims.

Luxembourg

Score 7

The Luxembourg electoral system combines proportional representation of candidate lists and a type of majority system that allows a voter to pick individual candidates by giving them preferential votes on more than one list.

Consequently, the voters, and not the party, decide on the composition of parliament and even of the government, since those candidates with the best results usually become ministers. This system encourages politicians to pursue personal initiatives, but as they generally address small lobbies, such projects do not typically conflict with the government's agenda.

"Go-it-alone" actions are not uncommon because ministers and candidates want to raise their profile to benefit precisely from these personal votes that ultimately make the difference. Especially in pre-electoral periods, this kind of deviant behavior is quite frequent. Ministers are usually allowed to pursue their pet topics, provided they manage to convince their colleagues in government and the prime minister.

Citation:

"Wahlsystem." Le portail officiel du Grand-Duché de Luxembourg, www.luxembourg.public.lu/de/le-grand-duche-se-presente/systeme-politique/systeme-electoral/. Accessed 21 Dec. 2017.

Fehlen, Fernand. "Für eine Wahlrechtsreform." Forum.lu, Nov. 2013, www.forum.lu/pdf/artikel/7726_334_Fehlen.pdf. Accessed 21 Feb. 2017.

"Wahlsystem und politische Kultur." Forum.lu, Sept. 2013, www.forum.lu/wp-content/uploads/2015/11/7695_332_Fehlen.pdf. Accessed 21 Feb. 2017.

Netherlands

Score 7

Dutch ministers' hands are tied by party discipline; government/coalition agreements (which they have to sign in person during an inaugural meeting of the new Council of Ministers); ministerial responsibility to the States General; and the dense consultation and negotiation processes taking place within their own departments other departments in the interdepartmental administrative "front gates" and ministerial committees. Ministers have strong incentives to represent their ministerial interests, which do not necessarily directly reflect government coalition policy. The hasty coalition agreement of the present Rutte II Council of Ministers – which was more of a mutual exchange of incompatible policy preferences than a well-considered compromise – and its relatively weak parliamentary support, have led to party-political differences frequently being voiced in the media. When the Rutte II cabinet reached out to three smaller political parties not supporting the government agreement, interministerial commitment and coordination visibly increased.

Citation:

R.B. Andeweg & G.A. Irwin (2014), *Governance and Politics of The Netherlands*. Houndmills, Basingstoke: Palgrave Macmillan: 140-163

Portugal

Score 7

The organization of relations in the parliamentary and cabinet systems ensure that ministers have incentives to implement the government's program. While ministers in the PS government are generally aligned with the government program, the fact that the government has to depend on three other parties with very different orientations to pass legislation does create difficulties with regard to ministerial compliance.

Slovakia

Score 7

Ministerial compliance in the third Fico government has been complicated by the fact that it rests on an "unnatural" coalition that includes parties as diverse as the Slovak National Party (SNS) and the mostly Hungarian minority based party Most-Híd (Bridge). While the government manifesto is fragmented, ministerial compliance follows party-ministry lines. Moreover, the ministers nominated by the SNS are not party members and have little experience as civil servants, which means they are less loyal than would normally be the case.

Austria

Score 6 Ministers are primarily concerned with the agendas of their parties, rather than with that of the government as such. Ministers are selected by the head of each party – typically the chancellor and vice-chancellor. Their first loyalty is thus to party rather than to government. For this reason, ministers have incentives to implement the government’s program only as long as this is identified with the program of his or her party. Nonetheless, there are a number of informal mechanisms that help commit individual ministers to the government program. For example, the parties in the current government have worked out a lengthy coalition agreement. The two partners have therefore reached compromises on the most important policy issues, and agreed on procedures for dealing with conflicts should they arise during the legislative period. For example, the governing parties have agreed not to vote against one another in important parliamentary votes, and have agreed not to support referendums against government policy. But this may change under the auspices of the new coalition.

Czech Republic

Score 6 Governments have tried to ensure ministerial compliance largely through the use of well-defined government programs and coalition agreements. Differences between individual ministers and the government take the form of disagreements between parties and are played out by threats of resignation. Under the Sobotka government, ministers from all coalition partners were removed for different reasons by various coalition partners. Following the October 2016 elections, in which the Czech Social Democratic Party lost significant power in the regional governments to its junior coalition partner ANO, Prime Minister Sobotka orchestrated a substantial overhaul of social democratic ministers. While the prime minister has the formal power to remove ministers from other coalition parties, the coalition agreement stipulated that this is only possible in agreement with the respective coalition partners. And when in November 2016, Prime Minister Sobotka called on the junior coalition partners to also replace ministers, no other party did so. In May 2017, Andrej Babiš was replaced by Ivan Pilny as minister of finance. However, in 2017 the prime minister’s position continued to weaken, resulting in Sobotka’s resignation from the position of party chairperson and party leader in the 2017 election campaign.

Greece

Score 6 In the period under review, foreign assistance funds continued to be channeled to Greece under strict conditionalities. Incentives for ministers to implement policies were probably the negative sanctions, such as their replacement by Prime Minister

Tsipras, which they would face if they further burdened the already problematic fiscal situation of the Greek state. Thus, ministers had more incentives, in fact, externally imposed constraints, to implement the government's plans directly linked to Greece's economic recovery. In non-economic policy sectors, however, the situation was different, as Greek policies in such sectors were not as closely monitored by the country's lenders. Certain ministers, such as the minister of culture or the minister of education, had no incentive to follow the abrupt shift toward austerity which Syriza had made in the summer of 2015, after failing on its pre-electoral promise to undo austerity. Such ministers pursued Syriza's pre-electoral radical left-wing program and in some instances tried various untested ideas or plans of their own, such as proposing radical changes to university entrance examinations and then completely dropping this education policy shift.

Malta

Score 6

The cabinet is the most important organizational device at the disposal of the government providing incentives to ensure ministers implement the government's program. Second to this are the weekly meetings of Permanent Secretaries. Meanwhile, the powers of the Prime Minister's Office have increasingly been used to drive policy implementation. The ministerial secretariat is generally responsible for overseeing the implementation of a program. However, this function has become more centralized; the government can now show how much of its program has been implemented. In addition, the Management Efficiency Unit in the PMO provides ministries with advice and capacity-building tools. Informal coalitions, such as those between civil society groups or businesses and individual ministries, can drive implementation in certain policy areas, such as the extension of LGBT rights. The drive to introduce simplification measures across ministries facilitates decentralization (e.g., in recruitment accords), granting ministries greater independence as well as additional incentive to successfully implement policies. The government has touted the idea of appointing ministers who are not members of parliament in order to improve efficiency in program implementation; however, this would require a constitutional amendment.

Citation:

PM wants powers to appoint ministers who are not MPs Times of Malta 15/02/16

Slovenia

Score 6

As head of a coalition government, Prime Minister Cerar primarily relied on frequent coalition meetings of narrow (including only the presidents of coalition parties) or broader composition (including ministers and members of parliament as well) in order to ensure the implementation of the government's program. In the Cerar government's first two years in office, seven ministers resigned or were removed

from office. In the period under review, no changes in the leadership of ministries occurred. In May 2017, Minister of Finance Mateja Vraničar Erman offered her resignation because of controversies of the privatization of Nova Ljubljanska Bank (NLB), but her resignation was not accepted by the prime minister.

Citation:

Haček, M., S. Kukovič, M. Brezovšek (2017): *Slovenian Politics and the State*. Lanham, New York, London, Boulder: Lexington Books.

Turkey

Score 6

The entrenched single-party government, with strong party leadership and high demand for ministerial positions among party members, provides strong incentives for the promotion of the government program. Therefore, it is difficult even for those ministers who are professionals in their fields to come independently to the forefront. The charisma and standing of the party leader and the tendency of political parties to leave personnel decisions to the party leader prevent ministers from pursuing their own interests during their time in office.

The AKP government under former Prime Minister Recep Tayyip Erdoğan has made it even more difficult for ministers to follow their own agendas, a situation which has continued under Erdoğan's successors since 2014. A number of key ministries during the review period were under the leadership of ministers with substantial professional expertise, but these figures had little support from the party apparatus, leaving them dependent on the prime minister. This ensures that the strong leadership of the prime minister and party leader, rather than other incentives, drives ministers to implement the governmental program. After Erdoğan was elected to the presidency, additional loyalist ministers were appointed to the cabinet. Erdoğan rejected claims that the new prime minister would merely do his bidding; however, he continues to maintain his grip on the government, stressing his intention to be an active president, and interfering in virtually every policy field and ministerial portfolio.

Erdoğan also intervenes in the nomination of deputies, appointment of higher civil servants and the organization of electoral campaigns by taking part actively in these events. In other words, it is argued that the office of the president, now entrusted with increasing powers, has replaced those otherwise established by the constitution. Thus, the current constellation raises the question whether the effectiveness of the executive in general and the government in particular will be diminished by the existence of several centers of power and suggests that the democratic separation of powers as a whole are eroding.

Following the constitutional referendum of April 2017, Erdoğan was immediately re-elected chair of the AKP, legalizing a previously *de facto* status. This contradicted the principle that Turkey's head of state should be impartial and not a member of a political party. Second, Erdoğan immediately started to exercise constitutional powers that were intended to take effect after 2019 presidential elections. In this

transition period, the role of the prime minister and Council of Ministers as the sole authority for governmental actions has been reduced to a symbolic power vis-a-vis Erdoğan's full authority as the president and chair of the ruling party. Ministers can only use their constitutional powers with the approval of the president. Sometimes the president gives direct orders to ministers for the sake of his own popularity and legitimacy.

Citation:

Erdoğan says new PM will not be puppet, Al Jazeera, 27 August 2014, <http://www.aljazeera.com/news/europe/2014/08/Erdoğan-says-new-pm-will-not-be-puppet-2014827133851415267.html> (accessed 5 November 2014)

"Constitutional amendments in Turkey: Predictions and implications," 28 February 2017, <http://studies.aljazeera.net/en/positionpapers/2017/02/constitutional-amendments-turkey-predictions-implications-170228092500529.html> (accessed 1 November 2017)

"Stadiums in Turkey to no longer be called 'arena,' Erdoğan instructs minister," Hürriyet Daily News, 26 May 2017, <http://www.hurriyetsdailynews.com/stadiums-in-turkey-to-no-longer-be-called-arena-erdogan-instructs-minister-113595> (accessed 1 November 2017)

Daniel Dombey, Turkish president tightens grip on state, The Financial Times, 15 April 2015, <http://www.ft.com/cms/s/0/f89a7b74-c747-11e4-8e1f-00144feab7de.html#axzz3rIJjSiYj> (accessed 27 October 2015)

Croatia

Score 5

As the strong conflicts within the governing coalition (between HDZ and MOST) and the weak policy record of the Plenković government show, the organization of government of the first Plenković government provided only weak incentives for ministers to implement the government's program. The situation has not changed significantly under the second Plenković government.

Romania

Score 5

Ministers in Romania have traditionally held significant leeway in terms of deciding policy details within their departments, and the short-lived prime ministers Grindeanu and Tudose, both dependent on the backing by PSD chair Dragnea have been too weak to bring ministers in line. The huge turnover of ministers under both governments thus does not testify to their strength.

Cyprus

Score 4

Under the presidential system, appointments and dismissals are the president's prerogative and implementation of state policies rests with a minister's ambition to succeed or desire to stay in office. Thus, the key factor is each officeholder's personality and dedication. The initiation of reforms and promotion of strategic planning may provide benchmarks for an evaluation based on goal achievement, a motivating factor for quality work.

Indicator

Monitoring Ministries

Question

How effectively does the government office/prime minister's office monitor line ministry activities with regard to implementation?

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 GO / PMO effectively monitors the implementation activities of all line ministries.
- 8-6 = The GO / PMO monitors the implementation activities of most line ministries.
- 5-3 = The GO / PMO monitors the implementation activities of some line ministries.
- 2-1 = The GO / PMO does not monitor the implementation activities of line ministries.

Australia

Score 10

There is strong central oversight of the line ministries by the Department of Prime Minister and Cabinet, which reports directly to the prime minister. The Commonwealth public service, while independent of the government, is strongly motivated to support the government's program.

Canada

Score 10

When appointed to a portfolio, a minister receives a mandate letter from the prime minister, while a deputy minister receives one from the clerk of the Privy Council. The importance of mandate letters depends on the department, and more importantly on changing political and economic circumstances. In the case of the current government, ministers' mandate letters detail priorities for their departments as seen from the center. The minister is subsequently evaluated on his or her success in achieving the objectives set out in the mandate letter. This procedure results in the PCO continually monitoring line-department activities to ensure they are in line with the mandate letter.

The current Liberal government has, for the first time, made public the mandate letters. The media and the general public are now in a position to better monitor the activities of ministers to assess the degree to which they achieve the tasks set out in the mandate letters.

Hungary

Score 10

The Prime Minister's Office has successfully monitored line ministries in all stages of the policy process, enforcing obedience to the political will of the central leadership. As all core executive figures have been Fidesz party stalwarts, control has functioned largely through party discipline. Those who have failed to keep discipline, even in comparatively insignificant matters, have lost their positions. The existing civil-service legislation has made it easy to dismiss public employees without justification.

Iceland

Score 10

In March 2016, revised regulations regarding the monitoring and oversight of ministries were introduced, replacing those from 2013. Under these regulations, the Prime Minister's Office must review bills from all ministries, with the exception of the national budget bill. Accordingly, all bills need to be sent to the Prime Minister's Office no later than one week before the respective cabinet meeting. Before the bill can be discussed by the cabinet, a statement from the Prime Minister's Office needs to be processed (Reglur um starfshætti ríkisstjórnar, No. 292/2016). This regulatory change is a step toward stronger, formal monitoring of ministerial bills.

Citation:

Regulations on government procedures. (Reglur um starfshætti ríkisstjórnar. Nr. 292/2016 18. mars 2016).

Chile

Score 9

The president's advisory ministry (Secretaría General de la Presidencia, Segpres) and the respective budgetary units of the government monitor the line ministries (especially within the annual performance evaluation). If necessary, arrangements and modifications are made in order to ensure effective alignment with the government program. Monitoring of effectiveness seems to have improved slightly since 2011.

France

Score 9

Line ministry activities are generally well monitored, but several factors influence the impact of oversight, including: the strength of the prime minister; the relationship of the minister with the president; the political position of the minister within the majority or as a local notable; media attention; and political pressure. This traditional pattern under the Fifth Republic failed to work during the first 30 months of the

Hollande presidency due to the president's weakness and reluctance to arbitrate between ministers and divergent preferences. After the September 2014 crisis and the forced resignation of the dissident ministers, Prime Minister Manuel Valls was able to exercise improved oversight of the ministries. The monitoring of ministers by Macron and his prime minister is even tighter.

New Zealand

Score 9

Following from the experience of fragmented policymaking in vertically integrated networks, all recent governments have strengthened the steering capacity of the core executive. All contracts between cabinet and line ministries and ministers and chief executives are based on a whole-of-government policy approach. National introduced a performance-improvement framework intended to strengthen a central-agency approach to assessing, supporting, informing and focusing performance across state services.

Citation:

Statement of Intent 2014-2018 (Wellington: State Services Commission 2014).

South Korea

Score 9

The offices of the president and the prime minister effectively monitor line-ministry activities. The South Korean government utilizes e-government software (the Policy Task Management System) to monitor the implementation of policies in real time. However, political monitoring or pressure is more influential than e-government, and is the usual tool used to supervise ministries. Ministries have little leeway in policy areas that are important to the president. In general, bureaucracy is organized in a very hierarchical way, but independence is stronger in areas that are comparatively less important to the president. The Prime Minister's Office also annually monitors and evaluates the performance and implementation of 42 governmental agencies.

Sweden

Score 9

Formally, ministries are not very involved in the implementation of policies. It is rather the task of agencies to implement policies. Nevertheless, Swedish ministries still control the implementation process of the agencies. The relationship between ministries and agencies implies monitoring by communication and mutual adaptation, less than through a hierarchical chain of command.

Switzerland

Score 9

Switzerland's government features neither a prime minister's office nor line ministries, but does offer functional equivalents. Given the rule of collegiality and the consociational decision-making style, as well as the high level of cooperation at lower levels of the federal administration, there is little leeway for significant deviation from the government line. Monitoring is built into the cooperative process of policy formulation and implementation.

United Kingdom

Score 9

The tight integration between the Prime Minister's Office and the Cabinet Office enables prime ministers to be effective in determining the strategic direction of the government. Through Treasury Approval Point processes, the Treasury has long had an important monitoring role, which goes beyond the role of finance ministries in other countries. Decision-making is concentrated in strategic units and in informal meetings. Ministers have to reveal their preferences in cabinet meetings, cabinet committees and bilateral meetings with the prime minister or chancellor. Consequently, monitoring is relatively easy for the core executive, also by means of the single department plans.

Some recent initiatives have reinforced central oversight, including the merger of the Major Projects Authority and Infrastructure UK into the Infrastructure and Projects Authority, which reports to both the Cabinet Office and HM Treasury. There are implementation task forces set up at ministerial level to drive delivery in a focused set of priority areas and an implementation unit in the Cabinet Office which works on behalf of the prime minister to track the delivery of priority policies and the wider government program. It intervenes where delivery or operational performance is at risk, or progress is unclear and strengthens implementation capability across the civil service. The Financial Management Reform launched in 2014 has been evaluated as a success by the Institute for Government. The Department for Exiting the European Union oversees departments' progress toward implementing the United Kingdom's exit from the European Union. The department has identified individual workstreams that need to be taken forward, and works closely with departments and other parts of central government to monitor delivery in these areas.

Citation:

Whitehall's

Financial

Management

Reform:

https://www.instituteforgovernment.org.uk/sites/default/files/publications/IfG_FMR_Cima_briefing_paper_WEB_2.pdf

Denmark

Score 8 For sensitive political issues, the prime minister has a strong incentive to monitor line ministries. Yet when it comes to less important issues or details, he or she has neither the time nor the means for close monitoring. The prime minister's control is indirect. It is exercised through the members of the cabinet. Non-implementation will quickly become a political issue.

Citation:

Jørgen Grønnegård et al. Politik og forvaltning. 4. ed., 2017.

Finland

Score 8 The government monitoring of ministries is indirect in nature and the same mechanisms that foster ministerial compliance tend to have monitoring functions as well. These include the preparation and coordination of matters in cabinet committee meetings as well as other formal and informal meetings. In general, the various forms of interministerial coordination also fulfill monitoring functions. However, these forms are characterized by cooperative and consultative interactions rather than critical interactions. While the Prime Minister's Office does monitor ministries, the monitoring is implicit rather than explicit.

Ireland

Score 8 The annual budgetary process, and in particular the preparation of expenditure estimates, involves individual ministries submitting preliminary estimates to the Department of Finance. This is the opening of a battle for resources, as the department seeks to reconcile the sum of departmental claims with the total available for public spending. Whereas monitoring and oversight of most line ministry spending and policy implementation have been effective in recent years, the problem of large cost overruns in the Ministry of Health and confusion about the medium-term strategy for public health are long-standing and unresolved issues.

Having corrected its excessive deficit in 2015 and 2016, Irish policymakers were constrained by the rules of the EU fiscal compact in framing their 2018 budget. This reduced flexibility at the national level with regard to tax cuts and expenditure increases. However, these constraints were somewhat offset by revenue buoyancy resulting from unexpectedly rapid economic growth.

Italy

Score 8

The monitoring of the implementation of the government program is delegated to one of the undersecretaries attached to the Presidency of the Council of Ministers and supported by a special office of the presidency (Ufficio per l'attuazione del programma di governo). This office monitors the main legislative activities of the ministries and more recently has started to monitor regularly also the implementation activities related to the legislation adopted. The office publishes a monthly report. The current undersecretary in charge of the office is a close political friend of the leader of the Democratic Party, but is less close to the current President of the Council.

Citation:

<http://www.programmagoverno.gov.it/notizie/stato-di-attuazione-del-programma-al-2-agosto-2017/#>

Latvia

Score 8

The government office monitors ministry performance in implementing legislation, cabinet decisions and prime-ministerial decisions. A high degree of compliance has been reported.

The PKC monitors how ministries are achieving the policy goals stated in the government declaration and reports to the prime minister. Progress reports are not only a monitoring tool, but also provide substantive input into the prime minister's annual report to parliament.

Lithuania

Score 8

The Government Office effectively monitors policy implementation, through several channels. First, it administratively tracks the execution of government actions assigned to different ministries and other state institutions. Second, through its information system of monitoring, it assesses the achievement of government priorities and linked policy objectives on the basis of performance indicators. Progress in the implementation of policy is discussed during cabinet meetings and other government-level deliberations. However, information derived from this monitoring process is only infrequently used to propose corrective action when progress is deemed insufficient. Thus, the monitoring process does not always prevent the prioritization of sectoral or bureaucratic over full-government and horizontal interests in policy implementation. As part of one EU-funded project, the Government Office reviewed monitoring and evaluation practices, and made a number of recommendations as to how performance measurement could be improved in line ministries (including the development of key performance

indicators or indicator libraries in various policy areas). Despite the implementation of this project, the National Audit Office stated that the country's monitoring and reporting system continues to lack quality information, while the government and line ministries often provide incomplete information regarding the achievement of their policy aims and objectives in their reports.

Norway

Score 8 Norway has a small, consensual and transparent system of governance. The Office of the Prime Minister knows what is going on throughout, or is assumed to know. The cabinet is quite cohesive. There is always a tug-of-war between line and coordinating ministries, but line ministries virtually never deviate from the government line. To do so would require a degree of intergovernmental disagreement and breakdown of discipline that has not been seen for a very long time. The terrorist attacks of July 22 did in part represent a failure to follow up on government decisions made by the relevant line ministries, but these failures have subsequently been by and large rectified.

Poland

Score 8 Ministries are obliged to keep the Chancellery of the Prime Minister informed about legislative progress on a regular basis. If ministries seek to maintain their autonomy, the prime minister, through the Chancellery or Jarosław Kaczyński, as party leader, can intervene.

Greece

Score 7 The lax monitoring of line ministries by the PMO characteristic of previous review periods has been addressed. This was due to the fact that the PMO understood that Greece was still dependent on funds flowing into the Greek economy from the country's lenders. Thus, the PMO monitored the implementation activities of most line ministries. A possible exception were certain line ministries, such as the Ministry of Education or the Ministry of Infrastructure and Transport, that are responsible for policy sectors outside the core of conditionalities linked to the Third Economic Adjustment Program.

Israel

Score 7 The basic law on the issue of the government establishes the prime minister's responsibility over the government's advancement of policy goals. This includes monitoring and guiding the work of appointed line ministers. In recent years, the

PMO has introduced best-practices reforms featuring elements of transparency, sharing and benchmarking that have improved the systematic monitoring of ministries. A special committee formed to review the PMO identified its comparative weakness when dealing with recommendations from the ministries of Finance and Defense, aggravated by the PMO's tendency to take on the responsibility for executing policies from weaker ministries such as Welfare and Health, thus expending its workload. However, three new professional units have been established in the PMO, each in charge of monitoring related ministries. Moreover, the past two years has seen a major improvement in monitoring with the government's annual coordination of all ministerial reports on the implementation of governmental decisions. Currently, the PMO thus has strong ministerial oversight capacities.

Citation:

"Reorganization of structure," Civil Service Commissioner information booklet No. 2, October 2012: <http://www.csc.gov.il/DataBases/NewsLetters/newsletter2/Pages/MattePMO.aspx> (Hebrew).

"Report on the implementation of governmental decisions 2016," PMO website, <http://www.pmo.gov.il/policyplanning/mimshal/Documents/dm20161607.pdf> (Hebrew)

"The committee to review the PMO's," Official state publication, February 2012, (Hebrew)

Environment and Health Fund, Ministry of Health, "Health and Environment in Israel 2017," <http://www.ehf.org.il/magazines/he/EnvHealthIsrael2017/>, (Hebrew)

Mexico

Score 7

The presidential office can choose who it evaluates and how. There are two caveats to this statement, however. First, Mexico is a federal system, and there are thus strong limits to the central government's power as many competencies fall, at least partially, to the states or even the local level. Second, independent agencies headed by individuals of cabinet rank have taken on an expanding role during the last two decades. Yet where the central authority has power, it uses it. Ministerial turnover is in general relatively high for a presidential system and President Peña Nieto has reshuffled his cabinet several times. However, while sanctioning ministers is a sign of the president's power, it does not necessarily reflect the output of a systematic monitoring process. In many instances, inadequate implementation is due to structural problems of capacity or a lack of political will, rather than insufficient monitoring. Personnel changes at the attorney general's office (PGR) and the public function secretariat (SFP) in the context of continuing revelations about the administration's inadequate response to corruption are cases in point. Replacing high-profile officials, without addressing underlying structural problems, is often a quick attempt to demonstrate political capacity, it is unlikely to produce better results.

Citation:

Latin American Regional Report: Mexico & NAFTA (November 2016) "Seeking to bolster PGR and SFP amid persistent corruption."

Portugal

Score 7

The government is relatively small, with 17 ministers and a few more than 40 secretaries of state. A July 2017 reshuffle that created the position of secretary of state for housing increased the number of secretaries of state to 43.

Ministries in Portugal are not independent of the prime minister. The prime minister is also assisted by the *Presidência do Conselho dos Ministros* and by the office of the adjunct secretary of state of the prime minister. These entities can and do monitor all line ministries' implementation activities. However, the lack of in-depth policy capacity and the reality of limited resources limit the overall degree of control.

Citation:

<http://www.portugal.gov.pt/pt/ge21/governo.composicao>

Diário de Notícias (2017), "Governo: Lista atualizada do XXI Governo Constitucional," 13/7/2017, available online at: <https://www.dn.pt/lusa/interior/governo-lista-atualizada-do-xxi-governo-constitucional-8635507.html>

Spain

Score 7

The activities of all line ministries are monitored by the Spanish Prime Minister's Office (PMO), the Government Office (GO, *Ministerio de la Presidencia*), and ultimately the Council of Ministers. The PMO oversees the flow of political and sectoral information and keeps the prime minister abreast of the activities of all line ministries. The head of the Prime Minister's Economic Office has also coordinated the important weekly meeting of the government's Delegate Committee for Economic Affairs since 2012.

The GO, headed by the powerful deputy prime minister, monitors the activities of line ministries through the weekly meetings which prepare the way for Council of Ministers meetings. The capacity of the GO to monitor ministers improved due to a new law on general administrative procedure, as it introduces a new system for systematically assessing policy implementation in the form of a periodic evaluation report that would be prepared in close consultation with line ministries. Nevertheless, this monitoring cannot guarantee that no sectoral ministry will ever prioritize vertical over horizontal interests. The organizational resources of the prime minister's direct entourage and the GO as a department are limited, and these bodies rarely engage in direct coordination of ministerial departments. Only the prime minister or the deputy prime minister are entitled to play this role.

Citation:

Funciones del Ministerio de la Presidencia y para las Administraciones Territoriales
<http://www.mpr.gob.es/mpr/funciones/Paginas/funciones.a.spx>

Turkey

Score 7

The Prime Minister's Office has, among other measures, established the General Directorate of Laws and Decrees and the General Directorate of Legislation Development and Publication to examine the congruity with the constitution of draft bills, decrees, regulations and resolutions of the Council of Ministers, as well as to review in general laws, plans and the government's program. These bodies are the primary government centers for the drafting and coordinating of regulations.

However, there is no systematic monitoring of the activities of line ministries. In some cases, the ministerial bureaucracy resists policy handed down by the government without serious consequences, particularly in issues of democratization. In general, however, ministries work in cooperation with the prime minister's office because the single-party government has staffed leading ministerial posts with bureaucrats who operate in sync with the ruling party's program and ideology.

The PMO has a total of 2,253 employees, a quarter of whom are experts or advisers, or able to provide similar services. A Sectoral Monitoring and Assessment Unit was established in 2011 to provide the PMO consultation. A total of 17 full-time officers are employed by the PMO. Beginning in May 2015, about 266 career employees from various public institutions were also assigned to this unit.

It remains to be seen how effectively the presidency, with the gradual dissolution of the PMO following the April 2017 referendum, will fulfill the PMO's monitoring responsibilities.

Citation:

TC Başbakanlık 2016 Yılı Faaliyet Raporu, http://www.basbakanlik.gov.tr/docs/KurumsalHaberler/Basbakanlik_2016_Faaliyet_Raporu.pdf (accessed 1 November 2017)

Austria

Score 6

The main instrument for monitoring ministry activity is the Austrian Court of Audit (Rechnungshof). Constitutionally, this is a parliamentary institution, and its president is elected by parliament for a term of 12 years. The Court of Audit has the reputation of being wholly nonpartisan.

Within the government itself, there is no specific institution for monitoring ministries, though the coalition's party leaders have significant influence over the individual ministers affiliated with their party. The Federal Chancellery is tasked with coordinating line ministries' activities rather than monitoring them per se. However, this coordination does allow it to monitor ministry activities, particularly regarding implementation of the coalition agreement.

Citation:
www.rechnungshof.gv.at

Belgium

Score 6

The hierarchical structures inside ministries is such that the line minister (or ministers, when a ministry's set of responsibilities are shared by more than one government portfolio) controls the ministry at the political level. The ministry itself is presided over by a general administrator, whose nomination used to be purely political, but is now (at least partly) determined through a competitive exam.

The fact that the tenure of the general administrator and the minister are different opens the gate to potential tensions between the minister and the ministry. A concrete example is that of the minister for mobility, Jacqueline Galant (MR, francophone liberals, i.e., the party of the prime minister), who was eventually forced to step down. She had to handle particularly sensitive issues in the Belgian multiregional context, including security at the Brussels airport. The head of her administration was appointed before her term, and the two were not politically aligned. She instead systematically worked with external advisers over whom she had more political control and sometimes acted against the recommendations of her own administration.

Japan

Score 6

Generally speaking, the Cabinet Secretariat, upgraded over a decade ago, offers a means of monitoring ministry activities. In recent years, its personnel has expanded, improving its monitoring capacity. However, effective use of the secretariat has been hindered in the past by the fact that the ministries send specialists from their own staff to serve as secretariat employees. It de facto lacks the ability to survey all activities at all times, but the current, long-serving chief cabinet secretary is considered a decisive power in the enforcement of government-office positions.

Luxembourg

Score 6

There is no formal monitoring by the Prime Minister's Office, as no institutional resources exist to carry this out. The small size of the government administration and ongoing discussions between ministers, foster a high level of transparency without the necessity of explicit monitoring tools. In case of conflicts, the prime minister moderates and acts as conciliator.

Citation:
Schroen, M. "Das politische System Luxemburgs." *Die Politischen Systeme Westeuropas*, edited by Wolfgang Ismayr, 4th ed., VS Verlag für Sozialwissenschaften, 2008, pp. 483 – 514.

Romania

- Score 6** The government has a special office in charge of monitoring the activities of line ministries and other public bodies, the Control Body of the Prime Minister. While suffering from having limited staff and resources, this office monitors the activity of most line ministries fairly effectively.

Slovakia

- Score 6** Although Prime Minister Fico has been able to count on a significant degree of ministerial compliance, he nevertheless expanded the Government Office's responsibilities in monitoring line ministries, particularly with respect to European affairs and economic and fiscal issues, during his second term. Under the third Fico government, monitoring has remained strong in the case of ministries in the hands of Smer-SD, but has weakened in the ministries led by its coalition partners.

United States

- Score 6** The president and the White House monitor activities in departments and agencies to widely varying degrees, depending on the centrality of the activities to the president's political agenda. Agencies and programs that are not the focus of presidential policy initiatives and are not politically controversial may get little attention from the White House, and in fact may receive most of their political direction from Congress or the congressional committees with jurisdiction over the policy area. Recent years have seen a number of serious failures of administrative control.

In 2015, agents of the Secret Service responsible for protecting the White House and the president were discovered asleep on the job after working shifts that required severe sleep deprivation. Separately, the National Security Agency has been exposed as having violated the legal terms of its surveillance authority, even eavesdropping on the phone calls of German Chancellor Angela Merkel.

In the Trump administration, staffing deficiencies in both the White House and the departments has diminished the capacity for monitoring. The White House lacks the organization or personnel needed to keep track of most significant activity in the departments.

Czech Republic

Score 5 In the Czech Republic, the government office formally monitors the activities of the line ministries. Under the Sobotka government, the effectiveness of monitoring was complicated by the nature of the coalition government and the competition between Prime Minister Sobotka and Vice Prime Minister Babiš for the control of critical ministries. The adoption of the conflict of interest law and the success of Babiš' ANO party in the regional elections in October 2016 further worsened cooperation. Under Andrej Babiš, the Ministry of Finance developed a system called Supervisor for collecting and publishing data on the financial management of ministries and authorities. As of November 2017, data are available for 2015 and 2016 for six ANO ministries and three agencies; the information includes overall budget items, allocation for individual categories, and detailed information on purchases.

Estonia

Score 5 The Prime Minister's Office has a small staff that performs mainly supportive and technical tasks. Thus, the capacity to monitor the line ministries' activities from the core executive is limited. Even though the prime minister has little power over ministers, they rarely challenge the government program. Still, sometimes line ministers break with consensus, which results in bilateral talks with the prime minister.

Germany

Score 5 According to the Basic Law, ministers are fully responsible for governing their own divisions. However, they are bound to the general government guidelines drawn up by the chancellor or the coalition agreement. Concerning topics of general political interest, the cabinet makes decisions collectively. The internal rules of procedure require line ministers to inform the chancellor's office about all important issues. However, in some cases, the Chancellery lacks the sectoral expertise to monitor line ministries' policy proposals effectively.

Malta

Score 5 The Prime Minister's Office (PMO) monitors the implementation activities of most line ministries and the structures for doing so effectively are being continually refined. The PMO has an office dedicated to monitoring which is increasingly fine-tuning the system. The PMO does not have a unit to assess policies in the ministries. Instead, the ministries themselves must do this work according to impact assessment

procedures and the policy cycle. If problems surface in a ministry, the PMO steps in to assist. Furthermore, the cabinet office, which is part of the PMO, monitors policy implementation by line ministries and ensures that the respective ministry implements the decisions of the PMO. There are constant attempts to improve coordination and the EU presidency accelerated this. However, competition between ministries hinders some efforts.

Citation:

<http://www.timesofmalta.com/articles/view/20151010/local/around-70-per-cent-of-last-budget-measures-implemented-pm.587638>

Bartolo insists that ministries should support each other, pull the same rope Independent 10/06/15

Slovenia

Score 5

The weak capacity of the Government Office (GO) and the predominance of coalition governments have limited the GO's role in monitoring line ministries' implementation activities. The GO tends to respect the assignment of ministries in the coalition agreement, and most monitoring takes place in coalition meetings.

Bulgaria

Score 4

The Council of Ministers' administration lacks the capacity to monitor the implementation activities of the line ministries. The chief secretary of the Council of Ministers' administration and the specialized directorates of the administration can, however, oversee most of the line ministries' policy activities, especially in the areas financed through EU funds. The chief secretary and the directorates also provide some administrative support to the prime minister and the head of his political cabinet, who exercise more direct control over the ministries on a political basis. The exercise of this control tends to be informal, through the party apparatuses, rather than formal.

Croatia

Score 4

The Secretariat General of the Government is just one of the central-government organizations involved in monitoring the activities of line ministries. Its restrictive remit constitutes a major capacity gap. More important has been the Ministry of Finance, as the 2010 Fiscal Responsibility Act has given it far-reaching powers to monitor the activities of any organization drawing funds from the central budget.

Cyprus

Score 4

The constitution provides that overall coordination lies with the Council of Ministers. This creates a circular relationship since each minister is the sole authority in his/her ministry. The monitoring and coordination functions of the DGEPCD are connected to a taskforce team at the presidency. Their powers as well as those assigned to the finance minister create a central oversight and coordinating mechanism, albeit mainly on budgetary and fiscal issues; neither is founded in the constitution.

Netherlands

Score 4

Given the Prime Minister's Office's lack of capacity to coordinate and follow up on policy proposal and bills, systematic monitoring of line ministries' implementation activities is scarcely possible. In the event of crises, ad hoc monitoring does occur. Parliamentary debate on ministerial monitoring should have been limited to a well-defined set of "focus subjects" in full accordance with the policy-program budgeting philosophy developed in the 1970s. However, recent political developments (the election campaigns in 2010 and a Council of Ministers breakdown in 2012) have prevented this. In 2012, yet another system of program budgeting – called "responsible budgeting" – was introduced.

Since 2013 to 2014, General Audit Chamber studies have indeed focused on particular subjects, and following some political consultation, on departmental domains. In 2012, the General Audit Chamber reported that just 50% of governmental policy initiatives were evaluated, most of these evaluations incorrectly were considered effectiveness studies. Hence, parliament remains largely ill-informed about the success of governmental goals and objectives. In 2016, the government cut financing for the General Audit Chamber by €1.2 billion, meaning a personnel reduction from 273 to 233 full-time employees and outsourcing research for specific programs. In 2017, the Audit Chamber launched a website for monitoring ministerial compliance of Audit Chamber recommendations.

Citation:

Algemeen Rekenkamer, Rapport Effectiviteitsonderzoek bij de Rijksoverheid, 22 May 2012 (consulted 12 October 2017)

Algemene Rekenkamer, Opvolging Aanbevelingen, consulted 12 October 2017

Algemene Rekenkamer, Een toekomstbestendige Algemene Rekenkamer, 13 October 2016 (rekenkamer.nl, consulted 9 November 2016)

R.B. Andeweg & G.A. Irwin (2014), *Governance and Politics of The Netherlands*. Houdmills, Basingstoke: Palgrave Macmillan: 188, 198-203

Indicator

Monitoring Agencies, Bureaucracies

Question

How effectively do federal and subnational ministries monitor the activities of bureaucracies and executive agencies with regard to implementation?

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 ministries effectively monitor the implementation activities of all bureaucracies/executive agencies.
- 8-6 = The ministries monitor the implementation activities of most bureaucracies/executive agencies.
- 5-3 = The ministries monitor the implementation activities of some bureaucracies/executive agencies.
- 2-1 = The ministries do not monitor the implementation activities of bureaucracies/executive agencies.

Hungary

Score 10

The third Orbán government has closely controlled the appointment and activities of the heads and core executives of all state agencies at the national level. Simicska followers, some of which were among the most professional pro-government experts, have been removed from state agencies. The frequent changes in administrative positions have contributed to high discipline. The centralization of state administration in county-level government offices has extended the government's control over all subnational agencies, since they have been concentrated in these county offices. As in the case of line ministries, the government has adopted a hands-on approach and has closely monitored the agencies' implementation activities.

Australia

Score 9

The performance of ministries in monitoring the activities of executive agencies varies, in part due to differences in the degree of independence granted to agencies. For example, central bank independence is core to the credibility of monetary policy and is legislatively protected, which constrains parliament's capacity to monitor the agency. This notwithstanding, the general pattern over recent years has been one of increasing accountability of the 170-plus statutory authorities and officeholders to the relevant federal minister. The most notable concrete indicator of this trend is that in 2002 the Australian government commissioned a review of the corporate

governance of Commonwealth statutory authorities and office holders, the Review of the Corporate Governance of Statutory Authorities and Office Holders (the Uhrig Review). The objective of the review was to identify issues surrounding existing governance arrangements and provide options for the government to improve the performance and get the best from statutory authorities, their office holders and their accountability frameworks. The review was completed in 2004 and a number of the recommendations have since been adopted.

Austria

Score 9

Ministries are responsible for monitoring the bureaucratic structures individually subject to them. All bureaucracies (except those within the judicial branch) are legally bound by instructions issued by their ministers (according to Art. 20 of the constitution), and have to report regularly to the ministries. The Austrian Court of Audit (Rechnungshof) is the only institution aside from the parliament that monitors the government and its bureaucracies on a broader, cross-ministerial basis. The Court of Audit is officially an institution of the parliament and the coalition parties have not always succeeded in presenting a common position – as in 2016, when the coalition was unable to present a common candidate for the president of the Court of Audit. This gave opposition parties the possibility to influence the decision. Opposition parties also have the opportunity to establish investigating committees in parliament – even against the will of the ruling majority. This development represents a broadening of the scope of political oversight and potentially involves the need and opportunity to monitor bureaucracies more thoroughly.

New Zealand

Score 9

The monitoring of executive agencies is based on the same procedures governing line ministries.

Citation:

State Services Commission: Annual Report for the Year Ended 30 June 2015 (Wellington: States Services Commission 2015).

Sweden

Score 9

Government departments in the GO monitor the activities (not just implementation) of the agencies quite closely. Since the introduction of performance management some 15 to 20 years ago, agencies report to their parent department on their performance targets. In fact, many believe the reporting, which requires agencies to spend a lot of time and effort reporting on their performance to their respective department, is so extensive it has become burdensome. Recently, there has been a

tendency to reduce the number of objectives and performance indicators on which the agencies are to report. This tendency is likely to continue over the next several years.

It should be noted that there is a significant imbalance between the departments and the agencies. The GO has a total staff of about 4,600. The total staff in the agencies is about 220,000. Thus, the steering structures in the system are considerably smaller than the targets of that steering. This state of affairs has encouraged the use of informal communication between departments and agencies to supplement formal steering.

Citation:

Jacobsson, B., J. Pierre and G. Sundström (2015), *Governing the Embedded State: The Organizational Dimension of Governance* (Oxford: Oxford University Press).

Canada

Score 8

Ministry procedures for monitoring operating agencies is less formal than the parallel monitoring of line departments by the PCO, in part because operating agencies are generally not responsible for policy formulation. In addition, these agencies may have a degree of autonomy. Nevertheless, ministries do monitor the activities of most operating agencies. Recently, the federal government has attempted to play a greater role in the administration of certain agencies such as the Canadian Broadcasting Corporation (CBC), especially in the area of labor relations.

Denmark

Score 8

Executive agencies have some autonomy, but given the formal norms of minister rule, the minister is ultimately responsible for what happens in the agencies. It is therefore in a minister's political interest to monitor activities closely.

The work of the agencies is often based on specialized expertise; as long as an issue is not politicized, the minister will normally defer to the decisions made by the agencies.

Citation:

Jørgen Grønnegård Christensen et al., *Politik og forvaltning*. 4. udgave, 2017.

Estonia

Score 8

Estonian government is horizontally decentralized. This means that besides 11 ministries, there are 25 executive agencies and several foundations established by the government. Foundations have specific policy objectives, often managing

implementation of the EU structural funds in Estonia. Foundations are led by a counselor and appointed by a minister. Agencies implement policies within the broader policy area and are accountable to the relevant ministry. Ministers appoint agency directors. These organizational arrangements enable ministries to monitor the activities of executive agencies. However, agencies have grown substantially both in terms of staff and task volume; this may ultimately produce negative effects such as a lack of coordination between the ministry and agency, or misuse of administrative power by executive-agency CEOs. This latter problem is illustrated by the increase in corruption offences within these institutions.

Finland

Score 8

All ministries use results-management practices to monitor agencies in their various task areas. In many cases, a balanced score system is used. However, not all agencies are monitored to the same extent. Some agencies, such as the National Funding Agency for Technology and Innovation (Tekes), which operates under the Ministry of Economic Affairs and Employment have a high degree of autonomy, with monitoring taking place only on a general level. Other agencies are accorded a somewhat lesser degree of autonomy. However, as a rule, they do have autonomy with respect to day-to-day operations. Monitoring takes many forms and a system of political undersecretaries of state has been designed to support the individual ministers in their monitoring activities.

Germany

Score 8

Executive agencies' competences and responsibilities are explicitly detailed in law, edicts, statutes and other regulations. Their activities are not only subject to legal, but also to functional supervision, meaning that agencies' decisions and administrative instructions will be reviewed. However, the ministries have not always made appropriate use of their oversight mechanism. A number of independent agencies, including the Federal Employment Office, the Federal Network Agency, the Bundesbank and others have deliberately been placed beyond the effective control of the federal government. It is important that monitoring agencies maintain organizational independence, so that they may monitor government effectiveness and financial impacts. The National Regulatory Control Council has tried to increase its powers over legislative and bureaucratic processes at federal and state levels.

Greece

Score 8

In Greece, most ministries supervise dozens of executive agencies. For instance, the Ministry of Transport supervises the state-owned public transport companies in

Athens and Thessaloniki, the Ministry of Health supervises all public hospitals, and the Ministry of Finance supervises numerous state-owned enterprises. In the period under review, the government realized that any fiscal derailment of supervised state agencies would endanger the progress attained in implementing the Third Economic Adjustment Program, which was under close review by the country's lenders. Thus, there was a tightening of the relevant monitoring performed by ministries' executive agencies. However, in some cases, public administration deficiencies and a lack of reliable data undermined monitoring and evaluation efforts.

Luxembourg

Score 8

Executive agencies and the administration usually lack the autonomy to pursue a course of action independent of guidelines issued by the responsible ministers. Sometimes, the strong personality of an agency head leads to conflict. If this happens, the views of the minister or his key collaborators usually prevail. In the domain of social security and public finance, monitoring is more centralized and effective, since the financial implications for the state are much more consequential. The two agencies that wield considerable control are the Social Security Inspectorate General (Inspection Générale de la Sécurité Sociale, IGSS), which is attached to the Ministry of Social Security and the General Inspectorate of Finance (Inspection générale des finances, IGF), which is attached to the Ministry of Finance.

Citation:

"Finances publiques." Ministère des Finances, www.mf.public.lu/finances_publiques/. Accessed 21 Dec. 2017.

"Inspection générale de la sécurité sociale." Ministère de la Sécurité Sociale, www.mss.public.lu/acteurs/igss/. Accessed 21 Dec. 2017.

Inspection générale des finances, www.igf.etat.lu. Accessed 21 Dec. 2017.

Norway

Score 8

Government agencies are subject to monitoring through direct bureaucratic channels and by the activity of the free press. As a rule, executive agencies have autonomy when it comes to their "expertise," but they rarely act against the directives of the ministries, and there have been very few cases in which agency officials have taken action that could be seen as contrary to government policy. However, it is not unusual that an environmental agency will have different views to an agency responsible for fisheries or oil exploration. The Office of the Auditor General (Riksrevisjonen), which reports to the parliament, plays a key role in monitoring implementation. However, administrative inertia in policy implementation is more prevalent than would be expected in such a well-organized system.

Poland

Score 8

There is a large number of executive agencies in Poland. Agencies report to ministries, and ministries have special units responsible for monitoring the activities of agencies and auditing their finances. Under the PiS government, the leadership of state agencies has become highly politicized. As a consequence of the new civil service act that came into effect in January 2016, all employment contracts of previous directors turned invalid, and the positions were no longer filled by open competition, but by personal appointment. A previous provision was canceled requiring directors of state institutions to have not been members of a political party for five years before assuming a leading position in state administration. Thus, compliance between ministries and administration has become easier, but the administration has also become dependent on the political will of the majority. The increase in oversight has led to a decline in democratic checks and balances, professionalism (since there was a massive personnel exchange in the state bureaucracy), and non-politicized relations between ministries and agencies.

Chile

Score 7

To a certain extent, high positions in government agencies are filled not via political appointments but through the government's civil service department (Alta Dirección Pública, ADP), based on candidates' technical capacity and experience. Clear goals are identified by the directors of executive agencies and the corresponding ministries. Exhaustive evaluations of the system and of personnel choices are performed annually by the minister, the civil service and the president's advisory ministry (Secretaría General de la Presidencia, Segpres). In addition, the Ministry of Finance's budget office monitors decentralized agencies and public enterprises from a budgetary perspective very tightly and effectively. Nevertheless, the changes in government in 2011 and 2014 showed that the selection of candidates through the ADP is in fact quite weakly established, as there is still an understanding that a successful candidate is a "government officer" rather than a "state officer." The monitoring of bureaucratic activities and executive agencies, especially at the subnational level, tends to be distorted by this effect.

France

Score 7

In a centralized system like France's, the central machinery is unable to monitor fully and constantly the implementation of government policies. There exist huge sectoral and geographical variations. In some areas, decisions are not implemented or instead are badly implemented or flexibly interpreted. For instance, education is one of the most centralized policy fields in France, but implementation varies so starkly

that parents have adopted strategies (such as the crucial choice of where to live) to register their children in the “best” schools. Implementing centrally designed policies requires local or regional adaptation of rigid rules that are applicable to all. Even the prefects, supposedly the arm of central government, refer to this practice, as may be witnessed for instance in the absent, or insufficient, implementation of water directives in some regions.

Japan

Score 7

Japanese ministries are traditionally run by civil servants who work in a single ministry throughout their career. Government agencies that belong to a specific ministry’s sectoral area are thus also directed by civil servants delegated from that ministry, who may return to it after a number of years. From that perspective, control of executive agencies below the ministerial level can be quite effective. This mechanism is supported by budget allocations and peer networks.

In 2001, so-called independent administrative agencies were established, following new-public-management recommendations for improving the execution of well-defined policy goals by making them the responsibility of professionally managed quasi-governmental organizations. Such independent agencies are overseen by evaluation mechanisms similar to those discussed in the section on regulatory impact assessment (RIA), based on modified legislation. In recent years, voices skeptical of this arrangement have gained ground, because the effectiveness of this independent-agency mechanism has been hindered to some extent by the network effects created by close agency-ministry staffing links. In addition, the administrators in charge have typically originated from the civil service, and thus have not always possessed a managerial mindset.

Latvia

Score 7

The executive branch is organized hierarchically, with ministries each having a group of subordinate institutions. Some institutions are directly managed by the ministry, while others are managed at arm’s length when there is a need for the autonomous fulfillment of functions.

All institutions are required to prepare annual reports. Beyond the reporting requirement there is no centralized standard for monitoring subordinate agencies. Ad hoc arrangements prevail, with some ministries setting performance goals and requiring reporting relative to these goals.

The government office has recently taken steps that compensate for poor monitoring and communication with subordinate agencies. In 2013, the prime minister set specific policy goals for ministries and agencies and has required semiannual

reporting on progress toward these goals. The government office has also begun including agency heads in interministerial coordination meetings, as a response to the observation that information flows between ministries and their subordinate agencies are neither reliable nor adequate.

Portugal

Score 7

Over the course of the 1990s and 2000s, Portugal experienced a proliferation of quasi-autonomous non-governmental organizations and other structures that complicated an already complex direct administrative structure. These structures were often left with little in the way of ex post monitoring. In the context of the bailout and the continuing need to reduce public expenditure, the Passos Coelho government increased its scrutiny of the number and operation of these non-governmental organizations as well as the state administration. However, this interest was fundamentally centered on financial and budgetary aspects rather than the implementation of policy per se. Since the bailout, and even with a very different government under the Socialist Party, there has been little interest in these structures, and indeed the Programa do XXI Governo Constitucional 2015-2019 makes no mention of these.

Spain

Score 7

Spain's ministries have the capacity to monitor the activities of the administrative bureaucracy and executive agencies with regard to implementation. One of the main ingredients of the administrative-reform process launched in 2012 (coordinated from the Government Office through the Commission for the Reform of the Public Administrations, CORA) consisted of reinforcing central control over these public bodies, and in some cases entailed the absorption of the smallest agencies by the ministry in charge of their task area.

This reorganization included the first comprehensive register of all existing agencies or any other semi-autonomous bureaucracy in Spain (Inventario de Entes del Sector Público Estatal, Autonómico y Local), and resulted in several mergers and the liquidation of many public companies. In 2014, the Council of Ministers unified internal monitoring of all public entities, giving this responsibility to the Auditor General's office.

In addition, Law 40/2015 promotes the introduction of mechanisms to prevent the "unnecessary creation of future entities and the continuous review of the functions, goals and structures of existing bodies, in order to facilitate their subsequent restructuring if decided." An integrated framework of evaluation, monitoring and independent audit of all agencies will also be introduced as a result of this recent legislation. Thus, the ministries can now monitor the activities of all executive

agencies and force them if necessary to act in accordance with the government's program. However, it is also true that thanks to bureaucratic drift and/or flexibility in their functioning, some of these semi-autonomous public bodies have been able to elude this control. Ministers have particular difficulties in effectively monitoring the largest ones.

Citation:

October 2016, Quarterly report on the follow-up of CORA Public Administration Reform

http://www.sefp.minhfp.gob.es/dam/es/web/areas/reforma_aapp/ac tuaciones-informes/proceso/CORA-Inf orme-trimestral-de-seguimiento-Juni o-2016.pdf

Inventario de Entes del Sector Público Estatal, Autonómico y Local

<http://www.minhfp.gob.es/es-ES/CDI/Paginas/Inventario/Inventar io.aspx>

Turkey

Score 7

Turkey is a unitary state divided into 81 provinces (Article 126 of the constitution). Power is devolved in such a way as to ensure the efficiency and coordination of public services from the center. Ministerial agencies are monitored regularly. The central administration by law holds the power to guide the activities of local administration, to ensure that local services are delivered in conformance with the guidelines set down by the central government, as well as ensuring services are uniform, meeting local needs and in the interest of the local population (Article 127). The central government has provincial organizations that differ in size and capacity and are regularly scrutinized by the central government. Independent administrative authorities such as the Telecommunications Authority and Energy Market Regulatory Authority are not monitored, but are subject to judicial review.

Law 5018, adopted in 2004, introduced a strategic-management approach under which all public agencies must prepare a strategic plan, annual program and activity reports. The performance of subunits is assessed on the basis of these documents. However, neither strategic management principles nor internal oversight mechanisms have been effectively implemented.

The Internal Audit Coordination Board, affiliated with the Ministry of Finance, was established under Article 66 of the Public Financial Management and Control Law (Law 5018). The board ensures that administrative bodies cooperate with public auditing bodies, and recommends measures to eliminate fraud and other irregularities. According to the 2016 Annual Activity Report, qualified human resources management, capacity-building, coordination, and the separation of inspection and internal-audit functions are major issues in this field.

All public agencies maintain an internal audit body. However, such bodies do not function effectively or operate to their fullest.

The State Supervision Board, which is subject to the Presidency of the Republic, provides supervision and prepares in-depth reports upon the request of the

Presidency. These reports were made public until recently; since 2009 only summaries of the reports are available.

Citation:

İç Denetim Koordinasyon Kurulu 2016 Yılı Kamu İç Denetim Genel Raporu, November 2016, <http://www.idkk.gov.tr/SiteDokumanlari/Faaliyet%20Raporlar%c4%b1/2017KamuicDenetimGenelRaporu.pdf>

United Kingdom

Score 7

The United Kingdom was an early adopter of delegating civil-service work to executive agencies in order to improve performance and reduce costs, which has been going on since the early 1990s under the Next Steps Programme. There is, moreover, an expectation that the departmental minister takes responsibility for any agencies that the ministry oversees but no expectation that the minister will have to resign if problems arise in an agency. The ongoing Civil Service Reform also seeks to introduce new instruments of performance control and individual accountability, for example, through guidance, such as Managing Public Money. The Cabinet Office has recently revised its guidance on public service reviews and issued a code of good practice for partnerships between departments and arm's length bodies.

Nevertheless, problems have arisen. After repeated criticism, the UK Border Agency, which is responsible for the entry and management of foreign nationals, was taken back into the Home Office to improve transparency and political accountability. It still attracts some negative headlines and there are evident stresses arising from the management of prisons by private contractors. Several child-abuse scandals revealed shortcomings in the monitoring of local-level entities, including local childcare, youth and police services. Further, the horrible fire at Grenfell Tower in June 2017 (which caused upwards of 70 deaths) exposed major failings in British construction supervision. To some extent, quality control bodies – for example, HM Inspectorate of Constabulary for the police – provide safeguards through setting standards. However, some public agencies have been heavily criticized. For example, the House of Commons Public Accounts Committee has been very critical of HM Revenue and Customs, the tax collection agency.

Citation:

Elston, Thomas 2011: Developments in UK executive agencies: re-examining the disaggregation – re-aggregation thesis, Paper presented to the Governance of Public Sector Organisations study group at the 33 rd Annual Conference of the European Group for Public Administration, Bucharest, 7th – 10th September 2011.

Tailored

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/570290/Tailored_Review_Guidance_v1.1_Nov_2016.pdf

Reviews:

Code of Good Practice: <https://www.gov.uk/government/publications/partnerships-with-arms-length-bodies-code-of-good-practice>

Belgium

Score 6

Belgium has relatively few agencies that are funded and controlled by the government, but are also formally independent of the government. Agencies of this type include the public radio and television stations, Child Focus, a foundation for missing or sexually exploited children, UNIA (the former Centre for Equal Opportunities and Opposition to Racism), some official job-placement agencies, and public social-service centers (Centres Publics d'Action Sociale (CPAS) / Openbare Centra voor Maatschappelijk Welzijn (OCMW)). Monitoring of these agencies takes place through several channels. Two are most relevant here. First, a government or party delegate will generally sit on the board of these agencies. Second, the agency must submit a report each year to the government or the ministry responsible for its activities. This monitoring mechanism is extremely effective, in part thanks to party discipline.

Despite effective formal monitoring mechanisms, two important issues are present in Belgium. First, effective monitoring is not synonymous with efficiency. Among other issues, the absence of impact assessment or efficiency monitoring allows public agencies to increase their costs without effective sanctions. Second, as noted in the Corruption Prevention section (D4.4), effective monitoring has been hampered by the outsourcing of many areas of government to ostensibly private entities that are in fact controlled by public-office holders.

The outcome has been a decline in public trust, reflected in lower performances for Belgium in the World Economic Forum's ratings on issues such as "public trust in politicians," "diversion of public funds," "favoritism in decisions of government officials," and "efficiency of government spending."

Citation:

http://www.lecho.be/tablet/newspaper_economie_politique/Il_reste_des_centaines_d_e_millions_d_euros_d_economies_a_faire_dans_les_services_publics.9776078-7320.art?utm_campaign=app&utm_medium=tablet&utm_source=IPAD

WEF: Schwab, Klaus and Sala-i-Marti, Xavier (2017). The Global Competitiveness Report 2017–2018. World Economic Forum editor.

Israel

Score 6

As in many other westernized countries, the Israeli government has undergone a process of agencification and outsourcing in recent decades, with the goal of enhancing its regulatory functions and shrinking its direct public-provision role. While ministries' connections with agencies and NGOs are restrained by contractual agreements as well as by financial and legal restrictions, the content and quality of services do not face similar constraints. Thus, while most ministries sufficiently monitor the agencies under their control, some ministries – notably Education and

Welfare – have been criticized for failing to implement government policies through the effective monitoring of services. The movement for improved government in Israel claims that this phenomenon is undermining the efficiency of public services, while others claim that the state-owned enterprises are unnecessary and should be privatized. Various government committees and reports have issued recommendations indicating that ministries' professional and organizational capabilities should be enhanced, but there is as yet no clear comprehensive plan to deal with such failures.

Israel also suffers from “politicization” in its public services and state-owned companies, such as in the electricity authority that was made subordinate to the minister of energy following a reform in 2015. This decision raised concerns that the appointment of senior officials would be made based upon political rather than professional considerations. This concern was borne out when current Minister of Energy Yuvel Stieniz proposed appointing a close associate to head the electricity authority without holding a tender, even though this candidate lacked the required experience for the position. The appointment was approved by the civil state commissioner, but later overturned by a committee that inspects appointments in state-owned companies.

Citation:

Ben Aeter, Moshe. ‘Who needs the state-own enterprises?’ – Haaretz, 13.04.2016 (Hebrew): <http://www.haaretz.co.il/blogs/moshebatar/1.2914354>

Bar-Ali, Avi. ‘The Warning Regarding the Politicization of the Electricity Company Are Coming True’ – The Marker, 28.8.2016 (Hebrew): <http://www.themarker.com/dynamo/1.3050563>

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Limor, Nissan, “Regulation and oversight over third sector organizations,” Social security no. 70 (2005),159-187.

“The Ministry of Health,” in Annual report 63c for 2012, the State Comptroller publication 8.5.2013: <http://www.mevaker.gov.il/he/Reports/Pages/114.aspx?AspxAutoDetectCookieSupport=1> (Hebrew)

Ziv, Amitai, “It’s Time to Privatize the Post Office, 25.1.2018, Haaretz, <https://www.haaretz.com/israel-news/premium-it-s-time-to-privatize-the-post-office-1.5765464>

“The State Comptroller and Ombudsman Yearly Report 2016-2015,” May 2017, (Hebrew), http://www.mevaker.gov.il/he/Reports/Report_425/acdfe4f3-7bc6-48b5-b602-7cf3200380b0/2017-67b.pdf

Lithuania

Score 6

Lithuania's fragmented structure of agencies and other public-sector organizations undermines the effective monitoring of bureaucratic performance. While agencies subordinate to the central government or individual ministries can be monitored relatively efficiently, autonomous organizations such as public nonprofit institutions, foundations and state-owned enterprises that carry out administrative functions are more difficult to control. Parent ministries and third parties acting on behalf of the ministries use a combination of ex ante and ex-post oversight mechanisms, including the assessment of agency results. However, many Lithuanian ministries have no professional staff specifically assigned to monitor agency activities, and the interest shown by ministers and other politicians in the performance of agencies depends on the changing salience of political issues. In 2012, the Governance Coordination Center was established as part of the State Property Fund. Among other tasks, it monitors the implementation of state-owned enterprises' goals, and produces regular reports on the performance of these enterprises. Beginning in 2013, the scope of annual public-sector reports produced by the Lithuanian Ministry of the Interior was expanded to include municipal organizations. However, this ministry's reports remain of a descriptive nature, lacking specific recommendations as to how the performance of individual organizations or their groups might be improved. In 2015, the Sunset Commission reviewed the performance of public nonprofit institutions and proposed a number of recommendations, some of which were related to improving the monitoring of these institutions. However, after 2016, the Sunset Commission stopped its work.

South Korea

Score 6

The ministries effectively monitor the activities of all executive agencies, with the minister holding responsibility for the agencies' compliance. Once again, the top-down structure of the government allows for effective monitoring. Agencies generally have autonomy with respect to day-to-day operations, but even these can occasionally be the subject of top-down interventions. Each ministry sets its own performance and implementation indicators and reports its annual progress. The indicators can be used as a monitoring tool for the activities of bureaucracies and executive agencies with regard to implementation. However, ministries fail in some cases to monitor executive agencies' implementation activities effectively.

Switzerland

Score 6

Switzerland's governance system offers considerable flexibility in implementing decisions. The central administration is very small; this does not prevent bureaucratic

drift, but in all likelihood the opportunities for such drift are much smaller than in huge administrations.

A number of factors mitigate for close coordination between the federal government and the federal administration. The country's direct democracy means that citizens have the ability to limit the maneuvering room of both government and administration. In the collegial governmental system, coordination is essential to success, and government and administration alike depend on efficient collaboration given the reality of parliamentary control. There is little evidence of an administrative class that acts on its own; moreover, administrative elites perceive themselves to be politically neutral.

Furthermore, Switzerland's system is not characterized by a unitary federalism such as in Germany. Rather, it resembles the federalism of the United States. This implies that cantons have considerable responsibility for implementing policy, while the federal state has a subsidiary role. According to Article 3 of the constitution: "The cantons are sovereign insofar as their sovereignty is not limited by the federal constitution; they shall exercise all rights which are not transferred to the confederation." Even in areas in which the federal state has tasks and powers, such as social insurance, environmental protection or zoning, implementation is carried out by the cantonal and sometimes municipal administrations. These bodies have considerable flexibility in performing their work, and implementation of federal guidelines frequently varies substantially between cantons. Zoning policy has offered examples in which the same federal regulation has led to opposite outcomes in different cantons. In addition, much implementation is carried out by interest organizations through the corporatist channel.

A 2016 study by Fritz Sager and Eva Thomann on cantonal asylum policies showed that implementation was mainly dependent on the extent of the problem, politicization and partisan power distribution in the respective canton as well as the previous policy. This analysis allows for many different constellations, which can explain the large variation in cantonal implementation of federal laws.

Citation:

Fritz Sager and Eva Thomann: Multiple streams in member state implementation: politics, problem construction and policy paths in Swiss asylum policy. *Journal of Public Policy*, Available on CJO 2016 doi:10.1017/S0143814X1600009X

United States

Score 6

Federal departments have central units attached to the relevant secretary's office that monitor the activities of subordinate agencies. There are no semi-autonomous agencies in the U.S. administrative system. Independent regulatory commissions – including the Federal Reserve Board (both a regulatory agency and the central bank, responsible for monetary policy) – are headed by bipartisan commissions with fixed

terms of office and are in some respects outside the executive branch. The White House and certain executive agencies such as the Antitrust Division of the Justice Department monitor the activities of regulatory agencies, despite lacking formal authority to impose changes. State-level agencies which administer federal programs are subject to highly inconsistent federal supervision. The losses of organizational capacity in the federal bureaucracy under Trump reduces the ability of departments to monitor agencies.

Czech Republic

Score 5 There is not much delegation of responsibility away from the government in the Czech Republic. Agencies take diverse organizational forms and are monitored in different ways. Most of them enjoy little autonomy and are monitored relatively tightly. In many cases, both the government and parliament are directly involved in supervision. The oversight of financial management and spending improved with the introduction of the Supervisors program, which increased transparency.

Ireland

Score 5 The number of government agencies has been steadily increasing. In 1950, there were around 130 agencies. By 2010, there were more than 350 agencies (see MacCarthaigh, 2012).

The Health Services Executive (HSE) is the government agency responsible for providing public health care. It is the largest semi-autonomous bureaucracy in the country. It was formed by the amalgamation of local health boards 10 years ago; it remains difficult to identify the savings that were promised due to this rationalization. On the other hand, cost overruns and low delivery standards have been a persistent feature of the agency. The history of HSE weighs heavily on public perceptions of the new Irish Water agency.

In other areas, the autonomy of executive agencies has yielded mixed results, and the monitoring of these agencies is not sufficiently close to ensure that government policy is being implemented efficiently.

The Office of the Comptroller and Auditor General (OCAG) is responsible for auditing and reporting on the accounts of all public bodies, ensuring that funds are applied for the purposes intended, and evaluating the effectiveness of operations. The OCAG does not regularly monitor all executive agencies. It seems to select those where it knows or suspects that problems have arisen. Its mission statement says it “selects issues for examination which are important in the context of the management of public funds.” Its reports contain details of overspending and inefficiencies, and make recommendations for improving financial administration within the public sector.

In summary, a system of monitoring executive agencies is in place, but recent high-profile cases show that it all too often discovers failings and shortcomings after they have occurred and has not been very effective in averting them.

Citation:

The latest (2013) OCAG reports on the accounts of the public services are available here:

<http://www.audgen.gov.ie/viewdoc.asp?fn=/documents/annualreports/2013/Report/En/ReportIndex.htm>

http://www.audgen.gov.ie/viewdoc.asp?fn=/documents/annualreports/2013/AppAcc/En/AppAccIndex_2013.htm

A list of special reports on value for money in the public sector is available here:

<http://audgen.gov.ie/viewdoc.asp?DocID=-1&CatID=5&UserLang=EN&m=13>

Malta

Score 5

Malta is a unitary state. As such monitoring of bureaucratic agencies is undertaken by, for example, parliamentary oversight, such as during parliamentary committee sessions or annual budget debates. A Parliamentary Public Accounts Committee (PAC) also exists. The National Audit Office produces an annual report on all public service entities (departments, agencies, etc.), though the reports are ad hoc, focused on different sections and departments of ministries and agencies every year. The ombudsman also produces a procedural audit, though it has been recommended that the ombudsman be given the same rights of oversight as held by the audit office in order to better review the workings of government. The Department of Local Government assesses the performance of local government bodies. There is also an internal audit office within ministries. The Prime Minister's Office, through the Principal Permanent Secretary's Office, has become more involved in monitoring processes. The follow-up of reports remains problematic, though the government has pledged to address administrative shortcomings identified by the National Audit Office. Furthermore, the parliamentary secretary charged with monitoring bureaucracies has strengthened this process.

Citation:

73% of budget measures to be implemented by the end of 2016 Malta chamber of commerce

Mexico

Score 5

The process of monitoring tends to work better at the national level than at the subnational level, where the general process of accountability is more heterogeneously developed. Monitoring is considerable at particular times and places, but limited otherwise. Moreover, monitoring is selective due to uneven state capacity, which hampers greater coverage. Essentially, the commitment to monitoring depends on political constellations. Ministries can scrutinize bureaucratic agencies if they want to, but there are good reasons why they do not always do so.

Decentralized agencies often try to exercise autonomy by going over the top of the governing secretariat and contacting the president directly. Pemex, the state-owned petroleum company, is notorious for such attempts, although it does not always succeed. In addition, ministers or the cabinet have mostly been unable to effectively monitor the military and the police, and attempts to increase oversight – especially with regard to human rights violations – has been politically difficult in the context of an ongoing security crisis.

Slovakia

Score 5

The politicization of agencies is a continuing issue in Slovakia. While the independence and accountability of the eight major regulatory and controlling bodies increased, a recent study shows that half of the leaders of these institutions have been selected on the basis of their party affiliation and social connections rather than expertise and widespread reputation. The Office for Public Procurement and the Supreme Audit Office – both quite critical bodies – stand out in this regard. As with the line ministries, the government has closely monitored the agencies' implementation activities.

Bulgaria

Score 4

The capacity of ministries to monitor the implementation activities of the bureaucracies and executive agencies within their task areas is quite limited in institutional terms. The monitoring that does take place tends to focus only on priority areas – such as the absorption of EU funds – and tends to rely on informal rather than formal mechanisms. Under coalition governments, as in 2017, monitoring is further limited by the practice of dividing government, bureaucratic and agency appointments between coalition partners. Consequently, ministers from one party are impeded from effectively monitoring ministers from another party.

Croatia

Score 4

Croatia has about 75 executive agencies, six of which are regulatory agencies. The tasks of these agencies are determined by law. The two most important monitoring instruments are certain reporting requirements and the representation of ministers or senior civil servants on the agencies' management boards. Reports are not based on redefined performance indicators but are more a loose and often self-congratulatory review of agencies' activities in the past year. They are seldom discussed after publication. As a result, the agencies enjoy a relatively large amount of discretion and face primarily political constraints. The proliferation of agencies has been a source of waste and inefficiency. The Orešković government continued the

evaluation of agencies begun under the Milanović government and eventually proposed the elimination of nine agencies. However, no progress with implementing this proposal has been made under Prime Minister Andrej Plenković.

Italy

Score 4

Autonomous executive agencies are not very common in Italian ministries, but they have increased with time. Although their activities are monitored, this monitoring is neither systematic nor particularly effective. There are some exceptions: for example, the monitoring of the tax agency (Agenzia delle Entrate) by the Ministry of Finance is more effective than many other oversights. The Corte dei Conti – the main Audit Office – performs a systematic monitoring of bureaucratic offices and also of executive agencies but this monitoring is mainly focused on legal and procedural aspects and is much less effective in covering other aspects such as cost efficiency. Monitoring of regional health care agencies, and health care expenditure and procurements is still inadequate. Despite major regional differences and deviations from “standard costs,” established by recent studies, systematic oversight is not yet in place. After long discussions about the introduction of nationally defined “standard costs” in the health sector this decision is yet to be implemented. The capacity of regional governments to properly manage and monitor health care resources can vary significantly from region to region, which has cast doubt over further decentralization and the ability of the central government to control this sector.

Netherlands

Score 4

The national Framework Law on Agencies/Bureaucracies has insufficient scope: too many agencies are exempted from (full) monitoring directives, while annual reports are delivered too late or are incomplete. Hence, the government lacks adequate oversight over the dozens of billions of euros of expenses managed by bodies at some distance from the central government. The original intention was that the Framework Law would apply fully to some 75% of the agencies; by 2012 it had less than 25% of its intended function. In 2014 – 2015, it became clear that several oversight agencies and inspectorates, such as the Inspectorate for Health Care and the Authority for Consumers and Markets, were not quite up to their tasks.

ICT projects for the national government too were improperly monitored, resulting in huge time- and cost-overruns. The Social Insurance Bank (Sociale Verzekeringsbank, SVB) was for far too long unable to disburse personal benefits to special-education students and senior citizens eligible for day and home care on time and in the correct amount. The Implementing Institute for Workers’ Insurances (Uitvoeringsinstituut Werknemersverzekeringen, UWV) has struggled for a long

time with apparently unsolvable problems, including delays in medical check-ups and increasing fraud, while the inaccessibility of its ICT-system is undermining communication with clients. Implementation of human resource plans for the National Revenue Service (Belastingdienst), following substantial political pressure, were put under external supervision. Some MPs believe the Revenue Services' organizational continuity may be at stake. In 2017, implementation problems in the reformed national policy system were reported, including excessive administrative regulation, incomplete oversight of different tasks and task fields, and insufficient leadership in capacity-building and performance management. On top of this, there were financial irregularities in the national police's Central Works Council.

Citation:

Algemene Rekenkamer, Kaderwet zbo's. Rijkswijde en implementatie, juni 2012

A. Pelizza and R. Hoppe, Birth of a failure. Media debates and digital infrastructure and the organisation of governance, in *Administration & Society*, 2015

Instellingsbesluit Onderzoekscommissie intern functioneren Nederlandse Zorg Autoriteit (NZa), 27 October 2015

Financiële Dadblad, Algemene Rekenkamer gaat effectiviteit UWV onderzoeken, 29 January, 2016 (fd.nl., consulted 9 November 2016)

NRC.nl, Wiebes plaatst Belastingdienst onder curatele, 12 October 2016 (nrs.nl, consulted 9 November 2016)

Nu.nl, Deel Tweede Kamer niet overtuigd dat de continuïteit van de belastingdienst niet in gevaar is, 2 November 2016 (nu.nl., consulted 2 November 2016)

Rapport brengt belangrijkste belemmeringen bij Nationale Politie in kaart, Consultancy.nl, 18 July 2017

"Strafontslag COR-baas politie. Declaratieschandaal.," NRC.nl, 1 September 2017

Romania

Score 4

The monitoring of agencies in Romania has been plagued by political clientelism and the capacity reduction suffered by many ministries following the often-haphazard personnel reductions associated with the austerity measures adopted in 2010 – 2011. Many agencies fail to provide information on their websites, which is in violation of decisional transparency legislation.

Slovenia

Score 4

Following the passage of the 2002 Civil Service Act, which at least formally has made it easier for the government to get rid of unwanted personnel, politicization has increased in Slovenia's executive agencies. Despite a rhetorical commitment to depoliticization in public administration in the 2014 coalition agreement, the Cerar government has replaced a number of experienced high-ranking and even some mid-level civil servants with less qualified staff loyal to the coalition parties and has filled leading positions in executive agencies with politically loyal personnel. Also,

ministerial cabinets are largely filled with politically loyal personnel that usually lack the requisite expertise to carry out its functions and aid the minister. Political and personal ties have prevented the prosecution of misconduct and incompetency, resulting in dropping level of civil service quality at the national level.

Cyprus

Score 3

The Council of Ministers appoints the governing bodies of quasi-governmental institutions and approves their budgets (after line ministries review them, but before a vote in parliament). The need for closer scrutiny and significant reform of the public sector led to measures that enhance control but, regrettably, not oversight. Clientelistic practices prevailed in the past, serving government and partisan objectives. However, amendments to the law on the governing bodies of quasi-governmental institutions (2014) appear to offer room for closer oversight, though ample favoritism remains possible.

The situation among local authorities is similar. Legislation for their reform is still pending. Though some municipalities faced bankruptcy, no significant improvement in management or response to chronic challenges has been discernable.

Citation:

1. Municipalities overall Debt seen at €448.9m in 2015, Cyprus Business Mail, <http://cyprusbusinessmail.com/?p=37474>

Iceland

Score 3

The monitoring of public agencies by ministries is weak. Public agencies and government ministries have often spent more money than allotted to them in the government budget. This problem has been exacerbated due to the limited capacity of the National Audit Office (Ríkisendurskoðun) to monitor the activities of those agencies within its jurisdiction. From 2000 to 2007, the National Audit Office audited only 44 out of 993, or 4.4%, of the agencies within its jurisdiction. In 2009, almost half of the National Audit Office's efforts (43%) were diverted to financial auditing related in some way to the financial crash and its consequences. Moreover, National Audit Office's resources have been cut. Between 2011 and 2012, the number of personnel was reduced from 47 to 42. At the end of 2016, the number was up to 45 so the situation seems to be recovering and the National Audit Office is again being strengthened.

Citation:

Nation Audit Office Annual Report 2012. (ÁRSSKÝRSLA RÍKISENDURSKOÐUNAR 2012. APRÍL 2013).
 Nation Audit Office Annual Report 2013. (ÁRSSKÝRSLA RÍKISENDURSKOÐUNAR 2013. APRÍL 2014).
 Nation Audit Office Annual Report 2014. (ÁRSSKÝRSLA RÍKISENDURSKOÐUNAR 2014. APRÍL 2015).
 Nation Audit Office Annual Report 2015. (ÁRSSKÝRSLA RÍKISENDURSKOÐUNAR 2015. MARS 2016).
 Nation Audit Office Annual Report 2016. (ÁRSSKÝRSLA RÍKISENDURSKOÐUNAR 2016. JÚNÍ 2017).

Indicator

Task Funding

Question

To what extent does the central government ensure that tasks delegated to subnational self-governments are adequately funded?

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 central government enables subnational self-governments to fulfill all their delegated tasks by funding these tasks sufficiently and/or by providing adequate revenue-raising powers.
- 8-6 = The central government enables subnational governments to fulfill most of their delegated tasks by funding these tasks sufficiently and/or by providing adequate revenue-raising powers.
- 5-3 = The central government sometimes and deliberately shifts unfunded mandates to subnational governments.
- 2-1 = The central government often and deliberately shifts unfunded mandates to subnational self-governments.

Canada

Score 9

Canada's central government typically ensures that tasks delegated to subnational self-governments are adequately funded. Education and health care are largely the responsibility of provincial governments, and the federal government transfers funds earmarked for these functions through the Canada Health Transfer (CHT) and the Canada Social Transfer (CST). In addition, Canada has a system of Equalization and Territorial Formula Finance (ETFF) payments in place, which are unconditional transfers to the provinces and territories designed to equalize the level of public service provision across provinces and territories. The block-funding structure is intended to give provinces and territories greater flexibility in designing and administering programs.

Last year, the Liberal government indicated that CHT spending will be capped at 3.5%, down from 6% in previous years. Though several provinces negotiated their own deals with the federal government to secure appropriate CHT increases. The federal government is calling for more transparency from provincial and territorial governments on CHT spending, suggesting that subnational governments are not spending health care dollars adequately. Both the CHT and the CST will be reviewed in 2024.

Citation:

Department of Finance, Canada, Federal Support to Provinces and Territories. Retrieved 2016 from <http://www.fin.gc.ca/fedprov/mtp-eng.asp>

New Zealand

Score 9

The New Zealand governmental system is highly centralized. Local government structures, which are lean and generally uniform, raise only about 5% of total government tax revenues. However, local autonomy in setting tax rates and bases is greater than in any other OECD country. The main source of local tax revenues is the so-called rates, which are taxes on real-estate holdings. At the time of writing, local governments had full discretion to set rates, subject to a general balanced budget requirement. Other revenue sources include user charges and fees. Local government officials have been lobbying central government for the right to raise revenue from additional sources, including road tolls and a gasoline tax. To date, their lobbying has been largely unsuccessful, although the Transport Minister recently announced that Auckland would be given the right to derive transport income by way of a 10 cent per liter fuel tax. There are no block grants from central to local government, but the central government contributes funding to specific local government functions, in particular transportation as well as road construction and maintenance. For example, a major new city rail link in Auckland is being funded by a combination of local and central government money. The National government has reformed the Local Government Act with the aim of limiting local services more to their core tasks to keep costs under control.

Citation:

Local Government Act 2002 Amendment Act 2012 (Wellington: The Government of New Zealand 2012).

M. Reid, J. McNeill and C Scott, Local Government, Strategy and Communities, Wellington, Institute of Policy Studies, 2006.

Switzerland

Score 9

In Switzerland, cantons and municipalities levy most of the country's tax revenues. They determine local tax rates and decide how tax revenues will be distributed. Between 2004 and 2007, Switzerland passed a rather successful reform of its financial federalism, which has now taken effect. The basic idea was to establish a clear division of tasks between the federation and the cantons, and create transparency with regard to the flow of resources between the federal state and the cantons. In this reform, the basic principle of fiscal equivalence was strengthened. This means that communes, cantons and the federation each are responsible for the funding of their own tasks, and for the balance of their own budgets. The fiscal equalization scheme has been retained, as it is necessary to reduce certain geographical, economic and social disparities, but the danger of providing badly aligned incentives through earmarked subsidies is eliminated through the use of grants. Funds thus continue to flow vertically (from the federal state to the cantons and vice versa) as well as horizontally (between communes and cantons). Nonetheless, it remains to be seen whether the new fiscal equalization scheme will help cantons that have serious problems in fulfilling their tasks or in meeting their

goals due to their small size, lack of resources, or other reasons. In any case, there is a divide between those cantons that pay more and those receiving payments.

Austria

Score 8

Under Austria's federal system, individual states ("Länder") are constitutionally weak as compared with individual states in other federal systems. Yet politically, the states enjoy significant power due to the principle of federal or indirect administration and the federal structure of all major parties. Successful party leaders on the state level often determine the fate of their party's national leadership.

In part because of this ambivalent power structure, responsibilities shift and are shared between levels. In some cases, this functions well: In the case of the most recent health reform, for example, state administrations and the federal government, working closely with the umbrella organization of public insurance companies, together developed a formula that is expected to limit increases in care costs. In other fields, such as the school system, the conflicting structures and interests of the state and federal governments have led to inefficiencies and finger-pointing. Concerning the need to determine the amount of subsidy states must provide asylum-seekers, the states responded in contradicting ways.

A significant aspect would be to allow the states to independently raise some taxes. However, the states themselves oppose such a reform. The states seem satisfied to be financed by the federal authorities, decided by a negotiated compromise between the federal government ("Bund") and the states.

The Austrian constitution mandates that tasks delegated to regional or municipal governments must be adequately funded, although this does not always entail 100% national funding. This principle is in most cases effectively implemented, with some exceptions on the municipal level.

Denmark

Score 8

Part of the income tax paid in Denmark is a municipal tax and municipalities have discretionary powers to set the taxes. The municipalities also receive funding from the state (bloktilskud), and there is an equalization arrangement that reallocates funds from richer to poorer municipalities. There are annual negotiations with both the municipalities and regions about the financial framework agreement. Since municipalities act independently – though coordinated via their organization (Kommunernes Landsforbund) – the budget decisions of the municipalities have not always been consistent with the overall targets set by the Ministry of Finance. This implied for some years that expenditure growth exceeded targets. This has led to a new system – part of the Budget Law approved by parliament in 2012 – which

includes financial sanctions. The sanctions have both an individual and collective element. If the sum of expenditures exceeds the agreed target, the “bloktilskud” is reduced by an equivalent amount. This reduction is levied 60% on the municipalities which exceeded expenditure targets and 40% on all municipalities (distributed according to population size). The new system has been very effective and municipalities have been well within targets in recent years. Since 2002, municipalities have been part of a so-called tax freeze implying that taxes (e.g., income and building sites) cannot increase. If one municipality increases some tax it should be matched by a decrease in another municipality.

Many municipalities currently find themselves in a very tight financial situation and have had to reconsider resource use on core activities like child- and old-age care and schooling.

Citation:

Jørgen Grønnegård Christiansen et al., Politik og forvaltning, 4. udg., 2017.

Andersen, T.M., J. Bentzen, S. E. Hougaard Jensen, V. Smith and N. Westergaard-Nielsen, The Danish Economy in a global perspective, Copenhagen: DJØF Publishing, 2017.

Finland

Score 8

Municipal governments have a right to assess taxes, collecting more than twice as much as the central government in income taxes. A government grant system additionally enables local governments to continue to provide public services even when experiencing a funding gap. In essence, a portion of locally collected taxes is put into a common pool, from which transfers are made to financially weak local governments. The central government establishes strict standards and service-provision requirements intended to cover all citizens. However, local governments are tasked with providing these services, which means that some municipalities are unable to meet the standards without increasing taxes. Given that local government units differ greatly in size and resources, they are in unequal positions in terms of capacity and performance efficiency. A large-scale reform of municipalities and services, started in 2006 and yet unfinished, has led to a considerable reduction in the number of municipalities. Among other goals, the reform aims to secure sufficient financing and an efficient provision of services across the country. The government has also introduced a further and much contested reform project to create larger entities tasked with providing social and health services in a more efficient way (SOTE). However, according to assessments, the final compromise solution of 18 social services and health care entities is less satisfactory in terms of efficient funding and democratic organization than was an original proposal for a maximum of nine to 12 SOTE regions. At the time of writing, the final shape, structure, and outcome of the SOTE reform remains open and subject to critical public discussions.

Citation:

Government press release on “Government decision on next steps in reform package on health care, social welfare

and autonomous regions”, http://vm.fi/en/article/-/asset_publisher/10616/hallitus-paatti-sote-uudistuksen-jatkosta-jaitsehallintoalueista
<http://alueuudistus.fi/en/frontpage>

Iceland

Score 8

The issue of grant-based funding has been a constant source of conflict between local and central governments. Meanwhile, the division of responsibilities between the central government and local governments has changed, but not radically. In 1996, full responsibility for primary education was transferred from the central government to local governments. In general, this transfer of responsibilities has been achieved without imposing a heavy financial burden on local governments. However, some of the smallest municipalities have experienced fiscal difficulties as a result of these transfers, and have either been forced to amalgamate or cooperate on service provision with neighboring municipalities. Full responsibility for services for disabled individuals was transferred to local governments in 2010 and took effect in January 2011, without conflicts concerning funding arrangements arising between the central government and local governments. Further transfers of responsibility have been planned – though without any dates set, including responsibility for elderly care. Negotiations on the transfer of elderly care have been repeatedly postponed due to disagreements over funding arrangements between central and local governments. The negotiating and preparation committee with representatives from state and local levels has in fact had no formal meeting since August 2013 (www.velferdarraduneyti.is/yfirfaerslan/).

Citation:

Eythórsson, Grétar Thór (2017): Bigger and stronger together. How Icelandic municipalities solve their lack of capacity and scale economy. In: Teles, Filipe & Swianiewicz, Pawel (Eds.): *Inter-Municipal Cooperation in Europe Institutions and Governance*. Palgrave MacMillan. DOI: 10.1007/978-3-319-62819-6

Eythórsson, Grétar Thór (2012): Efling íslenska sveitarstjórnarstígsins: Áherslur, hugmyndir og aðgerðir. In: *Icelandic Review of Politics and Administration*. Vol 8, No 2. 2012. http://www.irpa.is/article/view/a.2012.8.2.12/pdf_278

www.velferdarraduneyti.is/yfirfaerslan/

Norway

Score 8

There is a constant tension between central and local government over the funding of responsibilities imposed on local governments. As welfare policies move more toward ensuring universal rights, the financial and administrative demands placed on the various local units have become more challenging, particularly for some of the smaller units. As a result, local-government funding has been increased. This policy was initially met with great satisfaction by local authorities; however, these bodies rapidly adapted their activities to these new financial flows and relaxed budget discipline which, in turn, led to growing public debt at the local level. Local

governments later again began asking the central government for additional funds. In general, regional governments and municipalities are adequately funded, but there have been efforts to promote voluntary structural reforms that would create larger units. However, these reforms have been slow and some have been rejected by voters in local referendums.

United States

Score 8

The United States has a federal system in which the 50 states are independent sovereign governments, although the federal constitution is “the supreme law of the land.” States have unrestricted power to raise their own revenue, although the federal government takes full advantage of their more productive sources, such as the income tax. There is no general presumption of uniform standards for public services. Rather, the federal government imposes standards or seeks to induce certain levels of performance in varying degrees on different issues.

State officials have often complained that federal mandates required substantial expenditures without providing the necessary funds. In 1995, the Republican Congress passed the Unfunded Mandates Reform Act. The act provides incentives for Congress and regulatory agencies to identify potential unfunded mandates in the legislative or rule-making process but does not prevent them from setting mandates. As a result, complaints from state officials have subsided. The Obama health care reform seeks to expand coverage of low-income individuals by raising the income ceiling for eligibility for Medicaid, a program administered and largely funded by the states. According to the law, the federal government will pay 90% of the cost of the expanded coverage if states pay 10% of the cost of health coverage for the new beneficiaries. However, many states with Republican leadership have thus far opted out of the Medicaid expansion.

Czech Republic

Score 7

The regional tier within the Czech system of governance has taken on greater importance following a process of consolidation of various administrative functions. The budgetary allocation of taxes, tax autonomy, and financial decentralization have enabled regional governments to exhibit more independence in fulfilling governing duties and managing necessary infrastructure. European structural funds constitute an important resource for regional development. All negotiations over regional budgets remain complicated by opposing political majorities on the central, regional and municipal level. This problem has been aggravated by the 2016 regional elections, in which new governing coalitions emerged, sometimes bringing the parties of the current governing coalition into opposition.

France

Score 7

Over the past 30 to 40 years, the powers of communes, provinces (départements) and regions, delegated by central authorities or taken over de facto by local entities, have increased considerably. Normally a delegation of powers was accompanied by corresponding funding. However, as formerly centralized policies were notably badly managed or insufficiently funded, local units had to face huge expenditure increases that were not fully covered by the central government. Thus, more than two-thirds of non-military public monies are spent by local/regional actors, a figure comparable to the situation in federal states. While in theory local authorities are in some areas acting as agents of the central government, they have, actually, secured ample discretion. The recent regional reform reducing the number of regions from 22 to 13 has had quite an important consequence: the new regions will benefit from a fraction of the VAT, whereas before they did not receive taxes but only transfers from the central government.

On the other hand, the piecemeal and ad hoc reforms of local taxation, such as the elimination of the local business tax (taxe professionnelle) and its compensation by national state allocations in 2009 have not improved the situation. Growing tension between central government and local authorities has been fueled by President Macron's decision to exempt 80% of local taxpayers from paying the "taxe d'habitation" (a rather unfair tax paid by all local residents, owners and tenants). The local tax will be replaced by a financial compensation from central government, which local authorities will have no direct influence over, meaning that local authorities have lost control over this part of their resources. Moreover, local authorities fear that the state subsidy will not evolve over time according to needs. In addition, further savings have been imposed, forcing local authorities to improve their budgetary policies.

Germany

Score 7

The delegation of tasks from the national to the subnational level without commensurate funding has been a sore point of German fiscal federalism. For instance, municipalities suffer under the weight of increasing costs of welfare programs. However, a number of adjustments over the last years have substantially rejuvenated municipalities and states. The Hartz IV reform, which merged welfare benefits with unemployment benefits for the long-term unemployed, shifted minimum income payments for individuals capable of work from municipalities to the Federal Employment Agency. In 2009, the federal government began compensating municipalities for basic income support provided to pensioners, the percentage of which reached 100% in 2014. Financial burdens associated with education and childcare have also been shifted to the federal level.

For months, the federal government and state (Länder) governments wrangled over the costs associated with the influx of migrants and refugees. In July 2016, the federal government increased the flat-rate payment for integration by about €8 billion by 2018, which is an exceptional improvement.

With respect to the future of the fiscal equalization system, an important compromise on the new system (in effect from 2020 onwards) was achieved in October 2016. In this compromise, the Länder receive higher shares of VAT revenues and a system of exclusively vertical equalization payments (from the federal to the state level) is replacing the current horizontal system (where richer states pay to poorer states).

Taken together, a comprehensive shift of financial resources from the federal to the state and municipal level has been achieved and remains under way. Complaints from the Länder about underfunding increasingly lack credibility.

Citation:

<http://www.spiegel.de/politik/deutschland/fluechtlinge-laender-bekommen-sieben-milliarden-euro-mehr-a-1101934-druck.html>

Israel

Score 7

Local authorities have three main types of income: local taxes (property tax, fines, tolls) earmarked for financing local services, government funds designated for social and educational services, and governmental balancing grants for basic services that local authorities are otherwise unable to fund. The government's budgeting procedure for local government is clearly articulated, and includes progressive budgetary support. One major problem in the government's budgeting procedure was mentioned in the State Comptroller's 2015 report, which noted that there is no regular procedure in the Interior Ministry for managing the local-authority development budgets.

Over the years, the Ministry of the Interior has expanded its oversight over local authorities as issues of politicization, corruption and management failure have resulted in unwieldy deficits or even municipal bankruptcies. Research focusing on social services shows that although Israel's local-government funding levels are comparable to other OECD countries on an absolute basis, local authorities in fact receive comparatively less government funds than their peers elsewhere when taking into account the proportion of responsibilities delegated to the local level.

Some recent improvements have been made in this system. The government's 2017 – 2018 plan set the goal of ensuring local authorities receive adequate funding by increasing financial supervision, increasing budgets and continuing the differentiated funding policy. The government has increased weaker municipalities' budgetary allocations (total balancing grants have increased from ILS 2.7 billion in 2014 to ILS 3.1 billion in 2017), assigned an accountant to each municipality, assisted in developing local budgets, allocated extra budgetary support to minority

municipalities (Bedouins, Druze, etc.), and started a new fund tasked with reducing inequalities between local authorities.

Citation:

Ben Basat, Avi and Dahan, Momi, "Strike in local authorities," IDI website 15.1.2012 (Hebrew)

Ben Basat, Avi and Dahan, Momi, "The political economy of local authorities," IDI website 2009 (Hebrew)

Saada, Aria, "Ombudsman's report 57ז: Budgeting social services for local authorities equality lacking," Abiliko website 9.7.2010 (Hebrew)

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

Ben-Bassat, Avi, Dahan, Momi, and Klor, Esteban F., "Representativeness and efficiency in local government," Jerusalem: IDI 2013, introduction summary in English: [http://en.idi.org.il/media/2464644/ Representativeness-Abstract.pdf](http://en.idi.org.il/media/2464644/Representativeness-Abstract.pdf) "Instructions for local authorities' budget frame proposal for the year 2012," Ministry of Interior website (Hebrew)

Informational Leaflet, Local government administration, October 2016, <http://www.moin.gov.il/LOCALGOVERNMENT/Documents/Newsletter1.3.pdf>

Ministry of Interior Working Plan 2018-18, <http://www.moin.gov.il/LOCALGOVERNMENT/local%20authority/CHMap/Documents/%D7%9E%D7%A9%D7%A8%D7%93%D7%94%D7%A4%D7%A0%D7%99%D7%9D.pdf>

Luxembourg

Score 7

Since 2018, the Ministry of the Interior has overseen 102 municipalities in Luxembourg. This supervision is paired with substantial financial transfers from the central government to local entities, which, apart from a substantial share in corporate income tax (CIT) revenues, lack autonomous sources of revenue. Two-thirds of local entities have fewer than 3,000 inhabitants, a size which is believed to be far too small to handle modern political, administrative and technical matters. The government had planned to reduce the number of local municipalities to 71. However, the new government has weakened this objective, as it does not correspond to a top-down strategy for municipal mergers. The aim is to have no municipality under 3,000 inhabitants, thus reducing operational costs and improving administrative and technical efficiency. Municipalities frequently complain that funding from the central government is insufficient. The government has used financial transfers to overcome local resistance to municipality mergers. So-called municipal associations (syndicats intercommunaux) exist in fields, such as culture and sports, to help improve the quality of local government. In December 2016, parliament voted in favor of a reform of the municipal finance system. Since 2017, due to the full budgetary assumption of teachers' salaries, grants to local budgets have been increased, providing municipalities financial and planning security.

Citation:

"Ausgewogenere kommunale Finanzlandschaft." Luxemburger Wort, 7 Dec. 2016, Accessed 21 Dec. 2017.

Halsdorf, J.-M. "Die Kommunal- und Verwaltungsreform im Großherzogtum Luxembourg – Grundzüge und Perspektiven." Kommunalreformen in Deutschland, edited by Martin Junkernheinrich and Wolfgang H. Lorig, Nomos, 2013, pp. 445 – 462.

“Reform der Gemeindefinanzen – Die Rechnung geht auf.” Luxemburger Wort, 8 Aug. 2017, <https://www.wort.lu/de/politik/reform-der-gemeindefinanzen-die-rechnung-geht-auf-5989b91da5e74263e13c570a>. Accessed 21 Dec. 2017.

Syndicat des Villes et Communes Luxembourgeoises, www.syvicol.lu. Accessed 21 Feb. 2017.

United Kingdom

Score 7

Within the United Kingdom, Scotland, Wales and Northern Ireland have devolved governments, which have responsibility for major public services, such as health care and education. England has no devolved government, though local authorities in England have responsibility for a more limited range of public services, including schools. The central government exercises tight control over the finances of the devolved governments and local authorities in England. The bulk of local authority revenue in England comes from central government grants, even the rate of property tax is controlled centrally. As a result, local authorities have been among the hardest hit by government spending cuts. Social care is an especially problematic area, but local authorities are also highly constrained in dealing with basic services, such as filling potholes in roads. Increased task funding for subnational governments was announced in the 2017 budget, but it does not go far enough to offset funding gaps.

Given the absence of a written constitution, there is no mechanism to govern the allocation of funds to finance these devolved tasks. As such, any decisions about funding is subject to political and administrative negotiations through formula-based need assessments. Agreements such as the “Barnett Formula” for Scotland, Wales and England provide some stability of funding. However, despite their recent reaffirmation, these agreements could change if a future government decides that fiscal consolidation requires severe spending cuts.

The Scotland Act 2012 gave the Scottish Administration new taxation and borrowing powers. After the close outcome of the Scottish Referendum and as a result of the Smith Commission’s Report, the new Conservative government announced the devolution of further tax powers – including income-tax powers – to the Scottish Parliament. The details of additional borrowing powers for the Scottish Parliament were laid down in the Scotland Act of 2016, which allows the Scottish government to borrow £450 million a year for investment into infrastructure, such as schools and hospitals, up to a total of £3 billion.

The new government has announced a reform of local governance. This would mainly include a decentralization of decision-making, monitoring and spending powers to local mayors (an office which is quite unusual in the United Kingdom). Challenges are sure to arise in relation to task funding. Funding for mayoral combined authorities is often allocated on a negotiated basis, but this is to some extent a deliberate policy choice to ensure that devolution is bespoke to the needs of different areas.

The Welsh assembly has far less fiscal discretion, but central government has agreed that borrowing powers should also be devolved to the Welsh assembly and agreed on a fiscal framework. A new settlement for Northern Ireland has also been under discussion for quite some time, but agreement had not been reached at the time of writing. A debate on financial matters in England must also be expected.

Citation:

Scully, Roger/Jones Richard Wyn 2011: 7. Territorial politics in post-Devolution Britain, in: Heffernan, Richard et al.: Developments in British Politics 9, Basingstoke and New York

Smith Commission Report: http://www.smith-commission.scot/wp-content/uploads/2014/11/The_Smith_Commission_Report-1.pdf

Autumn Statement 2016: <https://www.gov.uk/government/topical-events/autumn-statement-2016>

Australia

Score 6

Tasks are delegated to the states and territories not by choice, but by constitutional requirement, yet the states and territories are highly reliant on the Commonwealth to finance the myriad services they provide, including primary, secondary and vocational education, police, justice systems, public transport, roads and many health services. This dependence has been a source of much conflict, and many would argue it has led to inadequate provision of state-government provided services. The federal government's commitment to completely pass on to the states all revenue raised by a broad-based consumption tax introduced in 2000 only marginally reduced the tension between the two levels of government. Certainly, it has not helped that prices in education and health care have in recent years risen faster than general price levels, while the proportion of expenditure subject to the consumption tax has declined from 56% in 2005 to around 47% in 2015. In response, the previous Labor government attempted to address underfunding of health care and education, reaching funding agreements on health care with most jurisdictions in 2011 and making progress on agreements for school funding in early 2013. The coalition government has not shown the same commitment to increasing health and education funding, and indeed has indicated an intention to scale back federal funding. Since its rise to power in September 2013, the coalition government has delivered a significant budget deficit in every fiscal year. Consequently, task funding is likely to fall further than rise over coming years. The notable exception is for the National Disability Insurance Scheme (currently in the process of being rolled out), which has had its funding secured by a 0.5% increase of the Medicare Levy (levied on taxable income) from July 2019.

Citation:

Australian Government 'Rethink Tax Discussion Paper,' March 2015: <http://bettertax.gov.au/publications/discussion-paper/>

<http://www.abc.net.au/news/2015-11-02/gst-hike-would-raise-130b-modelling-shows/6903782>

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp1617/Quick_Guides/NDIS

Chile

Score 6

Chile's central government exercises strong control over municipal and regional budgets, and accounts for a significant proportion of local revenue. Currently, about 18% of the federal government's budget is redistributed to the regional and local level (OECD average is about 45%). However, the assignment of new duties to the municipal level does not necessarily imply a corresponding allocation of adequate funds.

Municipal programs are monitored relatively closely by the central government, although spending overruns do sometimes occur, resulting in local-government debt. The quality of services (e.g., the public health and education systems) provided by less wealthy municipalities are sometimes below average as some municipalities are unable to raise the income required to effectively provide the services themselves. This challenge is characteristic of Chile's centralized political system and must be regarded as a structural problem. The current government convened a commission to study decentralization, with the ultimate goal of addressing these ongoing issues. The commission's proposal, which was presented publicly in October 2014 and supported by President Bachelet, included several proposals designed to strengthen regional governments. Two such measures were originally slated for implementation by the end of 2017, but have not been approved by parliament by the end of the period under review:

- Regional governors (Gobernadores Regionales) will replace the current regional mayors (Intendentes Regionales) and be directly elected, enabling citizens to hold them accountable for promises made in their political campaigns.
- Regional governors (Gobernadores Regionales) will replace to be given responsibility for regional and urban planning, administration of the National Fund for Regional Development, and implementation of social and economic policies at the regional level. The regions will create three new divisions for this purpose: Industrial Advancement (Fomento e Industria), Human Development, and Infrastructure and Transport.

In addition, the amount of federal funds provided to regional governments should increase. The original decentralization proposal included an implementation timeline stretching through 2016 and 2017, but the final draft regarding the exact competences and budgeting for regional governors must still be approved by Congress. The current scenario points to a delayed and probably less extensive implementation of the reform proposals. So far, Chile and Turkey are the only OECD-member countries where regional authorities are not designated by elections.

Citation:

<http://descentralizacion.cl/>

<http://www.senado.cl/appsenado/templates/tramitacion/index.php>

<http://chiledescentralizado.cl/eleccion-de-gobernadores-regionales/>

<http://chiledescentralizado.cl/boletin-marzo-abril-2017/>

<http://www.kas.de/chile/es/publications/47796/>

<http://www.subdere.gov.cl/sala-de-prensa/subdere-y-cchc-exponen-avances-del-trabajo-conjunto-realizado-para-profundizar-proces>

Ireland

Score 6

One of the motivations for the creation of Irish Water in 2013 was to remove responsibility for the provision of water services from local governments, many of which had failed to provide a reliable supply of high-quality water to their populations and had seriously under-invested in water infrastructure over the years, perhaps largely due to inadequate funding from the central government. Due to strong populist reaction, the funding mechanism for Irish Water, namely the imposition of household water charges, was strongly resisted. As a result of this resistance, this funding mechanism was abolished and household water charges were repaid in 2017. The water initiative paralleled the 2005 decision to remove the provision of public-health services from regional health boards, centralizing this power instead in the Health Services Executive. As we have seen, this has not resulted in a smoothly functioning health care delivery system.

The functions and services that remain the responsibility of subnational units of government are largely funded by the central government rather than from local resources. In 2013, grants from the central government accounted for 43% of the current revenue and 90% of the capital revenue of subnational governmental units. Local taxes accounted for only 28% of their current receipts. While the introduction of the local property tax raised the proportion of funds coming from local sources, subnational units of government remain heavily dependent on the central government for resources. This dependence is proportionately greater in the case of smaller and poorer local units.

The receipts from the new local property tax (LPT) are to be distributed as follows: in 2015, 80% were to be retained locally to fund vital public services, while the remaining 20% were to be redistributed to provide top-up funding to certain local authorities that have lower property-tax bases due to variance in property values. The Local Property Tax Exchequer Receipts at the end of September 2017 amounted to €362 million.

Citation:

<https://www.revenue.ie/en/corporate/information-about-revenue/statistics/local-property-tax/index.aspx>

Italy

Score 6

In recent years, a double and to some extent contradictory trend has taken place in the relationship between central government and local administrations (regions, provinces and municipalities). On the one hand, constitutional reforms and normal legislative and administrative changes transferred broader tasks to local governments. This has particularly been the case for regions where the devolution of functions in the field of health care has been particularly extensive, for example. On the other hand, however, because of budgetary constraints and strong pressure from the European Union and international markets, the central government has increasingly reduced transfers to local governments in order to balance its own budget. Local governments have tried to resist this fiscal squeeze without great success and have had to increase local taxation. At the same time, the government has reduced the autonomy of municipalities to levy property taxes. As a result, functions delegated to subnational governments are now often underfunded, and local authorities have been forced to cut services.

In 2016 and 2017, the government - made the “internal stability pact” more flexible. The pact significantly restricted the budgetary autonomy of municipalities and in particular damaged the “virtuous” ones, which could not spend their budgetary surpluses. This change should enable virtuous municipalities to increase investments. Furthermore, the central government transferred special issue funds to the regions to allow them, among other things, to better align with EU law.

Japan

Score 6

Local governments – prefectures and municipalities – strongly depend on the central government. Local taxes account for less than half of local revenues and the system of vertical fiscal transfers is fairly complicated. Pressures to reduce expenditures have increased, as local budgets are increasingly tight given the aging of the population and social-policy expenses related to growing income disparities and poverty rates.

Japanese authorities are well aware of these issues. Past countermeasures have included a merger of municipalities designed to create economies of scale, and a redefinition of burdensome local-agency functions. In addition, the LDP and others have contemplated a reorganization of Japan’s prefectural system into larger regional entities (doshu). This reform proposal is highly controversial, however. Since 2014 – 2015, special economic zones (tokku) where national regulations are eased and regional vitalization special zones serve as field experiments for improved policymaking. Many observers doubt whether the approach being taken is bold enough.

Citation:

Takuji Okubo, The truth about Japan's tokku special zones, JBpress Website, 02.07.2014, <http://jbpress.ismedia.jp/articles/-/41109>

Promoting local autonomy, The Japan Times, 9 January 2017, <https://www.japantimes.co.jp/opinion/2017/01/09/editorials/promoting-local-autonomy/>

Latvia

Score 6

Local governments enjoy a comparatively high degree of autonomy. The local government share of public expenditure was 24.3% in 2015, slightly above the EU average of 24.1%.

Local governments have autonomous tasks, delegated tasks and legally mandated tasks. Each type of task is meant to be accompanied by a funding source. In practice, however, funding is not made available for all tasks. The President's Strategic Advisory Council has described local governments as having a low degree of income autonomy and a relatively high degree of expenditure autonomy. In its 2011 report on Latvia's adherence to the European Charter of Local Self-Government, the Council of Europe concluded that local authorities have inadequate access to independent resources and urged Latvia to increase local authorities' financial autonomy.

The adoption in 2012 of a medium-term budget-planning process envisions the inclusion of three-year budget cycles for local government. While this will provide medium-term budget clarity for local governments, there is also a concern that it will prevent local governments from gaining access to budget increases in proportion to the rate of economic recovery. Data from 2015 showed an imbalance between central and local government budget pressures. In 2015, local government expenditure decreased by 1.1%, while central government expenditure increased by 3.8%. However, local government income increased by 1.7%, while central government income increased by 3.4%.

Local governments suffer from a lack of capacity in financial management. The State Audit Office has repeatedly noted that local governments ignore accounting standards and requirements. In the absence of proper local and national approval procedures for government transactions, violations range from petty issues, such as covering entertainment costs out of the municipal budget, to large scale fraud, such as a municipal official signing a €200 million bond.

Citation:

1. The President's Strategic Advisory Council (2013), Management Improvement Proposals, Available at (in Latvian): http://www.president.lv/images/modules/items/PDF/Pasvaldibas_EGPP_FINAL.pdf, Last assessed: 21.05.2013

2. Congress of Local and Regional Authorities (2011), Local and Regional Democracy in Latvia, Available at: <https://wcd.coe.int/ViewDoc.jsp?id=1857271&Site=COE>, Last assessed: 21.05.2013.

3.Freedom House (2016). Nations in Transit: Latvia 2016. Available at: <https://freedomhouse.org/report/nations-transit/2016/latvia>. Last assessed: 29.11.2017

Lithuania

Score 6

Lithuanian municipalities perform both state-delegated (funded through grants from the central government) and independent (funded through a national tax-sharing arrangement and local sources of revenue) functions. Lithuania has a centralized system of government with powers and financial resources concentrated at the central level. The central government provides grants for the exercise of functions delegated to the local level, as local authorities have minimal revenue-raising powers. In 2012, the Congress of Local and Regional Authorities expressed its concern that Lithuanian municipalities have limited capacities and insufficient resources to deliver the services delegated to them. Municipal concerns, including that of adequate funding, are addressed by a joint commission that includes the government and the Association of Lithuanian Municipalities. After the Constitutional Court ruled that the existing legal framework governing the allocation of municipal revenue was not in line with the constitution, the government introduced a new procedure for allocating revenue to municipalities. However, this decision will increase municipalities' dependence on targeted central-government grants.

Citation:

State of local and regional democracy in Lithuania, see <https://wcd.coe.int/ViewDoc.jsp?id=1925765&Site=Congress&BackColorInternet=e0cee1&BackColorIntranet=e0cee1&BackColorLogged=FFC679>

Portugal

Score 6

Unsurprisingly given its extremely small size Portugal, is one of the most centralized countries in Western Europe, with autonomous self-governing areas in the island regions of the Azores and Madeira. A total of 308 municipalities represent the main subnational level of government. OECD figures for 2016 (the most recent data available) show Portugal to have among the group's lowest relative levels of subnational public expenditure in several areas of education, health and security. However, these figures had improved significantly since the 2012 OECD report.

The subnational sector has long been burdened with increasing debts, and 18 municipalities received support from the Municipal Support Fund (Fundo de Apoio Municipal, FAM) during the period under review.

The current government has expressed a commitment to decentralization. It addresses this topic in its program, even identifying it as the basis of its reform of the state. On 16 February 2017, the Council of Ministers approved a law that transferred

a number of very important responsibilities to local governments. Among the most important innovations was to increase the share of the public budget transferred to local governments from 14% to 19%, as stipulated in the National Program of Reforms.

Citation:

www.portautarquico.pt=PT/financas-locais/transferencias/freguesias

OECD (2013), “OECD Regions at a Glance 2013”

OECD (2016) “OECD Regions at a Glance 2016” available at <http://www.oecd.org/regional/oecd-regions-at-a-glance-19990057.htm>

<http://www.fundodeapoio-municipal.pt/category/noticias/>

Diário de Notícias (2017), “Fundo de Apoio Municipal paga 590 mil euros de juros às câmaras e ao Estado,” 11/7/2017. Available online at: <https://www.dn.pt/lusa/interior/fundo-de-apoio-municipal-paga-590-mil-euros-de-juros-as-camaras-e-ao-estado-8628727.html>

Slovakia

Score 6

In Slovakia, the degree of decentralization is relatively high. However, funding for subnational governments has been precarious. While the shares of both municipalities and regional self-governments in personal income tax revenues have substantially risen since 2014, subnational governments have continued to complain about unfunded mandates. Their strong reliance on personal income tax has made their revenues highly dependent on the performance of the economy.

Spain

Score 6

Spain has a very decentralized political and administrative structure, with 17 Autonomous Communities controlling over a third of public spending, including services such as health care and education. The system has also been occasionally associated with deficiencies in the process by which tasks are delegated to regions without adequate funding sources. The Autonomous Communities enjoy some power to raise revenue to counterbalance this insufficiency of funding, but the revenue from these taxes is very low. In the context of the deep economic crisis and austerity that have characterized Spain in recent years, public-spending cuts and reinforced central control of the regional accounts have led to criticism of the central government for deliberately shifting unfunded mandates to the regions. As a result, some regions have been incapable of adequately fulfilling their delegated tasks without help. In 2016, the central government reiterated tough budget-deficit targets for the regions, even though the EU had decided to loosen fiscal targets for the country as a whole. In addition, the period under review was deeply affected by the earlier enactment of Organic Law 2/2012 on Budgetary Stability and Financial Sustainability of Public Administrations. Under this legislation, regional governments must now approve an expenditure ceiling in keeping with a stability target and expenditure rule. The debate over the criteria through which solidarity funding for regions and territories is allocated continues to be intense, with richer regions seeking a profound revision of

the general funding system. Catalonia's bid for independence has been partly fueled by widespread social unrest related to the region's limited fiscal capacity to support the taxes collected there. In 2012, the central government introduced a program providing inexpensive liquidity to the regions. This remained in force in 2017. The program includes the general Regional Liquidity Fund (FLA). Most regions depend on these funds in order to service their debt and spending policies, since rating agencies have downgraded their credit ratings to so-called junk status, making it very difficult to obtain alternative funding.

Citation:

June 2017, Reuters: "Spain tells Catalonia will cut off funds if used for referendum"

<https://www.reuters.com/article/us-spain-politics-catalonia-funds/spain-tells-catalonia-will-cut-off-funds-if-used-for-referendum-idUSKBN1A61WP>

Turkey

Score 6

Municipal governments depend on financial contributions from the central government. Many municipalities do not have the sufficient resources to finance basic duties. Thus, many have declared bankruptcy. Municipal borrowing constitutes a large share of Turkey's total medium- and long-term debt. Financial decentralization and reform of local administration have been major issues during the review period. The central administration (mainly through the Bank of Provinces) is still the major funding source for local governments. During the 2014 – 2015 fiscal year, the government allocated €118 million to a village infrastructure project (KÖYDES), €189.9 million to the Drinking Water and Sewer Infrastructure Program (SUKAP), €74 million to the Social Support Program (SODES).

The previous governments have been frequently accused of taking a partisan approach toward the distribution of funds. Since 2009, transfers from the central government to municipalities via the Bank of Provinces have taken into consideration the number of inhabitants and the locality's relative position on development indices. However, the new model has not eased the difficult financial situation of Turkey's municipalities, which are seriously indebted to central-government institutions. According to Audit Court reports, most metropolitan municipalities have substantial debts. Therefore, most local projects in major metropolitan municipalities are run by the central government.

The recent change in regulations governing metropolitan municipalities was designed to generate funds for them. However, this shift is expected in turn to cause smaller administrative units to be fiscally and administratively dependent on the metropolitan municipalities. In other words, the authority held by subunits such as villages and small towns are expected to be undermined in the long run.

Citation:

TC Kalkınma Bakanlığı KÖYDES Projesi 2015 Ödeneği, 20 January 2015, http://www.migm.gov.tr/Dokumanlar/2015_1_KOYDES_YPK_KARARI.pdf, (accessed 27 October 2015)

2015 Yılı Yatırım Programı yayımlandı, 15 January 2015, <http://www.bloomberght.com/haberler/haber/1702267-2015-yili-yatirim-programi-yayimlandi> (accessed 27 October 2015)

TC Sayıştay Başkanlığı Kalkınma Bakanlığı 2014 Yılı Sayıştay Denetim Raporu, http://www.sayistay.gov.tr/rapor/kid/2014/Genel_B%C3%BCt%C3%A7e_Kapsam%C4%B1ndaki_%20Kamu_%C4%B0dareleri/KALKINMA%20BAKANLI%C4%9EI.pdf (accessed 27 October 2015)

'Hazine'ye 17 milyar lira borçlu olanların listesi,' Karar daily newspaper, 23 April 2015, <http://www.karar.com/ekonomi-haberleri/hazineye-17-milyar-lira-borclu-olanlarin-listesi> (accessed 27 October 2015)

"Sayıştay'a göre; İstanbul ve Ankara Büyükşehir Belediyeleri borç 'batağında,'" 19 October 2017, <http://t24.com.tr/haber/sayistaya-gore-istanbul-ve-ankara-buyuksehir-belediyeleri-borc-bataginda,468360> (accessed 1 November 2017)

Bulgaria

Score 5

Local governments in Bulgaria receive most of their revenues from the central government and have a very limited revenue base of their own. Municipalities receive funding from central government in three ways: a portion of the revenues from some general taxes are designated for municipal budgets; central government subsidizes municipality budgets; and central government delegates some of its tasks to municipalities, transferring the respective financing to them (known as delegated budgets). Ministry of Finance and the National Association of Municipalities in Bulgaria assessments of whether tasks assigned to municipalities have been adequately funded differ widely. Municipalities often claim that the Ministry of Finance deliberately leaves delegated functions underfunded, forcing municipalities to finance national policies with local funds.

Malta

Score 5

Local councils in Malta are primarily municipal bodies, and cannot raise revenue through local taxes. Nearly all funding for local-government activities comes from the central government, with a small fraction sourced from local traffic fines. The funding formula for local councils is based on geography and population, but – despite legal provisions – local councils run budget deficits, both because of inadequate funding and mismanagement by the councils themselves. At the beginning of 2015, the government launched a fund for local councils' capital projects however it remains inadequate. Regional committees were generating revenue from contraventions through the local enforcement system, however, this task was taken over by a central government agency in 2014. The total budget allocated for local government for 2017 was €35.5 million. There has been a steady, though not particularly substantial, increase in the overall budget (local councils received €2 million in 2015 and €3 million in 2016), distributed across 68 localities throughout the islands of Malta and Gozo. A 2018 to 2020 local council culture fund of €750,000 has been introduced for cultural events.

Citation:

44 local councils request devolution of government property Malta Today 11/09/2015

Money for local councils Times of Malta 14/02/2015

<http://www.timesofmalta.com/articles/view/20151228/local/councils-shortcoming-identified-by-nao-unacceptable-parliamentary.597069>

<http://www.timesofmalta.com/articles/view/20160706/local/auditor-general-criticises-funding-scheme-as-hasty.617914>

<http://www.timesofmalta.com/articles/view/20160111/opinion/Auditing-local-governance.598374>

<http://www.timesofmalta.com/articles/view/20151226/local/councils-christmas-dinner-bills-give-auditor-a-headache.596707>

Local government culture fund 2018 - 2020

35.5 million budget for 68 local councils in 2017 The Malta Independent 04/07/17

Mexico

Score 5

Mexico has three levels of government – central, state and municipal. In Mexican federalism, state governments are politically and economically more powerful than municipalities. The state governors' association is a powerful lobby group that bargains effectively with the central government. In general terms, Mexico's intergovernmental transfer system must reduce vertical imbalances and discretionary federal transfers. The latter are distributed from the center across states with political, rather than policy goals in mind and constitute a substantial share of government spending. Moreover, Mexican states need to increase their own revenues in order to become less dependent on central government transfers.

Due to government austerity, underfunded mandates and insufficient resources are a challenge for the successful completion of many government tasks and undermine the realization of the principle of subsidiarity in Mexico's fiscal federalism.

Netherlands

Score 5

Decentralization and integration subsidies comprise 14% of all income from the general fund (Gemeentefonds). Policy-related national subsidies have decreased as a proportion of total income (falling from 62% in 1990 to 34% in 2011) and in number (from over 400 in 1985 to less than 50 at present). As of 2015, the national government has pursued a far-reaching decentralization of policy tasks (in youth work, chronic patient care, social benefits, worker-activation employment programs). However, local-government budgets are supposed to contribute to meeting the European Monetary Union 3% government-deficit norm by accepting a decrease in their total budget. In 2014, local governments on average received €1,091 per inhabitant. In the coming years, this will decrease to approximately €950. In addition, the national government has placed new restrictions on the way municipal governments spend their own income.

Local governments will be expected to “do more with less” in the upcoming years. The Center for Economic Policy Analysis recently proposed that local governments expand their local tax base; combined with a decrease in national taxes, this would

simultaneously be good for the national economy and local democracy. The Association of Dutch Local Governments (Vereniging Nederlandse Gemeenten, VNG) has installed a special advisory commission to look into the issue.

Citation:

VNG, *De wondere wereld van de gemeentefinanciën*, 2014 (eng.nl, consulted 9 November 2016)

Vaststelling van de begrotingsstaat van het gemeentefonds voor het jaar 2014, fig. 2.2.3, p. 13, Tweede Kamer, vergaderjaar 2013-2014, 33 750 B, nr.2

“Laat gemeente meer belasting heffen,” in *NRC-Handelblad*, 25 April 2015

VNG, *Terugblik VNG-Commissie Financiën*, 17 October 2016 (eng.nl., consulted 9 November 2016)

Federatie van Onderwijsorganisaties, “Code rood in het primair onderwijs: Staking donderdag 5 oktober!” 5 September 2017

Poland

Score 5

Since 1999, Poland has supported three tiers of subnational governments: municipalities, districts and regions. Since the 2015 elections, the relationship between the central government and the majority of local governments still controlled by parties of the previous government has been strained. As heavily criticized by local offices, the reform of the school system has been associated with a strong shift of costs to the local level. PiS distrust in the politicians running the 50 biggest Polish cities has led to selective support for other localities, thus sending a strong clientelistic signal to the local authorities that funding and support will be distributed not on merit, but on political grounds. In 2017, subnational government fiscal problems increased due to a decrease in available EU funds at the local level.

South Korea

Score 5

While South Korea remains a unitary political system, a rather elaborate structure of provincial, district and neighborhood governments has been in place since 1995. Local governments play an important role in providing services to citizens and respectively account for about 35% of government spending (according to the latest available data in 2015). However, local and state governments have relatively little ability to raise their own revenue. As their own sources account for only 17% and 22% of national revenues respectively, most subnational governments need substantial support from central government, particularly outside the Seoul region. In addition, local administrations are often understaffed, and central-government employees are often delegated to subnational authorities. President Moon has highlighted the importance of decentralizing state power in order to help local municipalities and provinces to be run more autonomously. Under the 2018 budget proposal, KRW 3.5 trillion (.1 billion) will be delivered to local governments in the form of local subsidies to provincial governments.

Citation:

OECD, Government at a Glance 2009

OECD, Government at a Glance 2011

OECD, Government at a Glance 2017 Database

“High welfare-related costs stymie local governments,” Korea JoongAng Daily, Oct 14, 2014

Korea Herald. Moon vows efforts for greater local autonomy. June 14, 2017.
<http://www.koreaherald.com/view.php?ud=20170614000743>

Sweden

Score 5

Unfunded, or insufficiently funded, mandates have been a long-standing issue in Sweden; indeed recent studies show an almost complete unanimity among local governments with regard to their frustration of insufficiently funded mandates. Subnational governments enjoy extensive autonomy in relation to the central government in Sweden. Local governments and their national association, Swedish Association of Local Authorities and Regions (SALAR), have insisted that all tasks placed upon them by central government must be fully funded.

SALAR has made this claim an overarching principle, which it now emphasizes every time the central government delegates tasks to local authorities. Instead of fully funded mandates, though, the central government frequently negotiates the funding aspect of delegated tasks with the local governments and SALAR.

As a reaction to the large number of asylum-seekers in 2015 and 2016, the red-green government to a great extent funded the additional work required of local authorities. However, this additional funding does not change the fact that in more routine exchanges between the central government and local government, funded mandates remain usually insufficient. In 2017, much of the central government’s support to local authorities to assist their work with asylum-seekers was terminated; it is now up to local authorities to fund these activities. This may generate gradually increasing local taxes.

Citation:

Pierre, J. (2014), *Globalization and Governance* (Cheltenham: Edward Elgar).

Belgium

Score 4

Several core responsibilities of the Belgian central government have been delegated to regional or sub-regional levels over the recent decades: to the three regions (Flanders, the Brussels region and Wallonia), to the linguistic communities (Flemish, French and German), and to the municipalities (communes/gemeenten; a city may be subdivided into several communes). Due to recurrent political stalemates between the Flemings and Francophones, the Brussels region has been chronically underfunded. Municipalities in rich areas are typically funded sufficiently, but this is

often not the case in poorer areas. Reductions in unemployment benefits have also had spillover effects on these municipalities, since they are financially responsible for minimum income support for the poor.

Likewise, the government agreement also implies serious cuts in financial transfers from Flanders to Wallonia in the coming years. But since Wallonia is a post-industrial region with unemployment levels twice as high as those in Flanders, it is difficult to see Wallonia not continuing to suffer from chronic underfunding.

The government agreement also envisioned a decentralization of taxation. However, the main sources of state financing (direct taxes and VAT) will remain centrally controlled and collected, with the funds redistributed according to pre-agreed sharing rules. Redistribution issues remain a point of conflict between the main regions and communities, with the recent financial crises having heightened tensions.

Croatia

Score 4

The division of competencies between central and subnational governments has been relatively stable. By far the most important revenue source of subnational governments is the personal-income tax, which contributes about 90% of all tax revenues and slightly more than half of total revenues. The remaining taxes account for only around 6% of total revenue, the most important being the property tax (approximately 3.3% of total revenue). The second most important source of revenue is the various types of administrative fees (user charges being the most significant among them, as they collectively make up approximately 17% of total subnational revenues). Grants from the central government (often administered via counties) and various assistance funds from abroad rank third. Finally, about 8% of subnational governments' revenues derive from the various types of property they own (business premises, apartments). Strong regional and local differences have long hindered subnational governments from being properly financed. Many municipalities and towns, most of them in rural areas, are poor and therefore face severe difficulties in providing public services. Amendments to the law on financing local government authorities were adopted only in December 2017.

Citation:

Koprić, I., A. Musa, V. Dulabić (2016): Local government and local public services in Croatia, in: H. Wollmann, I. Koprić, G. Marcou (eds.), *Public and social services in Europe: from Public and municipal to private sector provision*. London: Palgrave Macmillan, 201-215.

Cyprus

Score 4

Local government bodies receive substantial subsidies from the state budget, with funds often earmarked for specific projects. The overall amounts have been decreasing recently. In addition, the Council of Ministers, in particular the ministers

of interior and finance, have expansive powers to manage the finances and assets of municipalities. The recent creation of new municipalities has increased local government budget needs. Pending legislation aims to reorganize municipalities and improve their management, increasing centralization and the control of state funding. However, the main challenges facing Cyprus are inefficiency, mismanagement and corruption – all larger challenges than elsewhere.

Citation:

1. President pledges Funds for Healthy Reformed Municipalities, Cyprus Mail, 12 August 2017 www.cyprus-mail.com/2017/08/12/president-pledges-funds-healthy-reformed-municipalities

Estonia

Score 4

Estonian local governments are heavily dependent on financial resources from the central budget, as revenue from local taxes is negligible. During the economic recession, the central government cut funds allocated to the local governments by 13%. Pre-recession levels will first be restored in 2018. In addition, considerable uncertainty looms over the tasks of local councils following the municipal mergers completed in 2017.

Greece

Score 3

After the onset of the economic crisis in 2010, it was revealed that subnational authorities, working on a “soft-budget” mentality, had contributed to the fiscal derailment of the Greek state through lax control of their own expenditure and hiring of excessive personnel in municipal agencies. Since then, such practices have been curtailed, while the government has imposed strict control over local government expenditure to the point of depriving subnational authorities of necessary resources. For the central government, functioning within the constraints of the Third Economic Adjustment Program, achieving a large budget surplus was and still is a major priority. At the same time, it is not possible to roll back the long-term process of transferring competences to subnational authorities which had started before the crisis. Thus, it is not uncommon to encounter unfunded mandates.

Romania

Score 3

Local government have been undermined by increased uncertainty about the rules of the game and the expanding scope for clientelism in financial allocations. As part of a broader legislative package to raise salaries in the public sector, local civil servants benefited from important salary raises in mid-2017, unsustainable in many smaller towns and villages. Elected mayors and councilors had lobbied successfully for a rise a few months earlier, when their compensation packages were increased by 30%.

These salary increases are unprecedented and put a strain on the budgets of small and medium localities at a time when EU funds absorption remained low. Another source of local government funding has been the National Program for Local Development (PNDL), a scheme of distributing national funds. Since its inception in 2013, the PNDL has been discretionary, opaque and politicized, lacking objective criteria for the allocation of investment projects by region or municipality and thus being used by ruling parties to reward pliant mayors. For half of the 5,000-odd projects currently implemented, contracts are won by a handful of companies with close party or family connections with leaders of public institutions. If PNDL (which is funded 100% with national money) applies “soft rules” to select infrastructure projects and supervise contractors, local governments may lose interest in the more rule-based and transparent EU structural funds. Local businesses may develop connections with public administration, engage in uncompetitive practices and rent seeking. This magnifies the PNDL’s negative political impacts: institutional uncertainty, resources can neither be predicted nor planned for, local governments lobby the upper echelons of government for “emergency transfers,” clientelism, and diminished engagement with citizens who are excluded from these dealings.

Slovenia

Score 3

Municipal governments – the sole tier of subnational self-government in Slovenia – have suffered substantial fiscal difficulties for some time. The Cerar government has focused on reducing the bureaucratic burdens without reducing the number of municipalities. However, the measures taken have not been effective at all, and municipalities have suffered from the government’s decision to postpone the re-introduction of the property tax to the period after the next parliamentary elections. Government proposals to lower central government transfers have met resistance by the Association of Municipalities and Towns of Slovenia (SOS), the Association of Municipalities of Slovenia (ZOS) and the Association of City Municipalities (ZMOS). In 2016 and 2017 alike, the three municipal associations and the Cerar government failed to reach an agreement on the financing of municipalities.

Hungary

Score 2

The second Orbán government merged small local authorities and shifted a portion of subnational self-governments’ former competencies to the central government administration. However, the transfer of competencies from the subnational to the national level has gone hand in hand with an even stronger reduction in subnational governments’ revenue sources. As a result, the latter have fewer resources for the remaining tasks than before. Moreover, central government grants have been discretionary and unpredictable. Municipalities and counties with an influential Fidesz leader have been in a better position to get additional funding; the other have

been confronted with the newly introduced “solidarity tax” imposed upon rich municipalities. A good case in point of the problems associated with the discretionary budgeting of the central government is the delayed reconstruction of the M3 metro line in Budapest, the most important transport facility in Budapest, carrying more than 500,000 people every day. The project has suffered from funding conflicts between the government and the city, which is perceived by most Fidesz leaders as a left-liberal stronghold, even though it has a Fidesz mayor.

Indicator

Constitutional Discretion

Question

To what extent does central government ensure that subnational self-governments may use their constitutional scope of discretion with regard to implementation?

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 central government enables subnational self-governments to make full use of their constitutional scope of discretion with regard to implementation.
- 8-6 = Central government policies inadvertently limit the subnational self-governments' scope of discretion with regard to implementation.
- 5-3 = The central government formally respects the constitutional autonomy of subnational self-governments, but de facto narrows their scope of discretion with regard to implementation.
- 2-1 = The central government deliberately precludes subnational self-governments from making use of their constitutionally provided implementation autonomy.

Belgium

Score 10

The federal state has no formal authority over regions and communities, because there is no hierarchy between the federal and regional/community levels. When compared with other federal systems, this creates major complications. For instance, any single region has the ability to block an international treaty, since it has exactly the same prerogatives as the federal state. This occurred in September and October of 2016, when the Walloon region singlehandedly blocked the signing of a major treaty between the EU and Canada (CETA). The treaty was eventually signed on 30 October, after weeks of pressure and tense negotiations.

On some policy dimensions (e.g., spatial planning, transport, education, culture, applied research, local authorities, etc.), the regions and communities are actually becoming more powerful than the federal government. The tensions between the country's linguistic communities, as well as between its geographically defined regions (both the communities and regions have their own political institutions and administrations), have served to reinforce this trend.

Citation:

<http://www.lesoir.be/1353096/article/economie/2016-10-27/ceta-belgique-trouve-un-accord>

Iceland

Score 10

Local government in Iceland has no constitutional status, beyond a paragraph in the 1944 constitution that states that municipal affairs shall be decided by law. The Local Government Act (Sveitarstjórnarlög) states that local governments shall manage and take responsibility for their own affairs. The parliament or the responsible ministry – the Ministry of the Interior – have the power to make decisions that affect local government. However, beyond these decisions, local governments are free to engage in any governing activities that are not forbidden by law.

Citation:

Eythórsson, Grétar (1999): The Iceland National Report. In Jacob, Linder, Nabholz and Heierli (eds.): *Democracy and Local Governance. Nine Empirical Studies*. Institute of Political science, University of Bern, Switzerland (p. 62-88).

Local Government Act. (Sveitarstjórnarlög nr. 128/2011).

Switzerland

Score 10

Municipalities and cantons have a high degree of autonomy, while the federation has only a subsidiary role. The central government has little opportunity to counter decisions made by cantonal parliaments or governments. Municipal discretion in policymaking is a constitutional norm. Article 50 of the constitution states: “(1) The autonomy of the municipalities is guaranteed within the limits fixed by cantonal law. (2) In its activity, the confederation shall take into account the possible consequences for the municipalities. (3) In particular, it shall take into account the special situation of cities, agglomerations and mountainous regions.” The municipalities and cantons make use of their competences to the maximum extent possible.

Canada

Score 9

Canada’s central government takes substantial steps to ensure subnational self-governments are able to use their constitutional scope of discretion. Canadian provinces, especially large ones such as Quebec and Alberta, guard their constitutional powers closely and allow the federal government little scope to increase its power. Indeed, certain responsibilities that have traditionally been under joint federal-provincial jurisdiction, such as labor market training, have in recent years been decentralized and delegated completely to the provinces. This devolution of powers is not always permanent, however, as has been illustrated by the Canada Job Grant Program. The program, which came into effect in 2014, exists under federal authority but is administered by the provinces and covers a significant amount of the training costs associated with each eligible worker.

Even when the federal government has tried to assert its authority in economic areas it believes to be under exclusive federal jurisdiction, such as the regulation of securities markets, certain provinces have vociferously objected and taken the federal government to the Supreme Court, and won.

Finland

Score 9

Municipalities in Finland have a long tradition of independence in specific policy areas, while also implementing policies of the central government. In particular, municipalities are responsible for the implementation of educational, health care, social and infrastructural services. Municipalities may not be burdened with new functions or with financial or other obligations, nor may they be deprived of their functions and rights, except by an act of parliament. The control that the state exercises over municipalities does not imply any general state right to intervene. Control may be exercised only in accordance with specific legal provisions. Thus, subnational autonomy is guaranteed and protected by law. Still, the autonomy of local government may be curtailed in practice by financial pressures. The still pending SOTE reform which creates autonomous regions for the organization of social welfare and health care will lead to greater complexity in terms of financing structures, accountability, and responsibilities.

Sweden

Score 9

Although unfunded mandates have been much debated, central government overwhelmingly respects local autonomy. Local government enjoys extensive autonomy, which is guaranteed by the constitution. Indeed, the strength of local autonomy adds to the fragmented nature of the Swedish political system and sometimes creates problems in governance and coordination. In terms of crisis, extraordinary challenges or when there are major national interests at stake, however, government can increase its pressure on local government, despite the latter's formal autonomy. In these cases, the usual procedure is first to negotiate with the Swedish Association of Local Authorities and the Regions (SALAR) and, if that proves unsuccessful, introduce stronger regulatory measures. For instance, in 2015, to what extent the central government should force all local authorities to receive asylum-seekers was thoroughly debated.

Pre-policy studies conducted in 2016 show that state control over autonomous local governments has increased gradually during the past several years. Such control reaches not across the board but is generally targeted at specific issues and programs such as education. The government and its key advisory agencies are currently reviewing intergovernmental relations in preparation of a reform proposal that will be presented to the parliament in 2018.

Austria

Score 8

The competences of the states (Länder) and municipalities are limited by the constitution. However, national administrative tasks are often carried out by subnational agencies, which gives the federal states considerable (de facto) political power.

Hence the main challenge lies in the contradiction between the fact of constitutionally weak states and a constitutionally strong national government, and a political environment that renders the states quite influential and the national government quite weak. Although the national government has a de facto monopoly on the power to raise taxes and other revenues, state governments have considerable leverage in financial negotiations over how these funds are to be distributed.

Thus, in general terms, the Austrian political system ensures that subnational self-governments are able to utilize their constitutional scope of discretion quite effectively. Examples include health and education policies and the relative authority held by states (Länder) in these areas, which successfully precludes the central government from taking on a stronger role.

One aspect is the increasing difference in the way coalitions are built between the federal and state level: More and more, state governments are formed by an alliance between one of the parties of the federal government and another party which is in opposition at the federal level. This underlines the growing complexity of the party system, reflected in the ongoing decline of the two traditionally dominant parties.

Denmark

Score 8

Section 82 of the Danish constitution dictates that “The right of municipalities to manage their own affairs independently, under state supervision, shall be laid down by statute.”

The constitution thus assumes some autonomy of municipalities, but leaves it to parliament to determine the scope. Indeed, in a comparative perspective, Denmark is a decentralized state, but it is not a federal state. In recent years there has been a tendency to curtail the effective discretion of lower layers in the public sector, in particular the municipalities. The parliament can, at any time, change the scope of local autonomy and its organization. The regions are mainly responsible for health care provision and regional development, while the municipalities have a wider range of tasks. They are the main provider of welfare services (e.g., schools, day care, care for the elderly, libraries, sports and roads) and play an important role in implementing employment policies (e.g., job-centers).

Citation:

Jørgen Grønnegård Christiansen et al., Politik og forvaltning, 4. udg., 2017.

Carsten Henrichsen, Offentlig Forvaltning, 2006.

Germany

Score 8

The allocation of tasks and responsibilities between the federal and state governments is defined in the Basic Law. Thus, police functions, cultural tasks, and education, including both schools and universities, are the responsibility of the states. This distribution of tasks is largely respected by the federal government. A far-reaching equalization system and an ongoing shift of tax revenues from the federal to the state level has also been improving the financial capabilities of states to fulfill these tasks (see Task Funding).

United States

Score 8

Whether the federal government permits the states to exercise their constitutional authority without undue interference is one of the central constitutional controversies in U.S. politics. In one sense, there is no such thing as the federal government depriving states of their constitutional discretion. Whatever decisions the federal government imposes on the states can be appealed to the federal courts. Given the availability of appeals, one can assume that states are able to exercise their constitutional jurisdiction as it is currently interpreted. In 2012, the Supreme Court, supporting the Obama administration, invalidated most of an Arizona law that provided for aggressive state-level investigation and prosecution of undocumented immigrants. In 2015, it invalidated all state laws that bar same-sex marriage. On the other hand, multiple states have legalized medical and sometimes recreational use of marijuana. Even though marijuana remains illegal under federal law, under the Obama administration, the federal government had not attempted to prosecute violators in states with legalization policies.

Czech Republic

Score 7

The discretion of local and regional governments over exactly how resources should be spent does not face formal limitations. Effective discretion is limited by budget limitations, but money can be transferred between uses. More significantly, regional governments are effectively constrained by the need to meet the standards set for key services, notably education, which limits the scope for transferring funds between uses. Irregularities in public procurement, against which NGOs campaigned, have been somewhat addressed due to EU pressure and strong oversight with respect to EU structural funding. The involvement of the EU anti-fraud body OLAF in the

irregularities of Andrej Babiš's receipt of EU funds for one of his businesses led to his dismissal from the Ministry of Finance and a governmental crisis.

Italy

Score 7

The constitutional and legislative changes, which had substantially increased the powers and scope of regional government activity over the last 20 years, did not make the relationship between different levels of government less antagonistic. Across an increased number of policy fields, central and regional governments have concurrent legislative powers. In these areas, the central state should simply define general guidelines, leaving the articulation of specific legislative contents to regional assemblies. However, the national government and parliament have a tendency not to respect this division of authority, impinging upon the sphere of regional autonomy instead.

For their part, regions often adopt a posture of resistance to national rules. This has produced an exceeding amount of litigation before the Constitutional Court. Tensions between the two levels have also increased as a result of the strained fiscal context. The central government has sought greater oversight over local governments (often perceived as the culprits of unrestrained spending). In order to balance the national budget, central government transfers to local authorities are repeatedly cut. These cuts are typically applied universally, rather than selectively. However, in several emergencies, the national government has given substantial financial aid to municipalities and regions. Moreover, central government has provided the necessary funds whenever local governments have been close to defaulting.

A clearer definition of the powers and responsibilities of central state and regions failed when the proposed constitutional reform was defeated in the referendum of December 2016.

Luxembourg

Score 7

Local governments increasingly depend on transfers from the central government. Land use regulation was centralized during the review period. Nevertheless, a serious conflict between local interests and the aims of the government's transport and land use planning body (Integrierte Verkehrs- und Landesplanung, IVL) occurred when the construction of a large business center in a rural region near the capital was not authorized. Following a reform of the education system, municipalities lost one of their major prerogatives, which was the autonomous management of primary school (students four to 12 years old) teaching staff. With a municipal reform, the municipalities also lost autonomy, as evidenced by a law on emergency services. In return, the government has promised to provide more autonomy, through territorial reform, especially in the form of expanded financial autonomy and the provision of support for municipal finances through regional funds.

Citation:

Eser, Th. W./Scholtes, M. (2008), Raumentwicklung, Regionalpolitik und Landesplanung, in: Lorig, W./Hirsch, M. (ed.), Das politische System Luxembourgs, Wiesbaden, pp. 286-309.

Feist, Peter. "Der Tanz Beginnt | D'Lëtzebuurger Land." D'Lëtzebuurger Land, 8 Feb. 2013, www.land.lu/page/article/076/6076/DEU/index.html/. Accessed 21 Dec. 2017.

"IVL." Ministère du Développement durable et des Infrastructures 2017. www.aménagement-territoire.public.lu/fr/strategies-territoriales/ivl.html. Accessed 30 Dec. 2017

"Schlecht gerüstet." Forum.lu – Für Politik, Gesellschaft Und Kultur in Luxemburg, June 2013, www.forum.lu/pdf/artikel/7660_330_Eicher.pdf. Accessed 21 Dec. 2017.

"Reform der Rettungsdienste. Der Preis der effizienten Hilfe." Luxemburger Wort, 2. Jun 2015, www.wort.lu/de/politik/reform-der-rettungsdienste-der-preis-der-effizienten-hilfe-556dc4690c88b46a8ce5a662. Accessed 7. Feb. 2018.

United Kingdom

Score 7

A distinction must be made between local authorities of England, on the one hand, and the Scottish Parliament, the National Assembly of Wales and the Northern Ireland Assembly, on the other hand. The devolved governments of Scotland, Wales and Northern Ireland enjoy considerable autonomy from central government, in contrast to the strong restrictions on local authorities in England. In recent years, the trend has been reversed through measures stemming from the 2011 Localism Act. These measures substantially increased local authorities' decision-making and spending powers over, for example, health care, skills training, transport, employment support, physical infrastructure investment and housing. In addition, the Cities and Local Government Devolution Act 2016, in what can be seen as a limited push toward English devolution, established directly elected mayors for combined local authorities in England and Wales, so-called metro mayors. Eight elections for metro mayors were held in 2017.

The devolved parliaments in Scotland and Northern Ireland have ruled against the creation of directly elected mayors in their respective regions. The establishment of a directly elected mayor in England or Wales normally follows a local referendum, although neither Leicester nor Liverpool held a popular vote. However, in the majority of cases, voters opposed the establishment of a new mayoral office and one even revoked an existing office (Stoke on Trent in 2009). In June 2017, 17 cities had directly elected mayors, including London. However, one will be abolished in May 2019 following a referendum. As of 4 May 2017, there are also seven so-called metro mayors, who are the chairs of "mayoral combined authorities," for instance in the Greater Manchester Area and the West Midlands. In addition, there are several indirectly elected mayors with comparable political powers and many localities have a purely ceremonial Lord Mayor.

Some further powers are shifting to the devolved administrations. Scotland's increased tax powers are now in effect and being used: the 2017 Scottish Budget sets

out new income-tax bands. Meanwhile, the New Welsh Land Transaction Tax was introduced on 1 April 2018. The return of powers from the European Union will lead to a significant increase in the decision-making powers of the Scottish and Welsh governments, and what is expected to be a restored Northern Ireland executive after a long political hiatus resulting from the collapse of the power-sharing executive in early 2017.

The political weight of these subsidiary authorities varies strongly and the substance of mayoral offices in the traditionally centralized political system of the United Kingdom is hard to measure. The number of mayors is clearly increasing, but remains remarkably low in comparison to the total number of authorities. However, several of the largest and most important cities of the country (e.g., London, Bristol, Greater Manchester and Liverpool City Region) have directly elected mayors. Notably, the Greater London Authority is headed by its mayor, the Rt. Hon. Sadiq Khan, and culturally and politically can almost be seen as a federated state within the United Kingdom.

An evaluation by the Council of Europe notes a general satisfaction with recent developments in the United Kingdom, but expresses concern about funding and “the limitation of local authorities’ discretion to manage local affairs through the intervention by various ministries of the central government.”

The Scottish Parliament and the Scottish government have become major political actors, especially through the Scotland Act 2016. Although the powers of the Scottish Parliament are revocable by central government, they should be considered permanent for political reasons. The Welsh and Northern Irish parliaments have considerable autonomy, granted for instance in the Wales Bill. However, these powers differ in degree from those held by the Scottish Parliament, although new financial powers are being devolved, such as the proposed introduction of a Northern Ireland rate for corporation tax. Even if some decisions by the Scottish government have antagonized central government, the central government has not intervened.

Citation:
 Guide to Localism Act:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5959/1896534.pdf
 House of Commons Briefing paper SN05000 2016 – Directly elected mayors:
<http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN05000>

France

Score 6

Some instances of recentralization have occurred through fiscal or administrative means, but despite the usual stereotypes about French hyper-centralization, it is fair to say that subnational government enjoys much freedom of maneuver. Legally, subnational government is subordinate. Politically, the influence of local elites in parliament and in particular in the Senate is decisive. The most efficient but

contested instruments of control derive from the legal, technical or economic standards imposed by the Brussels and Paris bureaucracies. Violating such standards can involve high political, monetary and legal costs for local politicians. As local taxes and spending have grown beyond control over the past 30 years, and the myriad of local units make the steering of policymaking difficult, central government has failed to find more effective tools than reducing central government financial contributions to force local authorities to reduce their spending.

Lithuania

Score 6

The central government generally respects local authorities' constitutional scope of power, but centrally determined political, legal, administrative or fiscal measures sometimes constrain subnational policymaking and implementation autonomy. In addition to the problems of limited powers and insufficient fiscal resources, the elimination of county administrations and other central-level decisions have reduced municipalities' policymaking and implementation capacities in areas such as territorial planning, construction, and the regulation of land ownership.

Mexico

Score 6

The Mexican constitution gives subnational entities, in particular states, considerable opportunity to influence policy. However, fiscal federalism in Mexico still relies heavily on transfers and thus gives the central government considerable leverage over states. The economic heterogeneity of states is so substantial that there is a need for a solidarity-oriented transfer system. In other words, fiscal federalism in Mexico cannot rely on the principle of market-based federalism with its focus on competition among subnational entities.

The current system is not in equilibrium between solidarity and market-based federalism. The federal government formally has substantial leverage over states, the federal government has generally refrained from reining in the illiberal practices of local elites. Considerable administrative capacity deficits and illiberal political practices therefore persist at the subnational level, and political processes in several states fall short of democratic practices. The complicity of the federal government is illustrated by its failure to intervene even in cases where governors systematically embezzled funds to the point of financially ruining their states, such as Veracruz. In the case of Mexico, federalism is therefore undermined not only by an overbearing center but also by a lack of accountability and oversight of subnational officials.

New Zealand

Score 6

There is a clear legal framework for local government autonomy, consisting of the Local Government Act 2002, the Local Electoral Act 2001 and the Local Government (Rating) Act 2002. In addition, the comprehensive reform program, “Better Local Government,” was put into action during the review period, culminating in the Local Government Act 2002 Amendment Act 2014. The Amendment Act became law in August 2014. According to the Department of Internal Affairs, the act includes, among others things: changes in regard to what development contributions can be used for; more collaboration and shared services between local authorities; new requirements for infrastructure strategies and asset management planning; elected members to use technology to participate in council meetings, rather than attending in person; local councils to disclose information about their rating bases in long-term plans, annual plans and annual reports; and discloses risk management arrangements for physical assets in annual reports. In addition, the act includes provisions that enable the Local Government Commission to establish local boards as part of new unitary authorities, and in existing unitary authorities. There is no de facto infringement of this scope. Local governments do not enjoy constitutional status, as they are creatures of statute. As noted already, local governments in New Zealand are unusual in terms of their relatively narrow task profiles and their inability to tap into other commonly used sources of subnational revenue such as sales and/or income taxes. Local governments therefore raise a relatively large proportion of revenue from rates and charges; and given concerns about rating levels, they are fiscally constrained from expanding their roles and functions.

Citation:

Department of Internal Affairs, Better Local Government: <http://www.dia.govt.nz/better-local-government> (accessed November 30, 2015).

Local Electoral Act 2001 (Wellington: The Government of New Zealand 2012).

Local Government Act 2002 (Wellington: The Government of New Zealand 2012).

Local Government Act 2002 Amendment Act 2014 (Wellington: The Government of New Zealand 2014).

Local Government (Rating) Act 2002 (Wellington: The Government of New Zealand 2011).

Norway

Score 6

Norway is a unitary state with a tradition of considerable local autonomy. There is ongoing tension between Norway’s local and central governments over the extent of local government’s discretionary powers, and we have observed a long trend of gradually increased centralization around the larger urban areas. Some claim that the central government has increasingly tied the hands of local governments. For example, central government partially controls local government spending by earmarking transferred funds for specific purposes. As part of the current reform agenda, the government has offered to grant greater autonomy to those units that decide to merge and form larger units.

Australia

Score 5

The responsibilities of the Commonwealth and of the states and territories are clearly laid out in the Australian constitution. However, they have been subject to judicial review over the course of the century, which has resulted in the increasing centralization of executive power. In turn, the policies of the major political parties have been to increase this centralization in the interests of fiscal and administrative efficiency. However, given the restrictions of the Australian constitution, the federal-state relationship is suboptimal, but not as problematic as some state representatives suggest. The states and territories have sought legal redress through the courts on occasions when they have felt that their authority has been diminished by the Commonwealth government. On a number of occasions, the federal government has also used its superior financial position to coerce state governments to relinquish powers or adopt favored policies of the federal government, which has had the effect of subverting their constitutional scope of discretion. However, the relationship between the federal and the state level has improved in recent years, although there is room for additional improvement. Considering the asymmetrical relationship of the past, the current situation is much improved.

Citation:

https://www.ceda.com.au/research-and-policy/research/2009/11/economy/six_myths_federal_state

<http://www.smh.com.au/federal-politics/political-news/everything-is-on-the-table-leaked-coag-agenda-reveals-gst-changes-being-considered-20151208-gli766.html>

<https://www.coag.gov.au/about-coag/agreements/intergovernmental-agreement-implementing-water-reform-murray-darling-basin>

Chile

Score 5

Chile is a centrally organized state. This represents a structural problem given the wide-range of differences between the respective regions regarding geography, development and density of population. Nevertheless, local governments legally enjoy a considerable degree of autonomy concerning mandates and tasks that do not touch on constitutional issues and can be executed within the allocated budget. Furthermore, the government has tended to devolve responsibilities to local governments (i.e., in the domain of urban regulation). In comparison to the local or municipal levels, regional governments enjoy a high degree of budget autonomy. At the regional level, however, governors' autonomy is limited by their simultaneous function as representatives of the national government. A draft law has been elaborated that would enhance regional governors' (Gobernador Regional) financial autonomy. This draft became law shortly after the period under review.

Citation:

<http://www.senado.cl/appsenado/templates/tramitacion/index.php>

<http://www.elmostrador.cl/noticias/pais/2016/08/18/gobierno-confirma-mecanismos-de-eleccion-directa-para-los-intendentes-en-el-ano-2017/>

<http://chiledescentralizado.cl/eleccion-de-gobernadores-regionales/>

Estonia

Score 5

According to the Estonian constitution, local self-governments can independently decide on all local issues. The rights and responsibilities of local governments are stipulated in detail in the Local Government Organization Act. In the spring of 2016, the government launched a radical administrative reform, including merging smaller local governments (i.e., with fewer than 1,000 residents) into larger units comprising at least 5,000 residents. Mergers were carried out by the central government where they did not occur voluntarily; several municipalities appealed the decisions to the courts. However, the Supreme Court ruled that the central government acted in accordance with the constitution.

Ireland

Score 5

Ireland is a unitary state, without a significant degree of autonomous local or regional self-government. Article 28a of the constitution simply states: “The state recognizes the role of local government in providing a forum for the democratic representation of local communities, in exercising and performing at local level powers and functions conferred by law and in promoting by its initiatives the interests of such communities.”

In keeping with its weak constitutional foundation, the role of subnational government is viewed by the electorate as confined to a narrow range of functions. Most of the units of local government – the counties and county boroughs – are small, and many have weak economic bases.

The role of subnational units of government has been progressively reduced, most notably by the removal of their responsibility for the provision of health and water services (respectively in 2005 and 2014). However, the government decided that local authorities that stand to receive more income in 2015 from the LPT than they received from the Local Government Fund in 2014 will be entitled to use a certain portion of that additional funding for their own discretionary purposes as part of their normal budgetary process.

While the Local Government Reform Act 2014 introduced some important changes in the structure of local government (merging three pairs of city/county councils and replacing town councils with municipal districts), it did not radically alter the

structure or functions of local government. The act also replaced the existing regional authorities with three new Regional Assemblies that are tasked with preparing Regional Spatial and Economic Strategies by 2016. Local Community Development Committees have also been established. It remains to be seen if these developments will significantly increase subnational implementation autonomy. John Coakley describes the 2014 act as “the ultimate stage in the centralization of the Irish local government system” (2018, p21).

Citation:

John Coakley (2018), ‘The foundations of statehood,’ in in John Coakley and Michael Gallagher (eds), *Politics in the Republic of Ireland*. 6th edition. London: Routledge and PSAI Press.

Israel

Score 5

The legal framework for local government is based on the “ultra vires” principle, according to which local government is authorized to act only within the parameters designated by law. While local governments are elected, and some stronger municipalities have been able to expand their policy influence, local authorities often serve merely as a local branch for implementing central-government policy. In light of frequent problems with corruption, management failure and extreme politicization during the 1990s, the Ministry of the Interior has expanded its oversight over municipalities; its powers now allowing it to appoint a permanent outside accountant, cancel approved budgets and even dissolve local councils and nominate professional alternatives. The national attorney general formed a special committee to address corruption problems in 2015. The committee recommended that the heads of local authorities make an effort to increase financial transparency, for instance through the annual declaration of capital owned by senior authority staffers. However, these recommendations have been only partially implemented.

These centralizing steps are both intentional and constitutional, but often interfere with local autonomy. However, in 2014 the Knesset approved an amendment to the municipalities law that defined standards for the designation of strong municipalities. Strong municipalities are given concessions regarding their dependence on the central government in order to enhance the decentralization of authority. A separate amendment to the planning and construction law gives greater discretion (and adequate budgetary allocations) to local planning committees if they have proven to be effective and professional.

Citation:

Authorization of local committees, Planning Authority website, http://iplan.gov.il/Pages/LocalCommittees/vaadot_mekomyot/Competent_committees.aspx

Benita, Rinat, “Local Authorities in Israel“, The Knesset Research Center 17.5.2015: <http://main.knesset.gov.il/Activity/committees/InternalAffairs/Documents/rashpnim.pdf> (Hebrew)

Hayman-rysh, Naomi, “Changes in the status of local government,” IDI website, October 2008 (Hebrew)

“Municipalities law: Position paper,” IDC, December 2011 (Hebrew) “Government legal proposal 292,” Official legal records 1997 (Hebrew)

Lichtman, Moshe. “It’s not necessary to recommend to reduce mayors term,” 19.9.2016 (Hebrew): <http://www.globes.co.il/news/article.aspx?did=1001152963>

Latvia

Score 5

Local governments have a constitutional right to autonomy. This right is reinforced by Latvia’s commitments as a signatory of the European Charter of Local Self-Government, which have been upheld by the Constitutional Court. The Ministry of Environment and Regional Development monitors local-government regulations for legal compliance and has the right to strike down regulations deemed to be in violation of legal norms.

The President’s Strategic Advisory Council has noted a tendency for central government to over-regulate, which has negatively affected local governments’ discretionary authority.

Public discussion about the appropriate division of responsibilities and the burden of financing erupted in 2012, when central government simultaneously reduced the guaranteed minimum income benefit and transferred responsibility for financing the program to local governments. Similarly, in 2015 and 2016 public discussion focused on the burden of financing expected refugee flows.

Citation:

The President’s Strategic Advisory Council (2013), Management Improvement Proposals, Available at (in Latvian): http://www.president.lv/images/modules/items/PDF/Pasvaldibas_EGPP_FINAL.pdf, Last assessed: 21.05.2013

Netherlands

Score 5

Dutch local governments are hybrids of “autonomous” and “co-government” forms. However, local autonomy is defined mostly negatively as pertaining to those tasks left to local discretion because they are not explicitly mentioned as national policy issues. Co-government is financially and materially constrained in rather extensive detail by ministerial grants. Increasingly, the Dutch national government uses administrative and financial tools to steer and influence local policymaking. Some would go so far as to claim that these tools have in sum created a culture of quality control and accountability that paralyzes local governments, violating the European Charter for Local Government. This is due in part to popular and political opinion that local policymaking, levels of local-service delivery and local taxes ought to be equal everywhere in the (small) country.

Starting in 2016, the Local Government Fund (Gemeentefonds) budget has increased in step with increases in the national government’s budget. The transfer of policy

competencies in many domains of care imply that local discretion has increased, sometimes resulting in different treatment for similar cases by local governments in different parts of the country.

Citation:

Hans Keman and Jaap Woldendorp (2010), „The Netherlands: Centralized – more than less!“, in: Jürgen Dieringer and Roland Sturm (hrsg.), *Regional Governance in EU-Staaten*, Verlag Barbara Budrich: 269-286.

VNG-reactie op de Rijksbegroting 2017, Bijzondere Ledenbrief, eng.nl., consulted 12 October 2017

Portugal

Score 5

Formally, the central government enables subnational governments to make full use of their constitutional scope of discretion with regard to policy implementation. However, subnational governments do not have their own sources of revenue, being instead dependent on central-government transfers. This means that the central government generally has considerable control. This control increased with the bailout, and has continued to be substantial afterward. For example, the central government imposed its own conditionalities on the Madeira regional government as part of a bailout package that ended on 31 December 2015, and has acted similarly with other municipalities that have requested central-government help (as noted in the previous question). However, much the same is true of even for municipalities that have not sought a central-government bailout, as increasing reductions in financial expenditures have resulted in budget cuts for programs involving partnerships between the central and local governments.

Slovenia

Score 5

The Slovenian constitution, the European Charter on Local Government (ratified in 1996) and the Local Government Act give municipalities responsibility for all local public affairs and some autonomy in implementing national legislation. In practice, however, financing constraints and a limited administrative capacity in the larger number of small municipalities limit local autonomy. The Cerar government has started to address this issue through the adoption of the Public Administration Development Strategy in April 2015 and a separate strategy for the development of local government in September 2016. Both strategies aim at fostering closer cooperation between municipalities in the fields of public services and tourism, but implementation of those strategies has so far proven inadequate and central government and municipalities are still far apart on the most issues.

Citation:

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

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government development until 2020). Ljubljana
 (http://www.mju.gov.si/fileadmin/mju.gov.si/pageuploads/JAVNA_UPRAVA/svlsrp.gov.si/pageuploads/lok-sam-2015/aktualno-ls/strateg-ls/12_SRLS_16.9.2016.pdf).
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South Korea

Score 5

While autonomous local governments are protected by the constitution, the constitution does not clearly define specific competencies and rights. A major obstacle to subnational self-government is the lack of fiscal autonomy for local governments. Due to the very high dependence on transfer grants from the central government, most regional and local governments are vulnerable to central-government interference. The fiscal self-reliance ratio in over 90% of local governments (220 out of a total 243 local governments) was under 50% in 2016. The reality of inadequate budgetary and functional authority in many local areas, as well as the disproportionate influence of city and provincial authorities, often leaves local administrators and governments short on revenue and effective governing capacity.

However, local-government autonomy is expected to be expanded under the new administration. President Moon has promised to reduce centralization within the country's overall system of governance. For example, he has suggested holding periodic meetings with local government leaders, thus creating a kind of "secondary cabinet." Moon also has shown great interest in holding a referendum on a constitutional amendment designed to redistribute power to the local level.

Citation:

Joong-Ho Kook (2014), Does Local Autonomy Enhance the Autonomy in Local Public Finance? Evidence from the Case of Korea, [http://www.akes.or.kr/eng/papers\(2014\)/127.full.pdf](http://www.akes.or.kr/eng/papers(2014)/127.full.pdf)
 Korea Times. Moon and Local Authority. September 26, 2017.
http://www.koreatimes.co.kr/www/opinion/2017/10/625_237037.html

Spain

Score 5

Organic Law 2/2012 on Budgetary Stability and Financial Sustainability of Public Administrations imposes austerity conditions and debt targets on all public administrative bodies. With this legislation, the central government is – despite formally respecting Autonomous Communities' constitutional autonomy – de facto narrowing their scope of spending autonomy. Organic Law 2/2012 had primarily been intended to appease potential bond buyers, but the central government also took advantage of this situation to politically weaken the regions. Some regions (particularly Catalonia) have tried to protect themselves from what they deem excessive central control. One of the effects of the law has been the paralysis of initiatives, especially at the municipal and regional levels.

Citation:

November 2017, El País: “Montoro interviene las cuentas del Ayuntamiento de Madrid para que ajuste el gasto”
https://elpais.com/ccaa/2017/11/07/madrid/1510051221_630892.html

Bulgaria

Score 4

Bulgaria is a unitary state with two levels of government – national and municipal. The constitution vests municipalities with a relatively broad set of powers and competencies, and the law generally respects this independence. However, in reality most Bulgarian municipalities are financially dependent on central government transfers, because their own revenue base is inadequate for generating the necessary revenues. On occasion, the central government attempts to capitalize on this dependence or has favored local governments affiliated with the governing coalition.

In 2016, the Ministry of Regional Development and Public Works adopted a new decentralization strategy for the next 10 years. Compared to its largely ineffective predecessor, it has a broader scope and covers not only fiscal matters, but the functions of different tiers of government as well. The strategy is accompanied by an implementation program for 2016 – 2019. Its implementation should be monitored by a newly created council on the decentralization of state government. However, as of late 2017, the council has not had a single session since February 2016.

Croatia

Score 4

The autonomy of local and regional self-government units is very limited. In violation of the European Charter on Local Self-Government, local units are usually not allowed to regulate and expand their autonomous scope of activities on their own. In the case of activities devolved to local self-government units by the central government, a central-government body issues instructions to county prefects and mayors. The Ministry of Administration can dissolve the representative bodies of local or regional self-government units if they violate the constitution or laws.

Cyprus

Score 4

The constitutional status of local government is vague. Placed originally under the authority of communal chambers (Art. 86-111) that were abolished with the collapse of bi-communality (1964), local authorities are governed by the Law on Municipalities of 1985. Local authorities demonstrate limited capacity and efficiency. The aforementioned constitutional clauses have led to restrictions on municipalities’ powers. Budgets, specifically management decisions regarding selected financial issues and assets, are subject to approval by the Council of Ministers. Additionally, the law on fiscal responsibility (20(I)/2014) imposes stricter

controls. Arguments in favor of reducing the (excessive) number of municipalities are strengthened by their chronically deficient management. Thus, local governments must prove that they deserve their autonomy.

Citation:

The law on municipalities, 111/1985, <http://www.ucm.org.cy/DocumentList-Legislation,35,English>

Japan

Score 4

The Japanese constitution guarantees local-government autonomy. However, articles 92 to 95 of Chapter VIII, which discuss local self-government, are very short and lack specifics. The central state makes its power felt through three mechanisms in particular: control over vertical fiscal transfers, the delegation of functions that local entities are required to execute, and personnel relations between local entities and the central ministry in charge of local autonomy. Moreover, co-financing schemes for public works provide incentives to follow central-government policies.

Over the course of the last decade, there have been a growing number of initiatives aimed at strengthening local autonomy. One major reform proposal envisions the establishment of regional blocks above the prefectural level and giving these bodies far-reaching autonomy on internal matters (doshu system). There are no indications that the current government will seek to turn this controversial idea into practice.

Poland

Score 4

The process of government decentralization that started in 1998 has been broadly accepted. However, since the PiS government has perceived local governments as a bastion of the opposition, it has tried to restrict their role. Legislation passed in 2017 has reduced the role of subnational governments in the management of inland waterways and regional operational programs involving EU funds. In July 2017, President Duda vetoed an amendment to the auditing of subnational finances, which would have increased the national government's grip on decisions at the subnational level.

Hungary

Score 3

The second government initiated a far-reaching reform of local government. The government has established new tiers of state administration at the county and district level that were given some of the functions previously exercised by local and other subnational self-governments. This stripping of competencies has been especially severe in the case of the city of Budapest, a traditional liberal stronghold which has since lost its special role in national politics. On the one hand, the reform

lifted a significant burden from smaller units, as it professionalized services in deconcentrated state bodies. On the other hand, the general shift of competences did not at all improve self-governments' performance flexibility in those areas remaining under their control. As a result, both the formal powers of subnational self-governments and their capacities to make full use of these powers have declined. Local Fidesz strongholds like Debrecen seem to have enjoyed special treatment in the process of allocating EU funds.

Malta

Score 3

Local councils have no constitutional right of implementation autonomy, and all their activities and responsibilities are monitored and can be challenged by the Department of Local Government. All by-laws have to be approved by the central government and decisions taken may be rescinded. These constraints are intentional, to prevent local councils from assuming responsibilities independent from the central government or adopting policies which conflict with those of the central government. Consequently, local councils intent on taking decisions that conflict with the central government, for instance in the area of local planning, must resort to *sui generis* tactics, often working with civil society organizations, in order to support the views of the locality.

Romania

Score 3

The autonomy of subnational units is often curtailed by fiscal measures enforced from the central level. The allocation of discretionary financial transfers and investment projects to municipalities and counties along partisan lines has continued in the period under review. Another problem is that allocations are often made with considerable delay, which affects the capacity of subnational units to initiate and complete projects. This problem seems to be especially pronounced in the predominantly Hungarian counties of Transylvania, Covasna and Harghita.

Slovakia

Score 3

All Fico-led governments pursued a hands-on approach limiting the constitutional discretion of subnational governments. The creation of the new district offices under the second Fico government has not led to a greater concentration of power, but to the further politicization of local government bodies. The politics of direct patronage for party-loyal municipalities (such as building sports facilities in towns and villages led by Smer-SD party members) has continued under the third Fico government.

Greece

Score 2

While the autonomy of subnational self-governments is nominally guaranteed by the constitution – which requires that the government provides them with all legislative, regulatory and financial means to accomplish their tasks – in practice, subnational self-governments have few financial means at their disposal. Since the crisis began, successive governments narrowed the scope of fiscal discretion of subnational self-governments because the state's finances have been on the brink of collapse and the country has relied on external support from Greece's lenders. However, in legal and administrative terms, the responsibilities of subnational governments has not been reduced. Between 2015 and 2016, at least three municipalities, two in the Greater Athens area and one in Crete, officially declared bankruptcy and the government rescued them financially.

Citation:

Article 102 of the constitution provides for the autonomy of subnational governments.

Turkey

Score 2

According to Article 127, Paragraph 1 of the constitution, local administrative bodies are public entities established to meet the common needs of the local inhabitants of provinces, municipal districts and villages, whose decision-making bodies are determined by the electorate as described in law, and whose structure is also determined by law. However, according to Article 127, Paragraph 5 of the constitution, the central administration has the power of administrative trusteeship over local governments, under a framework of legal principles and procedures designed to ensure the functioning of local services in conformity with the principle of administrative unity and integrity, to secure uniform public services, to safeguard the public interest and to meet local needs in an appropriate manner.

Past reforms driven by the process of alignment with the European charter of local self-government have changed Turkey's administrative structure and the relationship between the center and subnational bodies. In December 2012, the boundaries of metropolitan municipalities were revised to make public service provision more effective and productive. The law has been criticized, as it appears to set aside the principle of subsidiarity despite its "official" goal of strengthening democracy at the local level. First, the legal status of provincial administrations, villages and municipalities cannot be changed through a special law without consultation or referendum; such changes require a constitutional amendment. Second, the 2012 law essentially violates the principle of self-government. And finally, it is questionable whether the effective delivery of social services is indeed relevant to strengthening local democracy. In addition, the Mass Housing Administration (Toplu Konut İdaresi, TOKİ), a central administrative body and a patronage tool for the AKP, is

empowered to implement urban renewal projects almost anywhere.

In mid-2014, some mayors in southeast Anatolian provinces called for the transfer of half of the state's share yielded from oil drilling to the municipality of the province in which oil is produced.

Soon after the 7 June 2015 parliamentary elections, two towns and 16 municipalities (14 towns and two neighborhoods in İstanbul) declared self-government. The government took a strong stand against these declarations, and judicial investigations were initiated against mayors and other people in charge. Moreover, in the wake of the 15 July coup attempt and the government's declared state of emergency, numerous democratically elected mayors and municipality staff of larger and smaller local administrations in various provinces have been detained and replaced with trustees by the central government.

Citation:

Ayşe Güner and Serdar Yılmaz, Son Değişikliklerin Türkiye'de Yerel Yönetimlerin Takdir Hakkı ve Hesap Verilebilirlik Üzerindeki Etkisi, *Marmara İktisat Dergisi*, 1,2 Eylül 2017, 229-250.

Mehmet Zahid Sobacı, Türkiye'nin Avrupa Yerel Yönetimler Özerklik Şartı'na Uyumu: Özerklik Miti, 2015, <http://setav.org/tr/turkiyenin-avrupa-yerel-yonetimler-ozerklik-sartina-uyumu-ozerklik-miti/analiz/18570>

Öz yönetim ilan edilen merkez sayısı 16'ya yükseldi, 20 August 2015, <http://t24.com.tr/haber/oz-yonetim-ilan-edilen-merkez-sayisi-16ya-yukseldi,306949>

HDP submits bill for oil revenue sharing with local governments, 3 July 2014, <http://www.hurriyetdailynews.com/hdp-submits-bill-for-oil-revenue-sharing-with-local-governments.aspx?pageID=517&nID=68621&NewsCatID=348>

Indicator

National Standards

Question

To what extent does central government ensure that subnational self-governments realize national standards of public services?

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 = Central government effectively ensures that subnational self-governments realize national standards of public services.
- 8-6 = Central government largely ensures that subnational self-governments realize national standards of public services.
- 5-3 = Central government ensures that subnational self-governments realize national minimum standards of public services.
- 2-1 = Central government does not ensure that subnational self-governments realize national standards of public services.

Denmark

Score 9

National laws set standard with varying degrees of discretion for local authorities. The central government can supervise whether standards are met through benchmarks and tests and can require that performance indicators be published, such as hospital waiting lists, school performance results, and so on. Here, too, an active press plays a role in exposing problems, and the central government, which is ultimately responsible politically, can intervene by setting stricter standards or transferring extra money to certain activities. Rhetorical action, such as shaming underachievers, is also sometimes part of the strategy.

An example of the tension between central government concerns for welfare arrangements and local authorities' push for flexibility and freedom are proposals to introduce minimum standards for various public services, which intend to reduce variation across the municipalities.

Citation:

Jørgen Grønnegård Christensen et al, Politik og forvaltning, 4th ed., 2017.

France

Score 9

Policymakers in France share a common interest in ensuring national cohesion. This is the basis for a large number of national standards and rules that canalize local and regional policies. National standards are determined by national regulations and constitutional and administrative courts serve as arbiters in disputes over whether

these standards are met. The application of national standards is facilitated by the fact that most public utilities are provided by large private or semi-public companies with a vested interest in having the same rules and standards across the country. Services such as energy supply, water distribution or garbage collection are run by many different companies, most of which belong to two or three holding companies. Following the protest of business and local politicians against a flood of norms and standards, the government has started an enquiry and taken a few measures of “simplification.” However, to date, no significant results have been observed with the exception of the construction sector where norms have been simplified, after imposing extremely cumbersome rules and standards.

Luxembourg

Score 9

The Ministry of the Interior supports local administration. As part of territorial reforms, the administration responsible for monitoring municipal finances, will be integrated within the existing national Auditing Court (Cour des Comptes). The government is not entirely free to optimize and improve local government.

In its 2013 program, the government declared that dual mandates would no longer be allowed. To date, no reform has been implemented. More than half of members of parliament also have a local mandate and in October 2017, 11 worked as city mayors and 36 as members of the municipal council. This may be why conflicts of interests between national and local mandates sometimes arise in parliamentary processes.

Citation:

Cour des comptes du Grand-Duché de Luxembourg, www.cour-des-comptes.lu/. Accessed 21 Feb. 2017.

“47 Abgeordnete bekleiden in den kommenden sechs Jahren auch ein kommunales Mandat.” Luxemburger Wort, 10 Oct 2017, <https://e-paper.wort.lu/eweb/spl/2017/10/10/w/2/1380692/?q=Doppelmandat>. Accessed 21 Dec. 2017.

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Iceland

Score 8

A diverse set of special laws set national minimum standards for the provision of local government services. These laws relate particularly to primary education, child protection, and standards of social services. Nevertheless, central government monitors compliance with some standards, and has even raised certain standards to an unattainable level in view of the financial support available to local governments.

Japan

Score 8

Japanese government authorities put great emphasis on the existence of reasonable unitary standards for the provision of public services. The move toward decentralization makes it particularly important to raise standards for the local

provision of public services. Within the central government, the Ministry of Internal Affairs and Communications is in charge of this task, which involves direct supervision, personnel transfer between central and local entities, and training activities. While a 2000 reform abolished local entities' agency functions in a strict sense (that is, direct administrative supervision has lost some importance compared to legal and judicial supervision), other channels have remained important. At the local and particularly the prefectural level, there is an elaborate training system that is linked in various ways to national-level standards. The government seeks to promote evidence-based policymaking through new data platforms, which are also meant to support local governments in the implementation of plan-do-check-adjust (PDCA) cycles.

A unified digital “My Number Card” system (based on the new social-security and tax number system) was introduced for citizens in 2015 to help authorities with providing and enforcing uniform services. It has faced some opposition and foot-dragging by citizens, however, and experienced some technical problems in 2017.

Citation:

Kyodo News, My Number law takes effect amid privacy fears, *The Japan Times*, 5 October 2015, <https://www.japantimes.co.jp/news/2015/10/05/national/number-law-now-effect-notifications-set-sent/>

A year into the new system, Japan's My Number ID cards are not catching on, 4 January 2017, <https://www.japantimes.co.jp/news/2017/01/04/national/year-new-system-japans-number-id-cards-not-catching/>

Cabinet Office, Basic Policy on Economic and Fiscal Management and Reform 2017 – Increasing productivity through investment in human resources, Overview, 9 June 2017

Norway

Score 8

The Norwegian government is committed to providing public services that are as uniform as possible across the country. Given the large distances involved, and the remoteness of some regions, this implies that peripheral parts of the country receive large (and expensive) transfers, both directly and in the form of infrastructure investments.

Although services are reasonably uniform across the country, this has not been the case for local-government performance in all respects, in particular with respect to financial management.

A number of bodies including the regional prefects (fylkesmenn), the national ombudsman, and similar agencies in the fields of health, patients' rights and more have been established to ensure the effective and uniform application of rules.

Finland

Score 7

Since local authorities have the constitutional right to use their own discretion, the central government has limited capacity to ensure that national standards are consistently met. Local governments are separate from the central government, with municipal authorities recognized as existing independently of the state. Still, appeals to administrative courts regarding decisions taken by local authorities are possible on grounds that the decisions were not made in proper order or were otherwise illegal. In certain and very few specific matters, such as environmental or social-care issues, local government decisions must be confirmed by state authorities. The reform of municipalities and services now ongoing for years aims to increase the effectiveness of public-services provision in peripheral regions and improve local governments' fiscal sustainability. The extent to which these reforms can meet the stated goals remains an open and much-debated question

Germany

Score 7

In Germany, public services are provided by various levels of government: the federal administration, the administrations of federal states, municipalities, indirect public administrations (institutions subject to public law with specific tasks, particularly in the area of social security), nonpublic and nonprofit institutions (e.g., kindergartens or youth centers), and finally judicial administrations. While some standards have a national character and thus have to be respected at all levels, this is not the case in areas, such as education.

Ireland

Score 7

Most of the main public services (health, social welfare, education, public transport, building and maintaining the primary national road network, and, since 2014, the provision of water services) are provided by the central government or national public utility companies; there is little scope for subnational governments to influence standards.

The attainment of national (or, more usually now, EU) levels of public services is prescribed and monitored in other areas where local government plays a greater role, notably environmental services and standards.

The Environmental Protection Agency (EPA) plays a key role in enforcing standards across the country. The Office of Environmental Enforcement supervises the environmental protection activities of local authorities by auditing their performance, providing advice and guidance, and in some cases giving binding directions. It can

assist the public in bringing prosecutions against local authorities found to be in breach of significant legislation. In other areas – the provision of social housing, maintenance of local roads and other such issues – the attainment of national standards is largely constrained by the resources made available by the central government. There is significant variation between local providers in these areas.

Israel

Score 7

The provision of local services in Israel is dispersed between many agents, including local authorities, NGOs, government and municipal corporations, and institutions such as public and private hospitals. The bulk of social services are provided by local authorities, proportionally funded according to their revenues and share of dependents. While some local authorities fare well and offer supplementary social support, weaker local authorities such as largely Arab or orthodox Jewish municipalities struggle to maintain government standards. This led to an expansion in the central government's powers during the 2000s, authorizing the Ministry of the Interior to closely supervise and even dissolve councils that fail to deliver proper services, even at the cost of less democratic local representation.

Another solution has been the use of service treaties within local authorities, which aim to standardize local services used by residents while informing residents of their rights and the level of general services in their city or town. A branch of the Ministry of the Interior reviews this process. In recent years, many local authorities have taken part in this process and published information regarding local services on their website. The privatization of social services has led to problems, with weak social ministries struggling to regulate the quality and content of care. Several reports on education services point to ideological conflicts and poor management, as well as an increase in the share of privately financed activities, with consequent increases in inequality.

Another recent move to ensure that local governments meet national standards was the agreement between the Interior, Justice and Finance ministries to amend the Business Licensing Law. This will allow the government to override municipalities when it comes to licensing for power plants, waste-management facilities and water-treatment centers, among other facilities.

In Israel, there are 2,114 separate communities (cities, community settlements, moshavim, kibbutzim, and so forth). Most local authorities are weak and dependent on government handouts and ministry support. A State Comptroller report on local authorities identified “a slew of offenses against planning and building laws.”

For security reasons, Israel established the West Bank barrier over a decade ago, along a route that diverged both from the municipal boundary of the city as determined in June 1967 and from the Green Line. The substantial discrepancies

between these courses have led to a governmental vacuum, legal uncertainty and planning chaos. The ACRI has highlighted this issue, and has proposed the establishment of a new Israeli local council there operating under Ministry of the Interior auspices, paired with the investment of significant government funds in these neighborhoods.

Citation:

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Specktor, Shiri, "Social rights and personal social services in Israel," The Knesset Research Center 21.10.2010: <http://www.knesset.gov.il/mmm/data/pdf/m03158.pdf> (Hebrew)

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The citizen's empowerment center in Israel: the implantation of the movement's decision to establish a regulatory authority over hospitals – review – April 2016: <http://www.ceci.org.il/sites/citizens/UserContent/files/monitorreport/monitor%201622.pdf>

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Ir Amim, Displaced in their own city. The Impact of Israeli policy in East Jerusalem on the Palestinian neighborhoods of the city beyond the separation barrier, June 2015, http://www.ir-amim.org.il/sites/default/files/akurim_ENG_for%20web_0.pdf

"The State Comptroller and Ombudsman Yearly Report 2016-2015," May 2017, (Hebrew), http://www.mevaker.gov.il/he/Reports/Report_425/acdfe4f3-7bc6-48b5-b602-7cf3200380b0/2017-67b.pdf

New Zealand

Score 7

It is not central government as such but a dense network of agencies that are involved with the development and monitoring of local government. This includes the Minister of Local Government, the Department of Internal Affairs, the Local Government Commission, Local Government New Zealand (representing local

councils on the national level), the Office of the Controller and Auditor General, the Office of the Ombudsman and the Parliamentary Commissioner for the Environment. Their roles range from strategic development, policy formulation, regulation and monitoring, to handling complaints about the activities and operation of local government. At the end of 2013 a comprehensive reform program, “Better Local Government,” was introduced, whose provisions are part of the Local Government Act 2002 Amendment Act 2014. In June 2016, the Local Government Act 2002 Amendment Bill (No 2) passed its first parliamentary reading, which includes the Better Local Services reforms. The bill continues the general trend of increasing central government scrutiny and control over local government. These reforms have been the subject of criticism, especially in Auckland with its relatively new “super-city” structure and population of 1.4 million. However, smaller municipalities have also been critical of the reforms, describing them as being undemocratic, especially the “draconian” powers granted to the Local Government Commission. Smaller municipalities argued that they could be forced amalgamate their services. In an open letter to then-Prime Minister John Key, Invercargill Mayor Tim Shadbolt called the legislation the “crushing of local government democracy and seizing control of their assets bill.”

Citation:

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Poland

Score 7

Previous governments have set national standards with the aim of guaranteeing a minimum quality of public services. Institutionally, the regions have a centrally appointed head of regional administration who is responsible for ensuring that national policies are implemented, and that state institutions operating in the region perform their functions properly. This has recently been contested and discussions increased over the competencies of the Voivode (PiS member) ruling the Masovian voivodship and the mayor of Warsaw as the largest city in this region, governed by PO. This debate about the competencies of the regions and larger cities in Poland is again an expression of a political power play. Generally, the PiS receives less votes in large cities than the PO. The politicization of the civil service under the PiS government has put the success of these standards at risk by reducing the professionalism of the administration. Moreover, because of the conflicts between the government and the Constitutional Tribunal, the standards themselves are contested.

South Korea

Score 7

The Ministry of Public Administration and Security, created through a merger of earlier agencies, is in charge of ensuring that local governments maintain national minimum standards. However, many local governments, particularly in rural areas, have much lower professional standards than does the city government of Seoul or the central government. While the provision of basic services is similar in all regions, there is a huge difference in the provision of additional services such as recreation facilities between affluent (i.e., self-sufficient) regions like Seoul and the southeast and less prosperous (i.e., dependent on transfer payments) regions in the southwest. For instance, a number of local governments have recently begun paying child benefits greater than those dictated by national standards. As local-government autonomy develops, a greater number of customized policies are being introduced for residents. For example, the Special Act for the Promotion of Health and Welfare of Rural Communities was implemented in 2017.

Switzerland

Score 7

The Swiss political system is one of the most decentralized systems in the world. Cantons and municipalities enjoy very substantial autonomy. Within the scope of their quite significant competencies, it is up to the cantons and municipalities to decide what public services they want to offer, to what extent and at what level of quality. Therefore, there are no national standards for public services except with regard to those limited parts of the administration that implement federal law. However, all public services have to comply with the rule of the law and the human rights set out in the constitution. A comparatively small number of issues (i.e., social policies) are decided at the federal level, and are thus subject to national standards. In these cases, federal laws are implemented by cantonal administrations, which have to follow national norms.

Multilateral agreements between some or all cantons (“Konkordate”) for common standards of public services can be seen as a functional equivalent to national policy standards.

United Kingdom

Score 7

There are supposed to be national standards for service delivery by local authorities or the parallel networks of agencies for specific policies such as the trusts running health care, but recent scandals have shown that implementation can be unsatisfactory and thus that there can be “postcode lotteries” in standards. Recently, the Care Quality Commission, a body designed to oversee the quality of health and

social care, was criticized for a lack of transparency. A subsequent report by the National Audit Office found that, while there had been considerable improvements, shortcomings still needed to be addressed.

Although central government has the capacity to ensure national standards on this issue, it does not always do enough to “watch the watchers.” All members of the civil service are pledged to a range of codes (such as the Civil Service Code, the Directory of Civil Service Guidance) to ensure national standards in performance, conduct and delivery. In 2012, the Standards Board for England – which has scrutinized civil service commitments to the codes since 2000 – was abolished. The central government has encouraged local authorities to set up regional standards boards. This is in line with the Localism Act 2011, which changed the powers and scrutiny of local government in England. The ongoing Civil Service Reform, which started in 2012, established a new range of national standards, especially in skills, accountability, transparency and diversity, as recorded in the New Public Appointments Governance Code.

An agreement on common standards was reached between central government and the devolved administrations in October 2017 regarding powers returning from Brussels. In a similar vein, a new Appointments Governance Code came into effect on 1 January 2017.

Citation:

HM Government 2012: The Civil Service Reform Plan; <http://resources.civilservice.gov.uk/wp-content/uploads/2012/06/Civil-Service-Reform-Plan-acc-final.pdf> <https://www.nao.org.uk/wp-content/uploads/2015/07/Capacity-and-capability-to-regulate-the-quality-and-safety-of-health-and-adult-social-care.pdf>

Australia

Score 6

The Commonwealth has a strong commitment to providing uniform national services, and it makes considerable effort to ensure that program delivery, particularly in health and education, is as uniform as possible across the country. This attempt at uniformity is necessarily complicated by differences in sizes of states and population distribution, and by resistance from state governments keen to preserve their independence. Variation in funding levels according to need (as determined by an independent statutory authority, the Commonwealth Grants Commission) helps to ensure uniformity. Moreover, contingent funding is regularly used by the Commonwealth to achieve uniformity in minimum standards.

Austria

Score 6

The national and state governments share responsibility for many issues, including schools and health care. Each side tends to blame the other for specific implementation shortcomings. In most cases, the parties governing on the national

level also control the state governments. Party alliances do not prevent the emergence of conflicts deriving from this structural division of power, but the conflicts are somewhat muted by party links. In parallel with overall growing voter volatility, political majorities in the nine states have grown subject to greater volatility, which has prompted officials at the federal and state levels to demonstrate greater political openness toward each other.

The national government has relatively few instruments by which to make state governments comply with its formal policies. Oversight of municipalities, by both the states and the federal government, is more effective.

Conflicts between state and federal governments have to be brought to the Constitutional Court.

Canada

Score 6

In many areas of provincial jurisdiction, perhaps most notably in education, the federal government does not in principle have the authority to ensure that provinces meet national standards. Contrary to most other advanced countries, Canada has no minimum funding levels, national educational goals or overarching curriculum. Yet despite the complete control exercised by the provinces, Canada's educational system is arguably quite successful, and remains similar across the various provinces, which invest in mandatory education at comparable levels and achieve comparable results for their students. Graduation rates are similar, as are the results on pan-Canadian and international tests, such as the Program for International Student Achievement (PISA), operated by the Organization for Economic Cooperation and Development (OECD).

In other areas where the federal government transfers funds to the provinces, it has the leverage to insist on certain standards. Health care is the main area in which this occurs. The Canada Health Act of 1986 requires provinces to meet five principles for health care: care must be available to all eligible residents of Canada, comprehensive in coverage, accessible without financial or other barriers, portable within the country and during travel abroad, and publicly administered. All five principles must be met by the provinces if they are to receive full federal funding. The federal government has challenged certain provinces for failure to meet these standards. However, no funds have been withheld since 1993. Some feel that the federal government should be more aggressive in ensuring that national standards are met in the health area.

In environmental policy, the federal government introduced a national carbon tax for provinces that do not adopt their own carbon reduction strategy by 2018. The policy is meant to encourage provinces and territories to implement their own cap-and-trade or carbon tax policies to ensure Canada reaches the 2030 Paris target.

Czech Republic

Score 6

A department within the Ministry of the Interior is responsible for overseeing subnational self-government. Its concern is compliance with existing laws and not the assessment of efficiency; laws cover such issues as regular financial accounting, the fair conduct of elections, the avoidance of conflict of interest, the compliance with rules on the disposal of waste materials and freedom of information. Its annual reports show regular monitoring of all levels of self-government, as well as substantial efforts to inform councils of existing legal constraints. The number of breaches of the law, following consultation and advice from the ministry, continues to decline. However, a gap still exists between national and EU standards; there remains a strong tradition of non-implementation. The effectiveness of drawing up EU funds improved significantly during the term of the Sobotka government.

Estonia

Score 6

The issue of national standards is relatively new to Estonia. First the European Union and later the OECD brought it to the government's agenda. Until recently, transportation and water management were the only issues subject to quality standards. Local governments were not part of this national system and were responsible for ensuring service quality on their own.

Based on recommendations made in the OECD Governance Report 2011, the Ministry of Economic Affairs and Communications established a unit responsible for developing a comprehensive system of public-services standards. In 2013, a green paper on public services was approved by the government cabinet, establishing online-service standards as the main priority. However, besides one other sophisticated study on possible quality evaluation methods for various public services (2014), no progress has occurred. Since several public services are provided at the local level, the quantity and quality of services varies greatly across municipalities.

Latvia

Score 6

Autonomous local government functions are subject to laws and regulations emanating from the central government. These regulations delineate common standards and define the scope of local government autonomy. The President's Strategic Advisory Council has warned that over-regulation is seriously encroaching on local government autonomy. The council has called for a limit to bureaucratization and a reduction in the volume of regulations governing functions that are mandated as autonomous.

The executive has said it would create a new one-stop client-service system across the country, which would centralize the contact point for accessing public (central and local government) services. The new system will also introduce national standards for local government services by 2016. The policy was approved by the cabinet in 2013 and pilot projects have been implemented by a number of local governments. An evaluation conference, in September 2014, documented many instances of successful pilot projects as well as favorable client-satisfaction responses to surveys. In 2015, 59 one-stop agencies were launched. After only one year of operation, they have proven to be useful, processing more than 25,000 different types of applications to state and municipal agencies. A further 20 one-stop agencies were to open in 2016. However, the comparability of data sets between institutions remains a challenge.

Citation:

1. The President's Strategic Advisory Council (2013), Management Improvement Proposals, Available at (in Latvian): http://www.president.lv/images/modules/items/PDF/Pasvaldibas_EGPP_FINAL.pdf, Last assessed: 21.05.2013

2. Regulation Regarding Concept of the Public Service System Development (2013), Available at (in Latvian): <http://www.likumi.lv/doc.php?id=254910>, Last assessed: 21.05.2013.

3. Freedom House (2012), Nations in Transit, Country Report, Available at: http://www.freedomhouse.org/sites/default/files/NIT2012Latvia_final.pdf, Last assessed: 21.05.2013

Lithuania

Score 6

National public-service standards at the subnational level are ensured through centralized or regional governance arrangements. For example, landfills are connected in a regional network of service providers. The decentralized provision of other public services at the local level has produced uneven quality in areas such as school education or the accessibility of primary health care services. The Public Management Improvement Program aims at defining minimal-quality standards for various public functions such as health care, education and social services. The Sunset Commission – a commission tasked with finding ways to improve state administrative functions – advised the central government to provide recommendations to municipal authorities regarding general administrative functions, such as personnel policies. Though the Sunset Commission has since been dissolved. A recent report from the National Audit Office found that the central government still lacks reliable and comprehensive data on the provision of public services, which is necessary for the effective modernization and standardization of services.

Citation:

The Public Management Improvement Program (in Lithuanian) is available at http://www3.lrs.lt/pls/inter3/dokpa.ieska.showdoc_l?p_id=418407&p_query=vie%F0ojo%20valdymo%20tobulinimo%20programa&p_tr2=2

Malta

Score 6

It is the Department of Local Government and the National Audit Office which seek to ensure standards within local councils. The first is responsible for monitoring and reporting on the performance of individual local councils. Central departments set the benchmarks for services provided by local councils. The second is the National Audit Office, which independently investigates local council activities both from a purely auditing perspective and from a “value for money” perspective. It is the latter that has by and large driven reform of local councils. National standards at the local level are also reinforced through the councilors’ code of ethics and the Local Councils Association. The ombudsman’s office has also suggested the introduction of a commissioner for local government within his office.

Citation:

<http://www.timesofmalta.com/articles/view/20151226/local/councils-christmas-dinner-bills-give-auditor-a-headache.596707>

<http://www.timesofmalta.com/articles/view/20160111/opinion/Auditing-local-governance.598374>

<http://www.timesofmalta.com/articles/view/20160706/local/auditor-general-criticises-funding-scheme-as-hasty.617914>

<http://www.timesofmalta.com/articles/view/20151228/local/councils-shortcoming-identified-by-nao-unacceptable-parliamentary.597069>

Report by the auditor general on the workings of local government for the year 2015

Portugal

Score 6

National standards are largely uniformly applied, albeit as a result of the control and provision of most public services by the central government. However, there are differences between municipalities in some services, as in the case of infrastructure, culture and extracurricular educational offerings. Similarly, differences in service provision can result from the “luck of the draw” in terms of the specific civil servant a citizen encounters. This reflects both the complex and frequently changing policy framework and the relative lack of accountability in public-services provision.

Sweden

Score 6

Public services have been extensively decentralized over the past decades. Once services are transferred from central to local government, safeguarding national standards and even defining and sustaining those standards becomes problematic. The same problem applies to increasingly privatized services, where the oversight over national standards becomes even more challenging.

Decentralization and local autonomy are essentially institutional choices and, as all choices, these arrangements have their downsides. One of the problems with a decentralized system is that it becomes very difficult to enforce national standards.

This became obvious to the government after the extensive decentralization reform during the 1980s and early 1990s. In primary and secondary education, the past two decades have witnessed central government trying to regain some control in order to ensure some degree of national standards. The main strategy toward this objective has been to extensively evaluate the performance of schools and publicize evaluation reports (i.e., to “name, blame and shame” underperforming schools). Thus, government exercises a strategy of steering by auditing. In addition, central government has tried to increase equality among local authorities by revising the general regulatory framework of primary and secondary education, and by targeting financial resources to improve the quality of teaching.

Belgium

Score 5

Formally, the national (federal) government has no authority over regional governments and administrations, but it can impose some standards and policies. Environmental policies, for instance, have been largely regionalized, but environmental standards and norms are set at the federal level. As a result, environmental-policy coordination has been deadlocked since 2012. In addition, subnational and local executives have to abide by budgetary constraints set by the central government. Responsibilities for several policy levers are shared by different government levels, in which case the central government has partial authority over regional governments’ courses of action.

In general, the central government does not have the ability to enforce or control more detailed standards with regard to issues such as performance figures. The government can only try to maintain influence through more general (legal or budgetary) levers. Another informal mechanism is party discipline; whenever the same parties are in power at the national and subnational levels, coordination is facilitated. The change of government in Wallonia, which is now largely controlled by the MR, a right-wing party also in the national government, has aligned majorities and oppositions in all regions except Brussels.

Italy

Score 5

Minimal standards for decentralized public services (e.g., public health care and utilities) are agreed upon and set at national level in a number of areas. The permanent conference for relations between the state, regions, provinces and cities (Conferenza Stato-Regioni ed Unificata) is an important forum in which national standards are discussed. However, the implementation of these standards is still far from satisfactory: as the administrative quality of different local authorities varies significantly, standards can differ substantially from one area of the country to another. In many fields the north–south divide remains significant, and seriously

affects equality of opportunities and national cohesion. So far, efforts to overcome it have not proven very successful.

National standards have increasingly been adopted for utilities (e.g., water, electricity and communications), but in most cases independent authorities are responsible for the definition and implementation of standards. Implementation in this field is fairly adequate.

Netherlands

Score 5

Local governments themselves also try to meet mutually agreed-upon national standards. Several studies by local audit chambers have involved comparisons and benchmarks for particular kinds of services. Local governments have been organizing voluntary peer reviews of each other's executive capacities. In 2009, the Association of Dutch Local Governments established the Quality Institute of Dutch Local Governments (Kwaliteitsinstituut Nederlandse Gemeenten, KING). Since 2016, KING produces a comparative report on the status of local governments ("De staat van Gemeenten") which collects relevant policy evaluations and assists local governments in their information management-based policy perspectives. Nevertheless, due to the implementation of strong decentralization plans, including funding cutbacks, it is likely that the uniformity of national standards in the delivery of municipal services will diminish.

Citation:

Raad Financiële Verhoudingen:

http://www.rob-rfv.nl/documenten/reactie_rfv_op_decentralisatiebrief.pdf

Raad voor het Openbaar Bestuur:

http://www.rob-rfv.nl/documenten/reactie_rfv_op_decentralisatiebrief.pdf

Kwaliteits Instituut: <https://www.kinggemeenten.nl/>

KING Jaarverslag 2015 In één oogopslag, ringgemeenten.nl (consulted 12 October 2017)

Romania

Score 5

The central government generally tries to ensure that subnational governments realize national public-service standards. The prefects have an important role in this respect. However, enforcement is sometimes undermined by the inadequate funding provided to subnational governments.

Spain

Score 5

The central government has in principle always been committed to ensuring uniform national standards for public services, but this has never been completely effective. In some cases, regional governments design and implement their own public policies without following clearly defined national standards. As a result, there may be some

variation in the quality of public services offered by Spain's regions. In general, minimum standards are set by basic national legislation, but are not subsequently enforced. The formal administrative method for monitoring the provision of services by the Autonomous Communities through supervision (Alta Inspección) has not been particularly effective. However, new regulations on financial sustainability within public administration and local governments have strengthened the tools through which the central government can ensure that regional and local governments realize national minimum standards. One example was the health care reform, which focused on a services portfolio of the National Health System. The central government tried to ensure that the decentralized provision of public health services comply with standards set on the national level. The 2016 political impasse has limited progress on education reforms. The future of the 2013 Organic Law for Improvement of the Quality of Education (LOMCE), which contains an external evaluation system based on learning standards set at the national level, is unclear and remains on hold. Overall, inequalities between regions have not diminished.

Turkey

Score 5

The Regulation Concerning Public Service Standards was issued by the Council of Ministers in July 2009. According to the regulation, all public entities including municipalities must prepare service standards tables for the council's use.

The Ministry of Interior Affairs closely monitors the structure and quality of services provided by municipal governments, through its own local agencies and administrative trusteeship (through internal and external audits, and audits by civil service inspectors). The Union of Municipalities of Turkey also offers nationally or EU-funded training and technical support for municipalities in this respect.

While United Nations Development Program (UNDP) support for the implementation of local-administration reform in Turkey (LAR Phase 2) has been concluded, Turkey still aims to fulfill some requirements of the European Local Self-Government Charter. In this context, municipalities work to establish departments tasked with monitoring, investment and coordination. The main duties of these departments are to provide, monitor and coordinate public institutions and organizations' investments and services; to provide and coordinate central-administration investments in the provinces; and to guide and inspect provincial public institutions and organizations. However, the most significant outstanding issues with regard to standardizing local public services are essentially financial, technical and personnel-driven. Within the OECD, Turkey remains the country with the largest regional disparities.

Citation:

Kamu Hizmetlerinin Sunumunda Uyulacak Usul ve Esaslara İlişkin Yönetmelik, Official Gazette, 31 July 2009, <http://www.resmigazete.gov.tr/main.aspx?home=http://www.resmigazete.gov.tr/eskiler/2009/07/20090731.htm&main=http://www.resmigazete.gov.tr/eskiler/2009/07/20090731.htm> (accessed 1 November 2017)

Ankara Büyükşehir Belediyesi Hizmet Standartları Tablosu,
https://www.ankara.bel.tr/files/2913/4727/6681/tablolar_imar_8_1.pdf (accessed 1 November 2017)

United States

Score 5

Due to the dual nature of the U.S. federal system, the issue of national standards applies mostly to co-financed federal programs, where the federal government sometimes asserts its right to set and monitor compliance with these standards. The bulk of public services are delivered by local and state agencies with minimal intervention by the federal government. The question of enforcing federal standards arises in specific areas where federal policymakers have sought to impose such standards, sometimes to enforce citizens' rights under the federal constitution, and other times for policy reasons. The Environmental Protection Agency, for example, requires states to meet air-quality standards under the Clean Air Act. On the other hand, states exercise broad discretion in setting standards of eligibility for Medicaid coverage or with regard to unemployment insurance. The Obama administration granted waivers that allowed individual states to relax work requirements for welfare recipients (under Temporary Assistance for Needy Families). One Obama administration K-12 education program sought to promote national "core curriculum" standards. In most areas, large variation in state government policies and standards of service are regarded as legitimate.

Bulgaria

Score 4

In Bulgaria, the effectiveness of national-government oversight and compliance with national standards in the decentralized provision of public services differ among functional spheres. For example, education is provided by local schools on the basis of funds delegated by the national or the local government, with standards upheld relatively objectively and effectively through external evaluation and regional and local inspection. However, in the sphere of environmental, waste-management and forestry standards, as well as in the local-level health care sector, monitoring is uneven and some localities have much lower standards than others.

Citation:

Institute for Market Economics (2016): The successes and failures of Bulgarian municipalities. Sofia (<http://ime.bg/en/articles/the-successes-and-failures-of-bulgarian-municipalities/>).

Hungary

Score 4

In Hungary, the quality of subnational public services has suffered as a result of the reorganization of subnational governments. The state administration's new subnational tiers have only gradually gained experience in providing services. The

provision of those public services that have been left with subnational self-governments has in turn suffered from self-governments' lack of financial resources and administrative capacities, as well as from conflicting legal norms and the complexity of some regulations. The central government has exercised strong control but has not focused on quality issues. As a result, national standards have increasingly been undermined, especially in the fields of health care, education and social services.

Citation:

Albert, F. (2016): Restructuring of the Hungarian social protection system: Evaluation of the 2015 decision to delivering benefits locally. European Social Policy Network, Flash Report No. 2016/26.

Slovakia

Score 4

Public-service standards are poorly defined, especially with regard to the independent functions of subnational governments. Moreover, the monitoring of compliance with these standards is often fragmented. The Ministry of the Interior is responsible for overseeing subnational self-government, but largely focuses on formal compliance with existing laws and cost efficiency. While the ministry regularly monitors all levels of self-government, the number of breaches of the law and the extent and effects of ministerial intervention are not transparent. Clearly, there are differences between national and EU standards that negatively influence the effective use of EU structural funds. The second Fico government's ESO project has focused on increasing the administrative capacity of subnational governments by realizing economies of scale and by sharing and centralizing services such as facility management, procurement and payroll management.

Chile

Score 3

Due to the different financing structures at regional and municipal levels, the national government can only guarantee services at an adequate standard at the regional level. The central government clearly fails to establish national standards at municipal level across the whole country. In addition, relatively poor municipalities and those in rural regions often lack the capacity to meet national standards for public services, especially in the fields of health care and education. This segregation is also evident in Santiago itself, where public schools in richer districts clearly tend to show higher standards and better results than public schools from poorer districts. In comparison to previous years, a slight improvement can be noticed in the field of education and primary healthcare. Nevertheless, there is still a huge gap to be closed.

Greece

- Score 3** In the period under review, there was some improvement in the implementation of national standards. It was realized by the incumbent government that non-implementation of such standards could put the state's finances in danger, particularly since subnational self-governments are heavily dependent on the central government for their finances.

Mexico

- Score 3** Insufficient funding, corruption and inefficiency inhibit the effective implementation of nationwide public policy standards in many sectors. Currently, this is playing out particularly visibly in the education sector, where not a single government entity seems to know how many teachers there are in the public schools, let alone how effectively they teach. Part of a recent education reform requires the statistical agency INEGI to conduct a census of the education sector. The discrepancy in the number of teachers in official data provided by the Ministry of Education and those encountered by census-takers when they visited schools is significant. In several states, INEGI's work was disrupted by unions, especially the CNTE, which sought to prevent census-takers from entering schools. Overall, the education reform has increased pressure for accountability and transparency but the country still has a long way to go before all schools and teachers meet national standards. So far, even trying to collect the data that would enable the monitoring of standards has been challenging. While education reform has focused mostly on schools, higher education also suffers from a lack of uniformity and insufficient monitoring of standards.

Citation:

Latin American Regional Report: Mexico & Nafta (November 2017) "Solving higher education conundrum key to 2018 election success?."

Slovenia

- Score 3** In Slovenia, public-service standards are poorly defined, especially with regard to the independent functions of municipal governments. As every municipality is autonomous in providing such services, their extent and quality differ substantially across the country. Financial controls and inspections are often ineffective due to the lack of resources and staff. Moreover, the monitoring of standards is often highly fragmented. In the case of health care, for instance, the Public Agency for Drugs and Medical Accessories, the National Institute for Health Protection, the Public Health Inspectorate and the Office for Drugs and Pharmaceutical Control all play oversight roles.

Croatia

Score 2

There are no national standards for public services in Croatia. Modern systems for the improvement of service quality such as ISO, EFQM or similar public-management standards are not implemented in the Croatian public sector. Moreover, the productivity, efficiency and quality of local self-government units are not systematically measured, and local-government budgets are currently monitored only on the basis of the economic purposes of local-government spending, rather than on its outcomes. There is not even a catalog of services that local and regional self-government units (municipalities, towns, countries) should provide to the local community. The absence of clear national standards is felt particularly in the field of social policy. Here, the implementation of central-government regulation has differed strongly among municipalities. Some have even ignored legal requirements such as the provision in the Act on Social Welfare that municipalities should use 5% of their budgets for housing allowances for socially marginalized groups.

Cyprus

Score 2

Standards and indicators at the central government level often lack consistency and universality. Planned reforms aim at creating a complete framework and improving implementation that tends to be incoherent. The promotion of strategic planning and budget design introduce general standards and procedures, in particular on fiscal issues. However, an evaluation report on their application across government levels, including local authorities, is still not available. When implemented, these reforms may reduce individual discretion regarding the interpretation and implementation of fiscal and other policies. However, generalized planning and the setting of monitoring and evaluation mechanisms are still pending.

Citation:

Reforms Unit – Presidency, Better regulation <http://www.reform.gov.cy/en/growth-reform/better-regulation>

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