



Implementation Report

Government Effectiveness, Ministerial Compliance, Monitoring
Ministries, Monitoring Agencies|Bureaucracies, Task Funding,
Constitutional Discretion, National Standards, Regulatory Enforcement

Sustainable Governance Indicators 2022

Indicator

Government Effectiveness

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.

Germany

Score 9

The previous German government, a coalition government between the CDU/CSU and SPD, had a very good record in terms of implementing its policy agenda. A total of 73% of the 294 projects agreed upon in its 2018 coalition agreement were fully implemented and another 5% have been partially implemented. This high implementation rate, which includes several key goals like pension reform and a climate change bill, has been acknowledged by voters, as the share of respondents who regard coalition agreements as credible doubled within the two-year span of 2019 to 2021 (Vehrkamp and Matthieß 2021). Given the adverse circumstances brought on by the pandemic and the government's absorption of much of the economic shock since 2020, this can be seen as indicative of excellent performance. In addition, many experts have deemed the government's management of the coronavirus crisis to have been successful (see Rüb, Heinemann and Zohlnhöfer 2021).

Citation:

Vehrkamp, Robert and Theres Matthieß (2021): Versprechen gehalten – Schlussbilanz zum Koalitionsvertrag der GroKo 2018-21, Zukunft der Demokratie, 03.2021.

Rüb, Friedbert, Friedrich Heinemann, and Reimut Zohlnhöfer (2021): Germany Report - Sustainable Governance in the Context of the COVID-19 Crisis, available at https://www.sgi-network.org/docs/2021/country/SGI2021_Germany.pdf

Latvia

Score 9

The government has a good track record in achieving its own policy objectives. In issue areas considered by the government as a high priority – examples include economic recovery, euro zone entry criteria, budget reform and fiscal discipline, OECD entry requirements, following MONEYVAL recommendations – government performance can be considered excellent. The government has proven to be

particularly efficient in implementing policies that have been recommended by international partners (the European Union, NATO, Council of Europe, and 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.

The PKC monitors progress with respect to government-declaration goals on an annual basis, providing a report to the prime minister. The NAP 2020 mid-term evaluation noted that despite some successes in achieving a number of goals set out in the plan (e.g., ICT and e-governance), other goals have not been achieved and would not be achieved before the end of 2020.

Overall, the government's declarations are mostly successfully fulfilled, but achieving the government's long-term goals has been more problematic.

Citation:

1. PKC (2017) How does Latvia achieve its development goals? Mid-term evaluation, Available (in Latvian) at: https://www.pkc.gov.lv/sites/default/files/inline-files/NAP2020%20vidusposma%20zinojums%20final_3.pdf, Last accessed: 10.01.2022.

Sweden

Score 9

The Swedish government has a robust implementation capacity (Zahariadis et al, 2021). The roughly 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 (Jacobsson, Pierre, and Sundström, 2015).

The departments as a whole have about 5,000 staff members, including 4,400 civil servants and 200 elected officials (Regeringskansliet, 2021), whereas the number of staffers at the agency level is around 273,000 (OFR, 2021). To a large extent, and with considerable variation among policy sectors and even specific issues, agencies provide informal advice to the government on policy design. In some cases, there is a weekly dialogue 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 rather political. Neither the current nor previous red-green coalition government has held a majority of seats in the parliament. As a consequence, policy proposals have had to be negotiated with opposition parties. If all opposition parties unite against the government, the government's proposals will be defeated. The complexity of this parliamentary situation has significantly complicated the policy process, especially as the situation was further exacerbated by the inconclusive 2018 election results. After lengthy negotiations, the red-green government struck a deal with the Center Party and the Liberals in January 2019, the so-called January Accord. Under the deal, the government has agreed to implement several distinctly liberal or neoliberal reforms. Thus, while the capacity of the government to implement its policies remains strong, those policies now represent a rather broad spectrum of the party system. Notably, the breakdown of the January Accord in 2021 resulted in a political crisis that included the first vote of no confidence against a prime minister in Sweden.

Jacobsson, Bengt, Jon Pierre and Göran Sundström. 2015. "Governing the Embedded State." Oxford University Press.

OFR. (Offentliganställdas Förhandlingsråd [Public Employees' Negotiation Council]). 2021. "Branschfakta – Statlig sektor." <https://www.ofr.se/document/branschfakta-staten/>

Regeringskansliet (Government Offices of Sweden). 2021. "Regeringskansliets anställda." <https://www.regeringen.se/regeringskansliet/regeringskansliets-anstallda/>

Zahariadis, Nikolaos, Evangelia Petridou, Theofanis Exadaktylos, and Jörgen Sparf. 2021. "Policy Styles and Political Trust in Europe's National Responses to the Covid-19 Crisis." *Policy Studies*: 1-22.

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, although the parliament tends to gain in strength, and thus intervene more and more in the parliamentary phase.

Actual implementation then takes place at the cantonal level. The cantons formulate and decide upon an implementation act for each federal law, a process very similar to the EU transposition process and in which cantons enjoy large discretion. The actual policy delivery for almost all policies is in the hands of the cantons.

It needs to be emphasized that the federal government in Switzerland does not correspond to the idea of government based on the logic of opposition and government, or on the notion that those political parties that obtain a majority of votes have a mandate to pursue their programs as a single party or minimal winning coalition. Rather, in Switzerland, federal government always means broad coalitions with the inclusion of almost all major political actors. Therefore, any governmental policy is a result of encompassing negotiations and compromises, which also address potential opposition to its implementation on the cantonal level. It comes as no surprise, therefore, that there is no such thing as a “government program” or a “coalition treaty” with clearly laid out policy objectives. But of course, as comparative analyses show, these limitations do not imply that such types of governments are less effective, at least over the medium to long run.

Citation:

Sager, F., & Thomann, E. (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. doi: doi.org/10.1017/S0143814X1600009X

Sager, F., Ingold, K. & Balthasar, A. (2017). *Policy-Analyse in der Schweiz. Besonderheiten, Theorien, Beispiele*. Zürich: NZZ Verlag, Reihe „Politik und Gesellschaft in der Schweiz“.

Sciarini, Pascal. 2014. „Eppure si muove: the changing nature of the Swiss consensus democracy.“ *Journal of European Public Policy* 21 (1): 116–32. <https://doi.org/10.1080/13501763.2013.822822>.

Australia

Score 8

In May 2019, the Liberal-National Party coalition government was reelected, despite pre-election opinion polls predicting a win for the opposition Labor Party. The victory was such a surprise to the coalition that it had a very limited policy agenda prepared, essentially consisting of income-tax cuts that for the most part will not arrive until after the next election. However, the arrival of the COVID-19 pandemic saw swift and major policy responses, both in terms of income supports and public health measures, all of which the government had no difficulty implementing.

That said, the government’s lack of a majority in the Senate is a real constraint, which has to date frustrated its attempts to implement industrial relations reforms and religious discrimination laws.

Canada

Score 8

The current Liberal administration, elected as a minority government both in 2019 and again in 2021, has had to pivot quickly in response to the pandemic and the health crisis, business closures and unemployment which that brought. However, in quick succession in the spring of 2020, the government rolled out programs designed to support businesses, keep workers on the payroll and support those whose incomes had been impacted, primary among these being the Canada Emergency Response Benefit and the Canada Emergency Wage Subsidy. The Office of the Auditor General has found that CERB and CEWS were designed extremely rapidly, considered a wide array of relevant parameters and modifications were undertaken as

needed “in real time.” However, as the programming was premised on post-payment controls, substantive audits will need to be undertaken going forward.

With respect to election promises made by the current federal administration, the government has made progress on day care, mandated vaccinations for federally-regulated domains and invested CAD 4 billion in water infrastructure for Indigenous communities. However previous commitments on reduction of carbon emissions remain a challenge and, as the OECD has commented, Indigenous peoples remain “underprivileged” on key socioeconomic indicators such as income, employment, housing and health.

Many socioeconomic problems targeted by public policy are complex phenomena only partly amenable to public policy action. In addition, many of the programs funded by Canada’s federal government – including healthcare, post-secondary education, social services and the integration of immigrants – are implemented by provincial governments and require provincial cooperation to achieve federal policy objectives. However, in terms of responsiveness to the pandemic, the government reacted quickly to the crisis and indeed undertook historic measures in a very short time-frame.

Citation:

Liberal Party of Canada, Forward. For Everyone. 2021, <https://liberal.ca/our-platform/>.

OECD, Economic Surveys: Canada 2021, 2021, Paris: OECD Publishing.

Office of the Auditor General of Canada, COVID-19 Pandemic, Report 6, Canada Emergency Response Benefit, https://www.oag-bvg.gc.ca/internet/English/parl_oag_202103_01_e_43783.html

Office of the Auditor General of Canada, COVID-19 Pandemic, Report 7, Canada Emergency Wage Subsidy, 2021, https://www.oag-bvg.gc.ca/internet/English/parl_oag_202103_02_e_43784.html.

Wernick, Michael (2021) Governing in Canada: A Guide to the Tradecraft of Politics, On Point Press.

Denmark

Score 8

The Danish government administration has a reasonably good track record in terms of implementing its agenda. Budget arrangements – including the Budget Law – lay out a clear framework for how regions and municipalities operate in this regard.

As the public sector is relatively decentralized, local governments (i.e., regions and municipalities) are responsible in large part for implementing measures and services. While the decentralized nature of welfare services is designed to allow for differences across geographical regions, this is often contested by those citing the welfare state objective of ensuring equal treatment for all. Since regional and municipal governments interact more directly with citizens, they also must deal with the public’s expectations regarding the level and quality of such services, even though they often have little scope of action.

The degree of freedom afforded to municipalities has shifted back and forth over the

years, and there have been some who have suggested that the regions, which are primarily responsible for healthcare services, should be done away with and their responsibilities taken over directly by the central government.

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.

Finansministeriet, Velfærd først – tryghed, tillid og en grøn fremtid. Finanslovsforslaget 2020, Oktober 2019. <https://www.fm.dk/publikationer/2019/finanslovspjece-2020> (Accessed 17 October 2019).

Italy

Score 8

The second Conte government, which assumed office in autumn 2019, defined a very broad set of policies in the fields of taxation, labor law, environmental protection, justice and infrastructure. The implementation of these goals, which proved extremely difficult because of internal disagreements among the coalition parties, was further hindered by the pandemic crisis. Meanwhile, the current Draghi government has defined a more parsimonious set of objectives (the implementation of a strong COVID-19 vaccination strategy and the achievement of the tasks mandated by the first year of the Recovery and Resilience Plan) and has largely succeeded in implementing them.

Citation:

for the achievement of the PNRR tasks see: <https://www.governo.it/it/articolo/pnrr-cabina-di-regia-con-il-presidente-draghi/18891> and <https://www.governo.it/sites/governo.it/files/RelazionePNRR.pdf> (accessed 30 December 2021)

New Zealand

Score 8

The policy implementation record of the Labour government is mixed. The Labour-NZ First coalition (2017-2020) delivered on a number of its campaign promises such as raising the legal minimum wage, allocating more money to public health, and passing measures designed to tackle child poverty and domestic violence. However, the three-year term was also marked by a number of policy failures and U-turns. For example, KiwiBuild, the government's scheme to build 100,000 affordable homes between 2017 and 2027, was axed after only 18 months, and plans to offer fee-free tertiary education were cut back significantly. The current Labour-Green coalition has been criticized for not delivering on its promise to tackle child poverty. According to many critics, the boost in welfare benefits implemented in 2021 does not go far enough (Edward 2021). Moreover, despite declaring a “climate emergency” in December 2020, current environmental policies are not sufficient to meet New Zealand's commitments under the Paris Agreement (Morton 2020). On the other hand, the Ardern administration has been praised globally for its success in implementing its COVID-19 “elimination” strategy; even though the strategy was abandoned in October 2021 after the arrival of the delta variant made lockdowns less effective at containing the virus (Frost 2021).

Citation:

Edwards (2021) “Why Labour raised benefits, and why it’s not enough.” Newshub. <https://www.newshub.co.nz/home/politics/2021/05/bryce-edwards-why-labour-raised-benefits-and-why-it-s-not-enough.html>

Frost (2021) “New Zealand abandons its goal of eliminating the coronavirus.” The New York Times. <https://www.nytimes.com/2021/10/22/world/new-zealand-abandons-its-goal-of-eliminating-the-coronavirus.html>

Morton (2020) “Analysis: What does declaring a ‘climate emergency’ actually do?” New Zealand Herald. <https://www.nzherald.co.nz/nz/analysis-what-does-declaring-a-climate-emergency-actually-do/6U3YQFOLDTZCCBWZ4ETXLHLD0E/>

Norway

Score 8

Norwegian governments are often faced with having to choose between forming a heterogeneous majority government or a homogeneous minority government. The current government is a two-party minority government. A negotiated agreement among the coalition partners serves as a platform for policy objectives, but this agreement has no formal influence over budgetary policies.

In general, the government can rely on a large, well-trained and capable bureaucracy to implement its policies. However, major educational, healthcare and local vs regional government reforms have exposed the difficulties in implementing such reforms, and have demonstrated the need for the government to carefully navigate the needs of different stakeholders and veto players. Despite facing considerable opposition in certain areas and in particular with regards to regional policy, the government implemented structural reforms affecting local governance, healthcare, the police, and the defense and military sector in the last decade.

There is evidence of problems with implementation in various policy areas, including social security management, regional and education policy. The decline in government effectiveness in several areas is taking place slowly over time. In particular, this applies to decisions regarding the geographical location for state institutions like hospitals and universities.

United Kingdom

Score 8

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 or Constitutional Court, although the Supreme Court can challenge government decisions directly and effectively. 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, increased substantially following the close outcome of the Scottish referendum and the massive gains made by the Scottish National Party across Scotland in recent UK general elections.

Persistent problems in the National Health Service have had to be addressed by resort to emergency funding. Meanwhile, disputes over some issues – such as a third runway at Heathrow or the (slow) construction of HS2, a high-speed rail-link between London and northern England – have been affected by the impact that the issue would have on individual ministers' parliamentary constituencies. The government has also struggled to introduce major welfare reforms, notably Universal Credit. The Institute for Government (IfG) in 2018 noted an increase in the number of major projects for which delivery is “in doubt” or “unachievable” compared to five years earlier. In the IfG's 2022 Whitehall Monitor, it identifies positive responses to the pandemic, noting, for example, that “the government could quickly develop and roll out large new digital services.” But the report also draws attention to failings in public procurement from having departed from normal processes and from the many “political problems facing the government, which are already proving a distraction from its agenda.” Arguably, these difficulties suggest that, although the power conferred to the prime minister is often an advantage in implementation, it can be a disadvantage if the incumbent is beleaguered.

On the whole, UK governments are able to achieve what they set out to do, because the electoral system is geared to generating parliamentary majorities, which facilitate the implementation of government objectives. Nevertheless, and especially when the government's majority is small, difficulties can arise in achieving policy objectives because of intra-party factionalism and parliamentary party rebellions. Even under the exceptional coalition government between 2010 and 2015, Premier Minister David Cameron often had more trouble controlling his own party's right-wing than dealing with the demands of the junior coalition partner, the Liberal Democrats. 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, challenges in implementation became only too evident – and even more so after she was replaced by Boris Johnson who eventually withdrew the whip from no fewer than 21 Conservative members of parliament. The UK government was without a majority in the House of Commons for weeks, which in this traditionally parliament-focused system meant a de facto standstill of almost all government action.

The conclusion to draw is that in the relatively rare circumstances of a hung parliament, the UK government will struggle to implement policies. In the exceptional circumstances of 2019, the difficulties were exacerbated, but were soon resolved by a return to majority government.

During much of the pandemic, the devolved governments and, to a lesser extent, of the metropolitan areas exhibited an increased self-assuredness in implementing their

own preferences in their areas of competence. In these areas of competence, the UK government was responsible only for England. However, in other areas of competence the UK government was able to implement several key policy responses to the pandemic effectively.

Citation:

<https://www.instituteforgovernment.org.uk/sites/default/files/publications/Whitehall%20Monitor%202019%20WEB1.pdf>

<https://www.instituteforgovernment.org.uk/publications/whitehall-monitor-2022>

Austria

Score 7

The implementation of government policies in Austria strongly reflects the reality of coalition governance. Following the formation of a government, coalition parties agree on policy priorities. Implementation success in different areas is used as a vehicle to promote party agendas, rather than the government's overall agenda. While under previous governments, each coalition party typically blamed the other for government failures, more recent governments have increasingly sought to abandon that path.

That said, if the coalition partners agree on a policy, it is likely to be adopted, given the high degree of party discipline in parliament and the limited influence of the second chamber. Still, the overall proportion of election pledges that actually become law is lower in Austria than in many other western European countries with more favorable conditions for the fulfillment of election pledges. The realization of several prominent election pledges from the 2019 election campaign, such as a reform of the tenancy law (including the established system of brokerage fees), has been delayed by the pandemic-induced crisis mode that the government has repeatedly found itself in since 2020.

Praprotnik, Katrin & Ennser-Jedenastik, Laurenz, Austria, in: E. Naurin; T.J. Royed, and R. Thomson, Party Mandates and Democracy. Making, Breaking, and Keeping Election Pledges in Twelve Countries, Ann Arbor: University of Michigan Press, 2019, 241-254.

<https://www.diepresse.com/6000029/die-vergessene-makler-reform>

Estonia

Score 7

The Basic Principles of the Government Coalition for 2021 – 2023 are stipulated in the coalition agreement and the Government Action Plan. Additionally, a 100-day program for the first government period (January – May 2021) is publicly available on the government's website. In contrast to the previous cabinets, the sitting government has set very few meaningful statistical indicators and benchmarks. This makes evaluation of government performance difficult. Major activities in 2021 have been the adoption of various development plans and coping with the impact of COVID-19.

Finland

Score 7

Government measures designed to soften the social and economic impacts of the COVID-19 crisis have been relatively successful. The government and regional authorities have had sufficient funds and trained staff available to allow them to implement the measures. Similarly, the organizational competencies and policy instruments available to the implementing authorities have allowed them to implement needed measures.

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: Government action plan 2018-2019.,"

[http://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/160985/29_18_Finland_a_land_of_Solutions_2018-](http://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/160985/29_18_Finland_a_land_of_Solutions_2018-2019_EN.pdf?sequence=1&isAllowed=y)

[2019_EN.pdf?sequence=1&isAllowed=y](http://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/160985/29_18_Finland_a_land_of_Solutions_2018-2019_EN.pdf?sequence=1&isAllowed=y)

"Economic Policy County Report 2018," https://www.talouspolitiikanarviointineuvosto.fi/wordpress/wp-content/uploads/2019/01/Report2018_fixed.pdf.

France

Score 7

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 of 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 commitment to economic growth, the fight against 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 overoptimistic data or forecasts. The election of President Macron represented a radical change at the top. The main improvement has come with the Macron government's ability to combine its policy commitments with intense stakeholder concertation before finalizing legislative proposals. During the first 18 months of his term, this method of policymaking was quite successful. The new administration was very active in adopting and implementing its ambitious and encompassing policy reform agenda. The first positive results in terms of economic policy, growth and unemployment were already being felt. In spite of the Yellow Vest uprising, which forced the government to slow its pace, Macron continued to pursue his reform agenda, even on very sensitive issues such as reform of the pension system. However, the COVID-19 pandemic forced the president and the government to suspend and then withdraw a radical, encompassing and ambitious slate of reforms. Opponents from every angle had objected to the change. The overall reform results have been remarkably good in the area of the economy and the fight against unemployment.

Lithuania

Score 7

During the fast process of transition and accession to the EU, Lithuanian governments' narrow focus on this task produced a lag in policy implementation. The performance of the four most recent governments has been mixed. Kubilius government 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 healthcare network and a restructuring of the energy sector. Although the Butkevičius government (2012 – 2016) 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 the structural reform of higher education and training, healthcare, and public administration. The Skvernelis government (2016 – 2020) was able to push through a few important reform policies, including a new labor code (largely prepared by the previous government), the merger of state-owned forestry companies, and amendments to the alcohol control law as well as tax and pension reforms. It was able to achieve this progress despite its diminished parliamentary majority following a split within the Social Democratic party's parliamentary group, but its effectiveness has declined toward the end of its political term. Coalition politics, shifting political attention, the conflicting strategies of various advocacy coalitions and weak political leadership frequently explain the government's failure to implement major policy objectives. For example, the consolidation of higher-education institutions has been deviating from the government's initial plan, with a number of amendments made both during parliamentary deliberations and during actual implementation shifting the character of the reform.

It is somewhat difficult to assess the Šimonytė government's record, as the government has largely pushed structural reforms into future. At the beginning of the government's term, policymakers decided to focus their attention on fighting multiple crises, such as the pandemic, illegal migration and geoeconomics (due to relations with China). The junior party in the coalition – the Freedom Party – had several clear policy goals, in particular related to legalizing same-sex partnerships and decriminalizing the use of psychoactive substances. However, neither of these proposals were approved by the parliament, as some members of the coalition were opposed to them. After these failed attempts, tensions have appeared within the coalition. On the other hand, the coalition managed to adopt a new law enabling names to be spelled in official documents using Latin letters that are not part of Lithuanian alphabet – a longstanding issue important for the non-Lithuanian population.

The government should also continue improving the effectiveness and efficiency of its spending. In the World Bank's 2020 Worldwide Governance Indicators, Lithuania scored at the 83rd percentile for government effectiveness, a slight improvement of three percentage points relative to 2017. In its 2019 report, the European Commission recommended improving the efficiency of public investment as a means of stimulating overall productivity growth in the country.

Citation:

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

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.

COMMISSION STAFF WORKING DOCUMENT, country report Lithuania 2019: https://ec.europa.eu/info/sites/info/files/file_import/2019-european-semester-country-report-lithuania_en.pdf

Luxembourg

Score 7

In general, the government is able to implement its policy objectives, which are usually outlined in coalition-government programs (the most recent covering the period 2018-2023). 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.

Citation:

"Projects within the framework of the National Action Plan for Integration." The Luxembourg Government. Ministry of Family Affairs, Integration and the Greater Region (13 July 2021). <https://mfamigr.gouvernement.lu/en/le-ministere/attributions/integration/integrationsprojekte/projets.html>. Accessed 14 January 2022.

"Circular Economy Strategy Luxembourg/Strategie Kreeslafwirtschaft Lëtzebuerg." The Government of the Grand Duchy of Luxembourg (8 February 2021). <https://gouvernement.lu/dam-assets/documents/actualites/2021/02-fevrier/08-strategie-economie-circulaire/Strategy-circular-economy-Luxembourg-022021.pdf>. Accessed 14 January 2022.

"Plan d'action national du Luxembourg pour la mise en oeuvre des Principes directeurs des Nations Unies relatifs aux entreprises et aux droits de l'homme 2020-2022." Le Gouvernement du Grand-Duché de Luxembourg. Ministère des Affaires étrangères et européennes (2020). https://www.ohchr.org/Documents/Issues/Business/NationalPlans/LuxembourgNP2020-2022_FR.pdf. Accessed 14 January 2022.

"Statement of the Consultative Commission on Human Rights of the Grand-Duché de Luxembourg" (2020). <https://ccdh.public.lu/dam-assets/fr/avis/2019/Prise-de-position-Entreprises-et-droits-de-l-Homme-version-finale.pdf>. Accessed 14 January 2022.

Portugal

Score 7

The government in office during the period under review was the 22nd constitutional government of António Costa. This government was guided by the government program, Programa do XXII Governo Constitucional 2019 – 2023. Given the exceptional circumstances caused by the pandemic, the government was fairly successful in implementing its measures. However, it did fail to win approval for its

2022 budget proposal in parliament, which led to a dissolution of parliament in December 2021 and new legislative elections that were scheduled for late January 2022. Thus, the government's ability to implement its program fully was clearly curtailed by its early demise.

Citation:

Programa do XXI Governo Constitucional, 2015 – 2019.

Jose Maria Sousa Rego, “No centro do power-Governo e Administração Publica em Portugal” Fundação Francisco Manuel dos Santos, 2018

<https://www.publico.pt/2019/.../estado-nacao-governo-considera-ja-cumpriu-81-mediPrograma> do XXII Governo Constitucional, 2019 – 2023

Spain

Score 7

The Spanish government has never instituted a system of benchmarks to evaluate its own performance. However, it has traditionally been successful in the implementation of major policy objectives. Nevertheless, the weakness of the coordination mechanisms with the 17 autonomous communities that are responsible for most policy areas and the high degree of ministerial fragmentation are obstacles to government effectiveness. Moreover, in recent years, the governing party's parliamentary weakness has become a much greater obstacle. In 2019, the first Sanchez government started an informal system of benchmarks to evaluate its own performance. The third edition of this “Cumpliendo” report, presented in December 2021, concluded that the government had fulfilled 50% of the commitments made in its investiture speech to the parliament. In parliamentary terms, the executive presented 65 legislative initiatives, the second-highest number since 2011 (trailing only 2015), in spite of the high level of fragmentation in the chamber.

In December 2020, the Spanish government approved a royal decree to streamline the Spanish administration and facilitate the bureaucratic process needed to implement the RRP effectively. Among its various components, the decree improved public governance and oversight structures and the frameworks necessary for better collaboration between the public and the private sectors. In order to ensure effective implementation of the plan, the government created several temporary structures and assigned new responsibilities to some existing administrative departments.

Citation:

Gobierno de España (2021) Cumpliendo
https://www.lamoncloa.gob.es/presidente/actividades/Documents/2021/291221_CumpliendoDiciembre21_Informe.pdf

Belgium

Score 6

The continuation and resurgence of the health crisis (with the third and fourth waves) has somewhat slowed progress on longer-term issues and commitments made in the government agreement (e.g., green transition, tax reform, nuclear phase out). Even if

there have been some advances (e.g., increase in minimum pension, extension of parental leave, reform of sexual criminal law, right to vote at 16 in European Parliament elections, reform of company cars, tax on securities accounts) they are often perceived as marginal and the government does not seem able to make strong decisions on major or “difficult” issues such as the exit from nuclear power or on tax reform, mainly due to the brittleness and ideological diversity of its coalition.

Regarding the measures taken to contain the coronavirus pandemic, the country went through different phases, with varying degrees of effectiveness. This led pundits to describe the government’s crisis management as a roller coaster (or even as “zeroes,” in the words of F. Dehousse in his December 2021 op-ed). At the beginning of 2021, the newly formed De Croo I cabinet inherited a complicated health situation, to say the least, since Belgium had (on paper at least) twice broken the world record for COVID-19 mortality in 2020. This poor performance was partly due to the previous government’s indecision, but also had broader causes. Belgium is a densely populated international hub, home to European institutions. Most of its territory in fact constitutes a large conurbation with connected urban and suburban areas, and there is also a lot of commuting to and from neighboring hubs in the Netherlands, Luxembourg, Germany (the Aachen area) and the north of France (the whole Lille area).

The new government and its strong new federal health minister then imposed strict measures, which, even though they were sometimes criticized by certain elected officials within the majority coalition after they were taken collectively (see also “Interministerial Coordination” and “Policy Communication”), had noticeable effects. So much so that, six months later, the country was making a remarkable recovery. The coronavirus appeared to be under control, and the vaccination rate was one of the highest in Europe.

However, the government, in order to pass its restrictive measures, communicated widely on the forthcoming exit of the crisis thanks to the vaccine solution. The prime minister even said in the media that “the epidemic is becoming an epidemic of the unvaccinated.” This message was given such a strong focus that the non-pharmacological measures of prevention such as social distancing or mask wearing were relegated to the second rank. This has been evidenced, among other factors, by the naming of the “COVID Safe Ticket,” the certification that a person has been vaccinated, received a negative test or has recovered from the coronavirus. Belgium is not the only country to introduce such a measure, but its description and the use of the word “safe” has been subject to criticism for suggesting the absence of risk. The fall of 2021 ended up being characterized by the return of the epidemic in a fourth wave. For its part, the government had lost its unity, and was no longer able to issue clear rules or hold a coherent discourse, being partly betrayed by its own communication during the summer.

The government’s actions were of course complicated by the emergence of the new variants (delta, quickly followed by omicron) that hit all European countries hard.

And despite the bungling government performance, at the turn of 2021/22, Belgium's reproduction rate was still well below that of neighboring countries (the Netherlands had to implement a strong lockdown due to its lack of earlier measures, for instance). The good vaccination rate, among the highest in Europe, as well as the solid start of the booster campaign, together with the fact that earlier measures delayed the omicron wave by a few weeks could partially restore popular support for the government's less popular measures, and hopefully recover part of its lost effectiveness.

Citation:

<https://www.lecho.be/opinions/edito/dans-ce-pays-on-ne-sait-plus-comment-decider/10355714>

<https://www.lesoir.be/397726/article/2021-09-30/la-vivaldi-un-et-encore-tout-prouver>

F. Dehousse (Dec. 2021 oped): <https://www.levif.be/actualite/belgique/la-belgique-et-le-coronavirus-le-retour-des-nuls-de-la-gestion-carte-blanche/article-opinion-1507157.html>

https://covid-19.sciensano.be/sites/default/files/Covid19/COVID-19_FAQ_ENG_final.pdf

https://cepr.org/sites/default/files/policy_insights/PolicyInsight110.pdf

https://www.rtf.be/info/societe/detail_cette-epidemie-devient-une-epidemie-des-non-vaccines-les-mots-du-premier-ministre-pourraient-etre-contreproductifs-on-risque-de-raidir-cette-population?id=10844350

<https://www.lesoir.be/413306/article/2021-12-19/leurope-panique-face-omicron-la-belgique-dans-l'expectative>

Greece

Score 6

Significant structural reforms were legislated by successive Greek governments in the decade to 2021, but their mix and implementation were and continue to be uneven. Policy implementation efforts have been problematic because of bureaucratic and legal wranglings. For instance, long-awaited reforms in higher education and the pension system were legislated, but not really implemented.

Nevertheless, in 2020–2021, progress was made. The World Bank Government Effectiveness indicator – which measures, among other things, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies – recorded a rise from 0.29 in 2018 to 0.44 in 2020.

Some flagship investment projects, such as the Hellinikon project, moved forward. The government was successful in striking a deal with private investors for the development of the decommissioned Hellinikon airport, on the coast just outside Athens. After long delays in the pre-2019 period, the €8 billion project started at the end of 2021. It will combine public parks, beachfront residences, and high-end shopping and office spaces in a vast area. If successful, the project could create as many as 75,000 jobs and increase the country's GDP by four percentage points. The beginning of implementation of Greece's biggest development project is an indication of improved government effectiveness in the period under review.

Citation:

World Bank, Government Effectiveness available at https://govdata360.worldbank.org/indicators/h580f9aa5?country=GRC&indicator=388&viz=line_chart&years=1996,2020

Information on the Hellinikon project is available at <https://www.bloomberg.com/news/features/2021-05-09/athens-hellinikon-project-hinges-on-buyers-from-abroad> and also at the official site of the project: <https://thehellinikon.com.gr/en/about/>

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 (ICESAVE). In both cases, exercising his constitutional right of veto, the president refused to sign into effect the government's legislative proposal, 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, fisheries management reform, 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 two center-right cabinets between 2013 and 2016, which both commanded a parliamentary majority of 38 to 25, had no problems in implementing their policy proposals, even though some ministerial initiatives were thwarted. The three-party coalition cabinet (January – September 2017) had a much smaller majority of 32 to 31. However, this small margin never led to any government bills being overturned during the coalition's brief tenure. The 2017–2021 center-right-left coalition cabinet held a majority of seats (35 to 28 seats, which later became 33 to 30 seats) and had no problems of this kind – even though two Left-Green Movement members of parliament declared during the cabinet formation negotiations that they would not support the coalition. The coalition remained in office following the 2021 election, this time with a larger majority (38 to 25 seats) and there are no signs of intragovernmental dissension.

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 2017, the average annual number rose to 772. In 2020, there were 32 acts of the Oireachtas signed into law and 760 statutory instruments. This trend plays some role in shifting 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. As above, at the time of writing, Irish Water plans to introduce household charges for excess water use in 2022, according to the Irish Water Charges Plan (IW, 2021)

Ireland's aging water and sewage system infrastructure necessitates significant future capital expenditure. While the abolition of domestic water charges reduced pressure on the government from angry members of the public, the government must find an estimated €3 billion for infrastructure improvements in the coming years.

Citation:

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

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O'Malley, E. & Martin, S. (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

According to the government's own reports, in recent years, there has been an improvement in the execution of government decisions, with 79% of all objectives achieved in 2018. However, according to critics, this was due to changes to the methodology for measuring the governments' objectives and specifically by lowering the standards of achievement.

The implementation of COVID-19 measures in Israel was accompanied by difficulties and inefficiencies in many aspects, including difficulties caused by political and economic pressure groups, a lack of staff, the inefficient allocation of funds, and budgetary concerns. These inefficiencies made it difficult for the government to implement its policies quickly and effectively. Indeed, Israel ranks 19th worldwide in terms of how well it has handled the COVID-19 pandemic, according to new data compiled by the Bloomberg website. (Bloomberg, 2021).

The implementation of health policies has been partly successful and partly very unsuccessful. Israel's vaccine program outpaced every other country as of January 2021 (Handrix & Rubin 2020) and the number of COVID-19 tests conducted per person in Israel was one of the highest in the world. However, the epidemiological investigation apparatus lacked the required staff at the beginning of the crisis compared to other countries. Six months into the pandemic, the Ministry of Health still relied exclusively on an old, outdated and insufficient epidemiological investigation management system. Furthermore, an absence of synchronization between the Ministry of Health and Education Ministry's online systems, and between investigators in different cities (which led to numerous delays and errors) undermined the swift implementation of quarantine measures.

Regarding the implementation of economic measures, the lack of suitable protocols and sufficient staff in the Israel Tax Authority (ITO) has created serious tension and frustration between the recipients of emergency economic aid and the agency. The State Comptroller pointed to malfunctions in the agency's computers and online systems, and to distorted eligibility criteria set for receiving aid. Regarding enforcement personnel, the Israeli police force lacked the necessary staff to enforce the restrictions imposed during the three lockdowns. To tackle the lack of policing staff, the government allowed city inspectors to issue fines for violation of restriction rules, a decision that created substantial differences in the level of enforcement between various municipalities, especially between small and large municipalities (Senior 2020).

Citation:

Bloomberg, 2021, "Covid Resilience Ranking" Retrieved from: <https://www.bloomberg.com/graphics/covid-resilience-ranking/>

Aflalo, Eti. 2020. "Distortions in the ITO's criteria for Covid's grants reception," Calcalist website, October 26, 2020 (Hebrew). <https://www.calcalist.co.il/local/articles/0,7340,L-3865790,00.html>.

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Senior, Eli. 2020. "Not only policeman: inspectors will also be able to fine violators of Covid-19 distance rules." Ynet website, April 13, 2020 (Hebrew). <https://www.ynet.co.il/articles/0,7340,L-5713909,00.html>.

Japan

Score 6

While the economy improved when Prime Minister Abe was in power (2012-2020), major aspects of the government's economic-policy program remained unrealized. Most critically, structural reforms have not been carried out as promised, partly because the government's key policy agenda has been sidetracked by the COVID-19 pandemic. Economic growth remains weak and the two percent inflation goal unrealized. The consumption-tax hike of October 2019 is too small to achieve fiscal consolidation any time soon.

Many longer-term issues continue to linger in the area of social policy. This is particularly true with regard to the much-needed reform of the social security system. While a new government panel was created in late 2019 to discuss sweeping measures in this area, the future course is still unclear and contested.

Although the new Digital Agency was created in pursuit of former Prime Minister Suga's digitalization policy reform – one of the two structural reforms announced in 2020 – there are already signs of backtracking and reduced tempo with respect to the second reform, that is, achieving carbon-neutrality by 2050.

In terms of international relations, the Japanese government has been at the forefront of pushing the vision of a free and open Indo-Pacific region, also seeking to balance an increasingly assertive China. A trade pact was successfully concluded in late 2019 with Japan's core ally, the United States, though this came at the price of major concessions.

Citation:

Kaori Kaneko, Japan's Abe gets middling marks on his economic performance, Reuters, 12 September 2018, <https://www.reuters.com/article/us-japan-economy-poll/japans-abe-gets-middling-marks-on-his-economic-performance-from-analysts-poll-idUSKCN1LU0FB>

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Song Jung-a and Kana Inagaki, Why Japan-South Korea relations have soured, The Financial Times, 28 August 2019, <https://www.ft.com/content/94ce21dc-c584-11e9-a8e9-296ca66511c9>

Malta

Score 6

Government efficiency has continued to improve, although strong economic growth and the government's ambitious plans have created challenges for the administration. 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. In November 2021, the PMO and the Ministry of Finance stated that 82% of measures announced in the previous year had been successfully implemented. This success is due to a greatly improved public service. The overall ability to implement policies is further evidenced by the overwhelming support enjoyed by the government.

Although problems remain, such as backlogs stretching back several years. These problems include insufficient oversight of service providers, a lack of controls related to personal emoluments, insufficient verification and enforcement procedures, missing documentation, deficiencies in stock management, and a lack of adherence to public-procurement regulations. Meanwhile, improvements have been evident in the quality of projects implemented, including roadworks, several infrastructural projects and social housing. One questionable feature is the high amount of direct orders traditionally dished out by governments under the pretext that procurement policies take too long.

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

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

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The following reports are obtained here <http://nao.gov.mt/en/recent-publications>

Performance Audit: An evaluation of the regulatory function of the Office of the Commissioner for Voluntary Organizations –

REPORT BY THE AUDITOR GENERAL ON THE PUBLIC ACCOUNTS 2017 –

An investigation of matters relating to the contracts awarded to ElectroGas Malta Ltd by Enemalta Corporation

Report by the Auditor General on the Workings of Local Government for year 2017 –

Performance Audit: A Strategic Overview on the Department of Fisheries and Aquaculture's Inspectorate Function –

Follow-up Audit: Follow-up Reports, 2018 by the National Audit Office

https://www.maltatoday.com.mt/news/national/97895/74_of_2019_budget_implemented_accountability_exercise_shows#.Xa1uQ5IzaM8

National Audit Office: Report of the Auditor General public accounts committee 2019

https://www.maltatoday.com.mt/news/national/112571/social_housing_waiting_list_halved_since_2017_housing_authority_says#.YbXkHxzd7Cc

The 2020 Auditor General report on the public accounts

Poland

Score 6

During the 2015–2019 term, the PiS government has been quite effective in implementing its policy objectives. Favored by its absolute majority in parliament and PiS's internal discipline, it succeeded in realizing its major campaign pledges, such as the increases 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 realized them rather quickly. Precisely because so many bills have sailed so quickly through parliament, however, the quality of legislation was often very poor, requiring immediate amendments.

Since the 2019 parliamentary elections, the PiS government's effectiveness has declined, as the rifts within the governing coalition have grown. Due to widespread criticism from both inside and outside the governing coalition, the government eventually had to give up its original plan to hold presidential elections in May 2020. While the government, despite its dependence on independent members of parliament since August 2021, found a parliamentary majority for adopting its "Polish Deal" program, the legislation has suffered from massive internal inconsistencies and frequent amendments. At the end of 2021, President Duda vetoed the government's controversial legislation on media ownership ("lex TVN").

Slovenia

Score 6

The Šarec government's coalition agreement was relatively sparse in content and far less detailed than that of the previous government, but the Janša government's coalition agreement is much more detailed. While the Šarec government was successful in reaching an agreement with the government's social partners on public sector wage rises and abandoning some austerity measures, it was much less successful in other policy areas and failed to launch any substantial policy reform. The government's appetite for reform abated toward its second year in the office and government support in the parliament was often lacking. Once the Janša government took over in March 2020, it had to deal with the pandemic and implemented a wide range of anti-coronavirus measures, as Prime Minister Šarec resigned in late January 2020 and failed to prepare the country for the upcoming health and economic crisis. During the period under review, the Janša government was quite successful in implementing its own policy objectives, despite a very thin majority in the parliament. Notable achievements included adopting the Long-term Care Act (a major goal for all coalition governments over the last two decades, which had never previously even reached the parliamentary procedure), progress on several infrastructure projects initiated by previous governments (e.g., the construction of a second railway track to the port of Koper and the second Karavanke highway tunnel to Austria), major progress on digitalization (e.g., introducing digital highway vignettes), the substantial improvement in relations with all Slovenia's neighbors and the Visegrad countries, and adopting a minor tax reform as well as a state budget for 2021–23.

South Korea

Score 6

In South Korea's presidential system, power is concentrated in the office of the president. However, presidents are also limited to a single five-year term, which means that they can become lame ducks even after completing only half of their term. The Moon administration was somewhat more effective than its predecessor with regard to the implementation of policies, although implementation still fell far short of the president's ambitious goals (i.e., 100 Policy Tasks). Despite the strong

personal mandate deriving from his decisive election victory and strong popularity, Moon's Democratic Party lacked a majority in parliament until the April 2020 parliamentary elections. Moreover, managing the COVID-19 pandemic overshadowed most other policy priorities in 2020. Nevertheless, the president has far-reaching powers and Moon implemented several important measures that he had promised, including increases in the minimum wage; the creation of new jobs in the public sector; a reduction in the maximum workweek to 52 hours; an expansion of the social safety net; the establishment of an independent anti-corruption agency; the expansion of the autonomy of local governments via amendments of the Local Autonomy Act (e.g., autonomous local police, increased local fiscal authority, enhanced local councils); the adoption of critical and long-overdue labor rights protections; the creation of space for SMEs and startups through regulatory easing; the establishment of more ambitious climate change mitigation targets; the enhancement of Korea's role in global governance, particularly in the realm of global public health; and the development of a blueprint for Korea's transition to a digital and green future. However, Moon also postponed or failed to achieve some of his original agenda items, such as the constitutional reform designed to decentralize power, election reform, pension reform, real estate reform and chaebol (business conglomerate) reform.

Moreover, President Moon managed to deliver on these promises while successfully managing the COVID-19 crisis. Indeed, Korea's COVID-19 response is a compelling example of well-coordinated policy execution – across sectors, levels of administration and the political aisle. Meetings of the Central Disaster and Safety Countermeasures Headquarters (CDSCHQ) meetings, which gather together representatives of all relevant ministries and 17 provinces and major cities, have been held regularly in order to maintain a united national effort in dealing with the spread of the coronavirus. These meetings allow for regular coordination among the highest-level officials and between the central and local governments, which is crucial for jointly identifying problems, blockages and solutions. The regular meetings support the concerted implementation process and the effective allocation of central government resources, and enable rapid local adaptation to changing circumstances when needed. Attesting to the strength of the system, there were no relevant COVID-related disruptions of basic public services. Since the beginning of the pandemic, the government has been able to mobilize the public administration to ensure testing, tracing and quarantine enforcement. While COVID-19 necessitated emergency measures – such as temporary suspension of personal data privacy and association rights – these have been implemented in accordance with relevant laws and by appropriate, designated authorities. The executive and other branches of government have functioned effectively and within their designated authority.

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

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Turkey

Score 6

Measures relating to the COVID-19 pandemic were implemented rather swiftly due to Turkey's transition to a presidential system in 2018, which gave the executive more power than the legislature or the judiciary. Throughout the pandemic, the constructive stance of the oppositional parties also facilitated the implementation of coronavirus-related measures.

Despite the success in containing the pandemic, governmental inefficiency has been widespread, especially in relation to the economy. Economic activity in the first nine months following the implementation of the government's annual economic objectives varied sharply from the official budget and the 2017 – 2019 medium-term fiscal plan forecasts. The recent devaluation of the Turkish lira increased the fiscal burden. Greater fiscal discipline is foreseen in the 2020 – 2022 medium-term fiscal plan. The inflation targets by the central bank have been subject to revisions on many occasions.

The government's long-standing investment strategy, which is based on the build-operate-transfer model and includes urban hospitals, bridges, connecting highways and airports, has effectively created the potential for huge deficits, as the revenues for these projects are guaranteed by the treasury.

Citation:

Strateji ve Bütçe Başkanlığı. Orta Vadeli Program (2022-2024). <https://www.sbb.gov.tr/wp-content/uploads/2021/09/Orta-Vadeli-Program-2022-2024.pdf>

Bloomberg. "Merkez Bankası 2021 enflasyon tahminini yükseltti. July 29, 2021. <https://www.bloomberght.com/tcmb-3-enflasyon-raporunu-acikliyor-2284847>

Bulgaria

Score 5

Bulgarian governments avoid setting policy-performance benchmarks that are available to the public. The main exceptions are within the area of macroeconomic policy, especially regarding the budget and compliance with the high-profile requirements of EU membership. While the government has succeeded in controlling the fiscal deficit and public debt, it has not been successful in its long-standing objective of joining the Schengen Area. It has been partially successful in the objective of exiting the EU's macroeconomic imbalances procedure, since these are no longer regarded as being excessive. Another important policy objective – integration into the euro area and the European banking union – has been furthered somewhat, with the government's negotiations with its EU partners successfully producing a clear roadmap outlining key measures to be introduced.

There have been several test cases in 2021 and 2022, the most important being the Recovery and Resilience Plan and the Plan to Join the Eurozone. In both instances, the new government demonstrated some capacity to work consistently in targeting its stated objectives.

Government-body budgeting in Bulgaria remains primarily based on historical expenditures, and does not involve programmatic elements, which would necessitate benchmarking and measurement.

The Borisov government and its two successive caretaker governments have failed to limit the powers of the prosecutor general, to depoliticize the Supreme Judicial Council and to effectively prosecute high-level political corruption.

Chile

Score 5

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). 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 proved to be a practical obstacle in the achievement of governments' core policy objectives.

Due to the mass protests and strikes of October 2019, the government under President Piñera had to adjust its program and policy objectives significantly in order to restore social order and peace. This situation has been exacerbated by the COVID-19 pandemic, which forced the government to reallocate resources and redefine priorities.

The website of the Intelligent Citizenship Foundation (Fundación Ciudadanía Inteligente) reviews the balance of compliance between the Piñera government's second-year legislative promises and the announcements made during the social mobilizations in Chile. By the end of the period under review, the rate of compliance was indicated as only 37% (the percentage indicates the average progress made by all the promises contained in the government program).

Citation:

Independent initiative to measure and assess implementation of the government program:

Intelligent Citizenship Foundation (Ciudadanía Inteligente), <https://ciudadaniai.org>, last accessed: 13 January 2022.

Intelligent Citizenship Foundation (Ciudadanía Inteligente), "Del deicho al hecho. Cuánto cumple el gobierno", <https://deldichoalhecho.cl>, last accessed: 13 January 2022.

Cyprus

Score 5

The European Commission and the IMF considered the government's management of COVID-19-induced economic impacts to be relatively good. They praised the containment of unemployment, which in 2021 returned to the pre-crisis rate, and the positive effects of the recovery on the current account deficit, which was affected by measures of support. Support measures were timely and funded by cushion reserves. An early recovery was a surprise, although the IMF suggests that special measures are needed in order to compensate for the uneven impact of the crisis on various groups. The European Commission points to risks from the current account deficit; inflation, which has increased due to higher energy prices; and the increase in costs for the General Health System (GESY). The European Commission also called for caution if KEDIPES is transformed into a national asset management company. It notes the expected positive impact from the implementation of the Recovery and Resilience Plan.

With the recovery that started in early 2021, the initial increase in public debt due to the introduction of support measures has receded and is expected to fall below 100% in 2022.

Despite good economic indicators, both the European Union and the IMF underline that uncertainty about how the COVID-19 crisis will develop remains a major risk for the economy.

Citation:

1. IMF, Cyprus: Cyprus 2021 Article IV Consultation – Press Release and Staff Report, June 2021, <https://www.imf.org/-/media/Files/Publications/CR/2021/English/1CYPEA2021001.ashx>
3. European Commission, Post-programme Surveillance Report, Cyprus, Autumn 2021, https://ec.europa.eu/info/sites/default/files/economy-finance/ip163_en.pdf

Netherlands

Score 5

In its first year, the Rutte III cabinet realized five of its 36 officially announced legislative initiatives; two of which simply involved abolishing (consultative referendum, fiscal reduction for home-owners) existing laws. In its second year, two of its big initiatives, a pension agreement and a climate agreement, were achieved. Then came the pandemic, which generated 19 emergency laws. All in all, out of 363 proposed original new bills (minus approvals of EU legislation, treaties and technical “repair” laws), a total of 186 (51%) had been adopted by January 2021; as of the time of writing 23 bills were awaiting approval in the First Chamber. However, in its overall assessment of government performance, including goals achievement, in 2018 – 2019, the General Audit Chamber, in an especially pessimistic annual report, found most departmental reports inadequate owing to “bad memory” and inadequate records. For the first time, it also identified illegal expenditures.

Ineffective policy shows up in virtually all policy areas and departments. In international comparisons the Netherlands scores low with regard to generating sustainable energy and building new houses, and very high with regard to the emissions of nitrogen. The education system produces inequality among students; economic inequalities are increasing; infrastructure maintenance (roads, bridges) is overdue; there is a tremendous backlog in the exams for driving licenses; substantial amounts of cocaine and synthetic drugs are imported or produced; the percentage of physically and mentally challenged workers in paid jobs is among the lowest in Europe; and the coronavirus-era track-and-trace, testing and vaccination programs all suffered from organizational barriers and personnel shortages.

No doubt the most shocking and politically impactful case of policy failure was the childcare benefits system as implemented by the tax authorities. Tens of thousands of families (often of non-Dutch descent) were considered to have acted fraudulently on flimsy evidence, illegally placed on fraud lists without being informed about it, and “lawfully” subjected to recovery regimes that pushed them into poverty for a long time. In many cases, this led psychological problems, divorce and even loss of custody of children. Any proportionality between the size and severity of violations and the degree of punishment was completely disregarded. This is no longer denied even in parliament, which is partly to blame because of over-hasty and sloppy legislative initiatives pushing for zero tolerance on social benefits fraud. Ironically, parliament’s insistence on fast and across-the-board compensation for the victims has turned into an implementation nightmare itself. (The Rutte IV cabinet has a special deputy minister to clear up the mess.) Even legal appeals fell on deaf ears for many years, as the High Court systematically followed the tax authorities’ stricter-than-strict interpretation of the law. This scandal evolved between 2009-2020 and, demonstrating poor policy feedback mechanisms, was only documented by the Van Dam Parliamentary Investigative Commission in the autumn of 2020. After publication of this report (“Unprecedented Injustice”), only two politicians (among many more) directly responsible for the tax authorities’ conduct in the recent past immediately ended their (national) political career. On 15 January 2021, the Rutte III cabinet collectively and symbolically stepped down, but in fact continued on as a caretaker government to deal with urgent coronavirus matters, prepare national elections in March 2021 and govern the country during the cabinet formation process that would last a record number of days from 17 March 2021 until 10 January 2022.

Citation:

M. Chavannes, 25 September 2019. Wij hebben een mooi klimaatakkoord. Wat niet betekent dat we het gaan uitvoeren. (decorrespondent, accessed 3 November 2019)

Algemene Rekenkamer, Verantwoordingsdag. Toespraak President van de Algemene Rekenkamer, 15 May 2019 (Rijksoverheid, accessed 3 November 2019)

De Correspondent, 26 October 2019. De CO-2 heffing die nooit werd geïnd.

B. van den Braak, 2021. Bescheiden ambities en smalle marges. De wetgevingsoogst van Rutte III, in Montesquieu Instituut, ‘Niet zo stoffig, toch?’ Terugblik op het kabinet Rutte III, 105-108

Bernard ter Haar, blog published 23 April, 2021. De Nederlandse overheid heeft deze eeuw nog niets substantieels tot stand gebracht.

De Correspondent, Jesse Frederik, January 15, 2021. De tragedie achter de toeslagenaffaire

RTL Nieuws, March 5, 2021 Toeslagenschandaal veel groter

NOS Nieuws, November 29, 2021. Duizenden in financiële problemen gebracht door zwarte lijst Belastingdienst.

Volkskrant, Witteman, August 20, 2021. Vermorzeld in de raderen van de Belastingdienst

NRC-H., van den Bunt, March 16 2021. Catshuisregeling betekent weer systeemfalen.

Slovakia

Score 5

The government manifesto of the new center-right government is long and ambitious, but also relatively vague (Szekeres 2021). The document mentions the word “reform” 41 times and promises far-reaching changes. One important priority has been to strengthen judicial independence and fight corruption. In this area, the government has acted swiftly. Already at the end of 2020, it adopted a comprehensive judicial reform prepared by Minister of Justice Mária Kolíková (Za ľudí – For the People) (European Commission 2020, 2021). The reform has included a reform of the Judicial Council, the establishment of a new, Supreme Administrative Court, property checks of justices, an age cap for justices, changes in the appointment of Constitutional Court justices as well as changes in the territorial layout of district and regional appeal courts. However, the implementation of these reforms has faced resistance not only by the “old guard,” that is, those justices and prosecutors most affected by such reforms. The originally planned reduction in the number of district courts, which aimed at weakening long-established ties between justices, politicians, oligarchs and organized crime, has been blocked by Sme-Rodina. The massive frictions within the governing coalition, along with the short-term pressures associated with the COVID-19 pandemic, have also contributed to a delay and a watering down of reforms in other fields, such as taxes, pensions, healthcare and education.

Citation:

Szekeres, E. (2021): Ambitious, vague, unrealistic: Slovak government manifesto draws mixed reactions, in: Kafkadesk, May 9 (<https://kafkadesk.org/2020/05/09/ambitious-vague-unrealistic-slovak-government-manifesto-draws-mixed-reactions/>).

United States

Score 5

In comparison to parliamentary systems that anticipate the near-automatic legislative approval of government bills, policy implementation in the United States’ separation-of-powers system is presumed to depend on coalition building, negotiation and a 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.

The Trump administration implemented major policy initiatives by issuing executive orders and thereby avoiding the process of legislative change. Preoccupied by the Mueller investigation and divided party control, Congress passed no major legislation in 2019. Trump was by far the least productive of any modern president so far.

Things changed somewhat in 2020 and 2021, with the enactment of major COVID-19 stimulus legislation. In 2021, the Biden administration put forward an ambitious Build Back Better legislative agenda but these efforts have been stalled by a few moderate Democratic Senators, who acquired veto power due to the tiny Democratic majority in the Senate – and are unlikely to pass the bill through Congress before the 2022 midterm elections.

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 was implemented only partially, as the government gave up the already prepared introduction of a property tax in June 2017. As for pensions and healthcare, the Plenković government came up with reforms only in autumn 2018. The announced reform of public administration has progressed slowly.

The limited effectiveness of the Plenković government is also reflected in the 2020 European Commission's European Semester report. According to the report, the level of implementation of the recommendations submitted to successive Croatian governments between 2014 and 2019 (i.e., Milanović, Orešković and Plenković governments) is rather low. Only 43% of all country-specific recommendations addressed to Croatia have recorded at least "some progress," while another 43% of recommendations have recorded "limited" or "no progress," and only in 7% have either full implementation or substantial progress been recorded. Reform activity in relation to key structural policy areas such as the judiciary, the health sector, education, pensions, social policy and reform of the public administration has stalled in recent years.

In 2020, Plenković's government continued the legacy of previous governments of passing multiple laws using the urgent procedure, albeit to a lesser extent than in previous years. In 2015, 85 laws were passed using this urgent procedure, which requires only one reading by the parliament, while only 35 laws were passed using

the regular procedure. In 2020, 70 laws were passed using the urgent procedure, while 68 laws were passed utilizing the regular procedure. Unfortunately, the intense use of this procedure significantly downgrades the overall quality of laws passed.

However, the biggest policy-implementation problem has been the catastrophic delay in the reconstruction of Zagreb and the Banija area, which were severely damaged in the 2020 earthquakes. In Banija, by mid-January the government had not instituted the construction of a single house, so renovation efforts had been limited to those funded by a small number of private donations. The state-led construction was expected to begin only in February 2022.

Citation:

European Commission (2020): Commission Staff Working Document – Country report Croatia 2020. SWD(2020) 510 final, Brussels (<https://op.europa.eu/en/publication-detail/-/publication/2868b45e-5944-11ea-8b81-01aa75ed71a1>).

Kotarski, Kristijan (2019) http://www.hanns-seidel-stiftung.com.hr/assets/images/uploads/euro_introduction_to_croatia.pdf

Vlada Republike Hrvatske (2021) Izvješće o provedbi plana zakonodavnih aktivnosti (Report on the Implementation of the Plan of Legislative Activities). Zagreb: Ured za zakonodavstvo. (<https://zakonodavstvo.gov.hr/UserDocsImages//dokumenti//210928%20Izvjescje%20PZA%20VRH%202020%20final.pdf>)

Czechia

Score 4

The effectiveness of the Babiš government has suffered from the lack of a parliamentary majority. It failed to implement the announced pension reform and succeeded in implementing its tax reform only on a second go. After the Social Democrats, ANO's junior coalition partner, refused to support tax cuts amidst the pandemic, ANO worked together with the opposition ODS to push the law through. The serial failures to control the COVID-19 pandemic indicate an area in which the government was not successful. Crisis management was undermined by a power struggle within the coalition between ANO and the Social Democrats over the creation of advisory bodies for crisis management. As a result of this struggle, there was no adequate independent expert advisory body. More importantly, success was undermined by Babiš's premature claims that Czechia had successfully mitigated the worst of the pandemic and that the government did not need to rely on expert policy advice.

Hungary

Score 4

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 productivity and innovation 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 the key policy

fields, caused by selection of personnel based on party loyalty, not on merit, and by putting ideology over problem solving. A central problem has been the poor implementation of new bills and regulations. Overhasty policymaking has led to incoherent and contradictory laws and regulations, making things very difficult for local and county administration units.

Mexico

Score 4

President López Obrador has announced a highly ambitious reform agenda – the so-called fourth transformation – that is aimed at transforming Mexico socially, economically and politically. New social programs are being implemented and projects targeting the poor south have been announced, including infrastructure projects. President López Obrador has a unified government, with a majority in Congress supporting him. This has enabled him to concentrate power in the presidency. Additionally, he has very high levels of popular support. Hence, structural factors for implementing the agenda are very good. Nevertheless, he has failed to achieve key elements of his agenda, such as tackling corruption and ending the war on drugs. Additionally, the COVID-19 pandemic has severely hit Mexico, producing serious economic challenges and one of the highest death tolls in the world. The government's reform agenda was and remains too ambitious, and yet has not measured up to the even more demanding challenges of the last several years.

Romania

Score 4

Romania's revolving door of governments has reduced the government's effectiveness and ability to advance consistent and meaningful legislative programs. In 2020 and 2021, Romania experienced two failed coalitions, which resulted in the collapse of government in addition to the parliamentary elections in 2020. This has made it extremely difficult for any government to advance its priorities. The European Commission's 2020 Country Report on Romania indicates only moderate progress in ensuring the long-term viability of the second pension pillar and in implementing the national public procurement strategy. Meanwhile, limited or no progress has been made in strengthening tax compliance; improving the quality and inclusiveness of education; increasing the coverage and quality of social services; improving social dialogue; developing a minimum wage-setting mechanism based on objective criteria; improving access and cost-efficiency of healthcare; focusing investments on key policy areas; ensuring the national fiscal framework is implemented; ensuring the sustainability of the public pension system; improving skills in the labor force; completing the minimum inclusion income reform; and improving the predictability of decision-making.

Citation:
European Commission (2020): Country Report, Romania. Brussels.
(https://ec.europa.eu/info/sites/default/files/2020-european_semester_country-report-romania_en.pdf)

Indicator

Ministerial Compliance

Question

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

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. At the beginning of every mandate, ministers are sent a mandate letter by the PMO. They then work to implement the agenda outlined in this mandate letter, and are evaluated accordingly.

Any cabinet minister who is perceived by the Prime Minister's Office (PMO) to be a political liability will have a short career.

Deputy ministers (DMs) are tasked with ensuring implementation of the government's priorities and supporting their respective Ministers and their portfolios. Deputies are appointed by the Prime Minister on the advice of the clerk of the Privy Council Office and are selected on a non-partisan basis through a vetting process, usually after an extensive career in public service in differing types of operational and policy roles.

Citation:

Government of Canada, "Guidance for Deputy Ministers," <https://www.sac-isc.gc.ca/eng/1614387410146/1614387435325>.

Hungary

Score 10

Under the Orbán governments, Orbán's strong and uncontested position as party leader and prime minister, as well as the strong capacities of the Prime Minister's Office (PMO), have ensured a high level of ministerial compliance. Ministers see

themselves, and are seen by the PMO, as representatives of the government in the ministries rather than representatives of ministries in the government. The radical reshuffling of the cabinet after the 2018 parliamentary elections has been aimed at raising ministerial compliance by bringing in committed ministers and by sending a strong signal that everyone is replaceable.

Sweden

Score 10

In Sweden, ministers and departments do not implement policy. The task is handled by the executive agencies. Additionally, there is no ministerial oversight in Sweden, which means that the agencies are fairly autonomous when it comes to implementing policies (Petridou, 2020).

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 (Premfors and Sundström, 2007).

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:

Petridou, Evangelia. 2020. "Politics and Administration in Times of Crisis: Explaining the Swedish Response to the COVID-19 Crisis." *European Policy Analysis*, 6(2), 147-158.

Premfors, Rune and Göran Sundström. 2007. "Regeringskansliet." Malmö: Liber.

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. 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. In some cases, agency heads ignored or discounted apparent orders from President Trump, which appeared to reflect his spontaneous, un-deliberated responses, often conveyed via Twitter rather than formal presidential documents. We do not consider

these instances to constitute failures of compliance. So far, President Biden has clearly steered away from his predecessor's widely criticized mercurial style.

Australia

Score 9

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. It is unheard of for ministers to not implement the government's policy agenda and it is accepted practice that a member of cabinet who cannot publicly support the government's policies will resign from cabinet.

Cabinet discipline has perhaps been somewhat weaker in recent years, but this has never manifested in a failure to implement the government's policy agenda.

Citation:

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

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 allows rogue ministers to 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. It is not unusual for ministers to be replaced. 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.

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.

Iceland

Score 9

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

Under the 2009 – 2013 cabinet, dissent among ministers occurred, but it had little to do with specific ministerial actions. Subsequent cabinets have experienced no such ministerial discord – except the aforementioned episode involving former Prime Minister Gunnlaugsson after the Panama Papers scandal in 2016.

During the COVID-19 pandemic (2020–2021), the minister of health did not announce any new regulations or restrictions without discussing the matter at a cabinet meeting. Regulations on Government Procedures (2018) states that cabinet meetings should be held regarding innovations in law (i.e., bills that ministers intend to submit to the Althingi as government bills) and important political issues. Important political issues include regulations and declarations that constitute an important measure or a change of emphasis, exceed the stipulated budget allocation, or impact the economy in general.

Citation:

Regulations on government procedures. (Reglur um starfshætti ríkisstjórnar. Nr. 791 2018).

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 the 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 often become public and can be divisive. In former governments, ministers have disagreed over the EU migrant relocation scheme and tax system reform.

New Zealand

Score 9

There is a strong tradition of a highly cohesive system of cabinet government. Ministers are allowed to disagree over policy initiatives – even in public – but once a decision has been made in cabinet, they must follow the collective will. 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). Labour party ministers are appointed through a process of election by all the party's parliamentarians, 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 somewhat restricted, although the actual number of cabinet positions assigned to each small party is largely a matter for the prime minister.

Collective responsibility within a formal coalition arrangement is strengthened by an extensive list of coalition management instruments, based on a comprehensive coalition agreement regarding the legislative agenda but also procedures to ensure coalition discipline. There are also procedures for dealing with a minority government.

Coalition partners are not bound by collective responsibility. Rather, they are brought into cabinet meetings only to discuss their own portfolio issues, so that they may retain the freedom to disagree with the lead party in the government should they so wish.

Citation:

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

Norway

Score 9

There is a strong tradition of united 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.

South Korea

Score 9

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. 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. Conflicts between ministries are frequent but do not substantially affect overall policymaking within high priority policy areas, due to the coordinating role of the president's office. The fragmentation of government activities in policy areas that are not prioritized by the president is a frequent subject of criticism, and ministries often fail to coordinate activities in these fields. "Liberal" administrations such as the Moon government tend to face greater challenges in controlling the traditionally conservative bureaucracy than do their conservative counterparts. This dynamic was on display in the 2019-2020 battle between the Ministry of Justice (which pushed for President Moon's prosecutorial reform initiative) and the Supreme Prosecutor's Office (which blocked it).

Spain

Score 9

Until 2020, all prime ministers since the restoration of democracy in 1977 presided over single-party governments. Thus, all ministries were chaired by members or persons close to the same party or to the prime minister. The prime minister (who is the leader of the governing party) has been free to reorganize government structures and dismiss ministers he does not consider able or willing to implement the government's program.

The constitution (which stipulates that parliamentary confidence rests personally with the prime minister and his comprehensive government program), internal party discipline and the organization of the executive thus all provide strong incentives for all ministers to implement the overall government program rather than seeking to realize the sectoral interests of their individual departments. However, the weak dynamic of collective deliberation within the cabinet, and the tradition of departmentalism (with broad levels of autonomy accorded to ministers within their department's jurisdiction) may erode cabinet cohesion.

Hence, the first minority coalition government, which took office in January 2020, subjected ministerial compliance to a stress test. The coalition agreement established some priorities, policy projects and mechanisms for discussing internal disagreements. On several occasions, the PSOE accused its junior partner, Unidas Podemos, of behaving simultaneously as a part of the government and the opposition. In 2021, there were several notable instances of policy dissonance between the parties. Discord within the coalition reached a fever pitch due to a combination of political differences and personality clashes. In March, Podemos' leader decided to leave the cabinet. However, the coalition was nonetheless able to advance its ambitious legislative agenda.

Citation:

Politico, March 2, 2021 Spain's governing partners show bad blood in public.

United Kingdom

Score 9

The prime minister has traditionally had more or less absolute power to appoint (and fire) ministers. Prime ministers use this power of patronage to earn the loyalty of backbench members of parliament and to ensure that ministers stick to the government agenda. The prime minister is also able to reshape the machinery of government, such as the remit and composition of ministries and cabinet committees.

Despite occasional leaks, the collective responsibility of cabinet is a well-entrenched doctrine, with standards of behavior are set out in the Ministerial Code. The prime minister's power is partly dependent on the incumbent's political strength, and calculations by their party and potential rivals 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 any members of parliament with strong political ambitions have to be wary of being branded as mavericks. However, this label has become significantly less stigmatized over the past couple of years and Conservative members of parliament elected recently, especially the 2019 newcomers, many from what were previously Labour constituencies and with less experience of Parliament because of the long period of lockdown, are sometimes considered to be more prone to rebellion.

Following the 2016 referendum, several ministers publicly dissented from the government line on Brexit, with some ministers even resigning from the cabinet, while others used leaks and briefings to undermine the prime minister. As with other questions on executive capacity, the particular circumstances of Brexit being implemented by a minority government were unusually difficult. The ensuing disputes within the cabinet blocked Theresa May's key policies and finally collapsed her government. Her successor, Boris Johnson, who was a central figure in sabotaging Theresa May's premiership, has – after the clear victory in the 2019 general election – managed to reinstate the discipline he himself helped undermine.

During the pandemic and in the development of policies for recovery from it, there has been little sign of ministerial dissent. Moreover, the government was able to push through unpopular tax increases, despite these being at odds with manifesto commitments. Yet, several policies at the heart of the Conservative program – leveling-up being a prime example – have been postponed while attention was focused on the pandemic and are only now being taken forward.

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. The same holds for secretaries of state (junior ministers).

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. Regular meetings of the Kern and consultations with party presidents in effect ensures the implementation of the government agreement and provides fine tuning whenever new developments make reactions necessary.

The current government was formed as a coalition without much political coherence other than the fear of renewed elections and, with them, the rise of radical parties (far-right nationalists in Flanders and the far left in Wallonia). The appointment of the current prime minister, therefore, did not follow the tradition that the choice should be made by the country's leading political grouping. He nonetheless enjoys a relatively high level of popularity, placing him in first or second place among political personalities in all three regions in the latest polls. He is further seen as able to remain above the fray and act as a referee, which probably allows him to avoid conflicts with the presidents of other parties in the coalition. However, this has earned him criticism from his own political allies, the right-of-center liberals, for being too accommodating with left-of-center coalition partners.

Citation:

<https://www.lesoir.be/397726/article/2021-09-30/la-vivaldi-un-et-encore-tout-prouver>

<https://www.lesoir.be/411711/article/2021-12-10/grand-barometre-le-ps-decroche-bruxelles-mais-redecolle-en-wallonie>

Estonia

Score 8

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 generally 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. Government decisions are

made on the basis of consensus, which empowers a junior coalition partner to block a policy decision agreed by the other coalition partners.

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 paths of narrow self-interest.

Ireland

Score 8

The current coalition government represents a range of different agendas and priorities. The allocation of ministries between the parties has a significant influence on the overall coherence of government policy. The participation of the Greens in government had an important impact on measures that are intended to address climate change in the government program, for example.

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.

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.

Ministers select their own advisers and consultants and these exercise considerable influence. An increasing trend in recent years has been the appointment of leading journalists as ministerial advisers. 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, who can seek to increase ministerial compliance and government cohesiveness by reshuffling the cabinet.

Italy

Score 8

Coalition agreements between the parties supporting the government are in general the ordinary instrument for guiding ministers in the implementation of the government program. During the life of a cabinet, summits between the prime minister and the leaders of the coalition parties are often used to solve problems arising in the implementation of the program. Under the Draghi government, the need to ensure the timely implementation of the goals set by the Recovery and Resilience Plan has led to an institutionalization of these summits, which now take place regularly and frequently.

Japan

Score 8

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 and over the powerful and entrenched bureaucracy.

Recent governments 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 affording the prime minister a stronger role in top-level personnel decisions, aided by the creation of the Cabinet Bureau of Personnel Affairs in 2014. Such institutional measures have proved quite successful, and certainly former Prime Minister Abe (2012-2020) had a strong grip on ministerial appointments.

Citation:

Michael Macarthur Bosack, Abe shows his command over LDP in reshuffle, *The Japan Times*, 12 September 2019, <https://www.japantimes.co.jp/opinion/2019/09/12/commentary/japan-commentary/abe-shows-command-ldp-reshuffle/>

Mexico

Score 8

Whatever problems there may be with the Mexican system, it does deal effectively with the so-called agency problem, cabinet secretaries mostly have a strong incentive to avoid incurring presidential displeasure. The presidency is the center of the

Mexican government and defines whole-of-government strategic priorities. Especially under President López Obrador, the degree to which power is centralized has increased, and the government is tracking progress on the implementation of policy priorities. At the same time, the second part of the presidential term usually increases the agency problem for the president. Given the results of the midterm elections, one can expect that this will also happen to AMLO's presidency.

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-wing 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. According to Sager and Thomann, implementation varies among the cantons and is determined by political party government composition, policy pressures and bureaucratic preferences at the cantonal level.

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.

Bulgaria

Score 7

The prime minister does not have significant legal powers over the other ministers. The constitution defines the Council of Ministers as a collective body presided over by the prime minister. The position of the prime minister thus strongly depends on the officeholder's informal political authority and ability to appoint and dismiss deputy ministers.

The construction of the 2021 coalition government assigns a very substantial oversight role to the prime minister. The fact that the finance minister is a deputy prime minister also promises better coordination. At the time of this writing (January 2022), it remains unclear whether this new model will be implemented with success.

Germany

Score 7

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's preferences or with coalition agreements. However, the coalition agreement bears considerable political weight and has often proved effective in guiding ministry activities. In terms of budgetary matters, the Minister of Finance is particularly powerful and able – when she/he has the chancellor's support – to reject financial requests by other ministries.

The new coalition agreement provides for some rules regarding when the coalition committee is to meet and who is to attend the meetings. As in previous coalitions, the committee consists of the chancellor and the vice chancellor, the leaders of parliamentary groups and party leaders (insofar as they are not the persons mentioned above). The coalition committee is informally the most important institution in resolving political disagreements within the government.

As part of the climate package, ministries are to be made responsible for climate reduction targets in the sectors under their responsibility. This is an important example in which the ministries are tasked with fulfilling the government's overall objectives.

Greece

Score 7

After the change in government in July 2019, the New Democracy government introduced strong mechanisms to encourage ministers to implement the government's program. This included appointing two ministers without portfolio to assist the prime minister; establishing the well-resourced Presidency of Government, which includes units responsible for overseeing policy implementation in ministries; equipping the Presidency of Government with the digital infrastructure to monitor government work through integrated information systems; and scheduling regular cabinet meetings. In 2020–2021, a handful of mechanisms made sure that the implementation gap would not be as wide as it used to be during the period of economic crisis or in earlier periods.

Israel

Score 7

The OECD and global best-practice methods have influenced Israel's organization of government in recent years. Values of transparency, planning, comparability, and supervision are defined by a designated unit in the PMO, arguably improving the implementation of the overall government program by increasing ministerial

accountability vis-à-vis the government and the public. These new actions accompany more traditional ways to improve compliance, such as weekly cabinet sessions and interministerial roundtable events.

Ministers' accountability to the Knesset is anchored in Israeli law (Basic Law: the Government 1968). This means that ministries must support and follow government decisions. In addition, coalition agreements, created by the party system in Israel, can be considered a mechanism for the government to force its agenda on ministers. If a minister resists or fails to implement a part of the government program, the minister might be forced by their respective party leader to follow it.

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)

Guidelines of the Attorney General In matters relating to the work Government, Ministry of Justice, 2015
<http://www.justice.gov.il/Publications/News/Documents/AttorneyGeneralGuidelines0515.pdf>

"Gay Couples Denied Right to Surrogacy in New Law," JPOST, 18.7.2018, <https://www.jpost.com/Israel-News/Surrogacy-bill-passes-Netanyahu-flip-flops-on-homosexual-surrogacy-562810>

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. However, the previous Skvernelis government (2016 – 2020), in which most ministers were nonpartisan, with their selection based on their professional record as well as support from the president, increasingly faced tensions due to disagreements between the prime minister, sectoral ministers and members of the then-governing Lithuanian Farmers and Greens Union parliamentary faction. This led to three ministers being sacked by the prime minister. An internal lack of agreement on draft policy proposals was reported to be one of the main reasons for delays in the

implementation of some government-program measures in 2017 and 2018. Under the Šimonytė government, more attention has been devoted to monitoring implementation of the government's program, including by the prime minister herself. However, since most important reforms foreseen in the program were explicitly planned for the years 2022 – 2023, it remains to be seen how they will be implemented.

Luxembourg

Score 7

The Luxembourg electoral system combines proportional representation using candidate lists with a type of majoritarian 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 the 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.

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 record-long formation period for the Rutte IV government, which nevertheless consists of the same four coalition partners (VVD, CDA, CU, and D66) as Rutte III, resulted in a government agreement that is more than 50 pages long – a "delivery by forceps" according to one spokesperson. Thus, structural cleavages (along left-right, "good" populism versus anti-populism, immigration and ethical issues) and the legacy of distrust between the coalition partners from the previous Rutte III experiences will lead to considerable intra-cabinet tensions, and thus opportunities for individual ministers to highlight their party-political affiliation and downplay the government agreement. This tendency may be stronger than usual since the new cabinet promised to change the traditional "governing culture" (*bestuurscultuur*) in which the coalition or cabinet agreement was politically sacrosanct.

Citation:

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

NOS Nieuws, December 13 2021, Akkoord nieuw kabinet: “Het had soms iets van een tangverlossing.”

NRC, de Witt Wijnen, December 16, 2021. Elke partij kan eigen winstpunten noemen.

Volkskrant, Sitalsing, April 22, 2021. De ‘nieuwe bestuurscultuur’ waar je nu zoveel over hoort, is geen modegril, maar noodzaak

Poland

Score 7

For a long time, the PiS government’s need to use specific organizational devices to pressure ministers to stay in line with the government’s program was limited, as the cabinet consisted of a group of people who were more or less hand-picked by PiS party Jarosław Kaczyński, and Kaczyński managed to handle internal debates and power struggles. Since the 2019 parliamentary elections, the situation has changed. In particular, ministers Ziobro and Gowin, both leading PiS’s smaller coalition partners, have become more assertive. To foster ministerial compliance, Kaczyński has entered the government as vice-prime minister following a major reshuffle in autumn 2020.

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 that took office in late October 2019 were generally aligned with the government program, the fact that the government did not have a majority in parliament, and thus had to depend on other parties to pass legislation, did create difficulties with regard to ministerial compliance.

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 (and their party leader) rather than to the government as such. For this reason, ministers have incentives to implement the government’s program only as long as this is considered to be in the strategic interest of his or her party. Nonetheless, there are a number of informal mechanisms that help commit individual ministers to the government program. For that reason, parties within any coalition cabinet have to agree – informally or formally – not to oppose each other openly, for example, in parliament. Coalitions are usually based on a written agreement, including a political agenda and rules seeking to guarantee loyalty among the coalition partners – loyalty to the common agenda and loyalty defined as not siding with the opposition against the other. The resources available to the chancellor and his office at this level are notably limited.

Czechia

Score 6

In the past, Czech governments have tried to ensure ministerial compliance mainly through the use of well-defined government programs and coalition agreements. Differences between individual ministers and the government took the form of disagreements between parties, played out by threats of resignation, and were resolved through coalition negotiations. The Social Democrats' poor showing in the 2017 parliamentary elections made them less assertive in the coalition. To secure ministerial compliance, Prime Minister Babiš was able to capitalize on his uncontested role as ANO leader and made heavy use of naming and shaming in the media, especially in publications and outlets that he controls. The compliance of the Social Democrats was secured mostly by using the threat of early elections.

Malta

Score 6

The cabinet is the most important organizational device at the disposal of the government providing incentives and support 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. A yearly report provides details on each budget measure, indicating when it was implemented and by which ministry. A list of unimplemented measures is also included. 2021 has seen greater progress in terms of policy implementation. In addition, the Management Efficiency Unit in the PMO provides ministries with advice and capacity-building tools. Informal coalitions, for instance between civil society groups, businesses and individual ministries, can drive implementation in certain policy areas, such as the extension of LGBTQ+ rights, tourism or the construction sector. Parliamentary committees have also become useful in making policy implementation more efficient, for instance in the area of social affairs. However, bipartisan cooperation is all but absent in every sphere.

Citation:

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

Implementation of government measure 2018 Publicservice.gov.mt

https://www.maltatoday.com.mt/news/national/97895/74_of_2019_budget_implemented_accountability_exercise_shows#.Xa1uQ5IzaM8https://www.maltatoday.com.mt/news/national/112454/budget_measures_implementation_rate_up_in_2020#.Yb7wwLJVnsw

Times of Malta 04/10/2021 Over two-thirds of 2021 budget measures fulfilled – government

Slovenia

Score 6

As head of a four-party coalition government (which became a three-party coalition government in 2021), Prime Minister Janša primarily relied on coalition meetings of narrow (including only the presidents of coalition parties) and broader composition (including ministers and members of parliament as well) in order to ensure the implementation of the government's program. Janša often used meetings with experts from various fields and established a number of expert groups to assist in achieving the government's policy objectives. However, Prime Minister Janša had a very tense (and sometimes combative) relationship with major media outlets and the majority of opposition parties. Consequently, the public had less insight into the outcomes of these meetings, as the media and opposition usually focused on the prime minister's communication style, and less on the policies being proposed, adopted and implemented. While seven ministers either resigned or were removed from office during the 18 months of the Šarec government, there has been more stability under the Janša government, as only three minister resigned in the first 21 months of the Janša government.

Citation:

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

Turkey

Score 6

Turkey's single-party government, which features strong party leadership and high demand for ministerial positions among party members, provides strong incentives to promote the government program. It is therefore difficult for ministers even with expertise in the areas they are responsible for to speak independently. The party leader's charisma and standing, combined with the tendency within parties to leave personnel decisions to the party leader, prevent ministers from pursuing their interests during their time in office.

President Erdoğan actively intervened in the nomination of deputies, municipal mayors, the appointment of senior civil servants, and the organization of electoral campaigns. In other words, the office of the president, now entrusted with increasing powers, has replaced the offices otherwise established by the constitution. The current constellation thus raises the question of 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 is eroding.

Citation:

European Commission. "Turkey Report 2021. Commission Staff Working Document." October 19, 2021. https://ec.europa.eu/neighbourhood-enlargement/turkey-report-2021_en

Croatia

Score 5

The organization of that Croatian government generally provides only weak incentives for ministers to implement the government's program. The situation has not changed significantly under last two Plenković governments (2016-2022). Interministerial coordination and regular communication between relevant ministries are very rare and of poor quality. As a result, numerous issues that the ministries should deal with eventually end up on the prime minister's desk. This substantially reduces the ministries' capacity for autonomous – full or partial – implementation of the government policies they are entrusted with. All this also slows down the whole policy implementation process because the prime minister has to deal with too many less important issues instead of concentrating on the strategic development of government policies.

A good example of this has been the inefficiency in implementing the reconstruction of buildings damaged in the earthquakes that hit Croatia in 2020. The Law on Reconstruction of Buildings Damaged in the Zagreb Earthquake was passed despite numerous warnings from the architectural profession and civil engineers that it was too complicated to be enforceable. As a result, a year later, in October 2021, the law was amended, but reconstruction was still very slow. The example once again showed that ministries are organized in a way that complicates decision-making processes aimed at implementing the government's policies.

In many cases, required documents are missing, or months are taken to repeal unnecessary regulations that are hampering implementation. For example, it took six months to repeal a provision requiring public financial and technical control over building projects funded via public procurement mechanisms. Nowhere in the official documentation did it say that it was necessary to have this control; however, this proved to be a condition that had to be met before funds could be disbursed for reconstruction. Ministries and agencies generally have procedures in place that significantly slow down the implementation of government policies.

Romania

Score 5

Ministers in Romania have traditionally held significant leeway in terms of deciding policy details within their departments. This leeway was exemplified in 2021, when the then justice minister, Stelian Ion (USR-PLUS), unilaterally decided to block an investment program that would provide RON 10 billion in funding to local governments to upgrade infrastructure. Prime Minister Cîțu (PNL) called blocking the investment scheme “blackmail,” a tussle which eventually resulted in the collapse of the governing coalition. While the USR-PLUS issued legitimate concerns over the scheme, claiming it would allow wealthy individuals access to easy financing without the checks of EU-funded projects (a claim supported by non-

governmental organizations and other opponents), the move demonstrated the flexibility ministers have to influence government policy.

Citation:

<https://www.euronews.com/2021/09/02/romania-s-ruling-coalition-in-crisis-after-pm-florin-citu-dismisses-justice-minister>

Slovakia

Score 5

Since the 2016 elections, ministerial compliance has been complicated by the fact that governments have been composed of ideologically heterogeneous parties. Under the Pellegrini government, the vagueness of the government manifesto and the weakness of the prime minister allowed ministers to pursue sectoral interests and to follow party lines. The government manifesto of the center-right government has been more comprehensive and detailed. However, the ministers of the junior coalition partners have been difficult to integrate. Most of them have been political newcomers dependent on their party leaders, and the latter have often broken earlier agreements with the coalition partners.

Cyprus

Score 4

Under the presidential system, the appointment and dismissal of a minister are the president's prerogative. Implementation of line ministry policies rests entirely with each minister. The list of projects and works being implemented is posted on the website of EXANDAS. The monitoring of the execution of tasks is carried out by the Secretariat of the Council of Ministers. The absence of dedicated personnel or processes for the overall assessment of ministries and public policy compliance may be due to constitutional constraints.

Monitoring within line ministries is difficult due to the very broad scope of each ministry's competences and departmentalization. This makes planning and coordination difficult to achieve. Progress in strategic planning would benefit policy implementation and provide evaluation benchmarks. However, it seems that this is still not being done.

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 federal ministries by the Department of Prime Minister and Cabinet, which reports directly to the prime minister. The federal public service, while independent of the government, is strongly motivated to support the government's program. Underpinning the effectiveness of oversight is the government's ability to dissolve, merge or reconfigure ministries at any time. Thus, a non-compliant ministry is unlikely to survive.

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 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.

Iceland

- Score 10** Under new regulations regarding the monitoring and oversight of ministries originally introduced in 2016 and updated in 2018, 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. 791/2018). This regulatory change is a step toward stronger, formal monitoring of ministerial bills.

Citation:

Regulations on government procedures. (Reglur um starfshætti ríkisstjórnar. Nr. 791/2018).

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. It was only after the September 2014 crisis and the forced resignation of dissident ministers that Prime Minister Manuel

Valls was able to exercise improved oversight of the ministries. The monitoring of ministers by Macron and his prime minister is tighter than it has ever previously been under the Fifth Republic. A special software application has been developed that gives Macron the full information about decisions taken by each minister, allowing him to step in as deemed necessary.

New Zealand

Score 9

In the 1990s, New Zealand became a global leader in the use of New Public Management strategies. The country implemented one of the most radical sets of reforms in the world (Bouckaert et al. 2010). Performance of agencies is measured by outputs and managed by a “contract” between ministers and chief executives. While these strong vertical accountabilities have clear benefits, they leave few incentives for public servants to work together to address complex problems. Recent governments have tried to correct this by encouraging cross-agency collaboration – in particular, through the Better Public Services reform agenda launched in 2012 and the Public Service Act 2020. These reforms have produced a synthesis that blends managerial autonomy with collective approaches, resulting in a management style that is both hierarchical and horizontal (Scott et al. 2021)

Citation:

Bouckaert et al. (2010) *The Coordination of Public Sector Organizations Shifting Patterns of Public Management*. Palgrave Macmillan.

Scott et al. (2021) *Theoretical Paradigms in the Reform of the New Zealand Public Service: Is post-NPM still a myth?* Paper prepared for the 2021 World Congress for Political Science, Lisbon. <https://bit.ly/3KGqlyj>

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, rather 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 in order to strengthen 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 oversaw departments' progress toward implementing the United Kingdom's exit from the European Union. The department identified individual workstreams that needed to be taken forward, and worked closely with departments and other parts of central government to monitor delivery in these areas. On January 31, when Brexit took effect, the department was dissolved.

In a similar way, the government was able to set up new taskforces or inter-departmental initiatives related to the pandemic. For vaccines, this was an undeniable success, whereas test and trace had a more checkered history. But the point remains that implementation is closely monitored.

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.

Greece

Score 8 The lax monitoring of line ministries by the Prime Minister's Office (PMO), a characteristic of previous review periods, has largely been addressed. On the one hand, throughout the economic crisis, the PMO monitored the implementation of most line ministries' activities to avoid any further deterioration in public finances, owing to uncontrolled government expenditure. On the other hand, after the change in government in 2019, the center of government, now titled the Presidency of Government, tightened procedures for monitoring line ministries' implementation activities, introducing a "new governance model." The model was crystallized in the legal stipulations adopted in July 2019, which enhanced the mechanisms supporting the prime minister by establishing new units and procedures at the Presidency of Government. The model entails close coordination of policy measures prepared in ministries, and follow-up of the cabinet's and the prime minister's decisions.

Citation:

The law establishing the new governance model is Law 4622/2019.

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 over-runs at the Ministry of Health and confusion about the medium-term strategy for public health are long-standing and unresolved issues. Notably, the Sláintecare strategy is an ongoing, incremental reform of the healthcare service in Ireland, which is designed to deliver equal access to healthcare services for every citizen based on patient need and not ability to pay (Gov, 2018).

Having corrected its excessive deficit in 2015 and 2016, Irish policymakers have since been constrained by the rules of the EU fiscal compact in framing annual budgets. This has limited government flexibility with regard to tax cuts and expenditure increases. However, these constraints have been somewhat offset by revenue buoyancy, which has resulted from unexpectedly rapid economic growth in recent years, particularly associated with high tax receipts from multinational corporations that are present in the country. Freedom of information laws and the media have the potential to provide vital checks on ministerial overreach.

Citation:

Gov (2018) Sláintecare, Government of Ireland, available at: <https://www.gov.ie/en/campaigns/slaintecare-implementation-strategy/>

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. However, monitoring has tended to be a formal activity that simply documents what has been done rather than being a real instrument of political control. Under the Draghi government, the monitoring of line ministry activities has been significantly strengthened. The State General Accounting Department (Ragioneria Generale dello Stato, RGS) of the Finance Ministry has gained an enhanced role and is responsible for monitoring all activities mandated under the PNRR.

Citation:

on the monitoring of implementation see: <https://www.programmagoverno.gov.it/media/4514/quinta-relazione-sul-monitoraggio-dei-provvedimenti-attuativi-della-xvii-e-xviii-legislatura.pdf> (accessed 31.12.2021)

on the role of RGS see:
https://www.programmagoverno.gov.it/media/1308/20160621_protocollo_inegrato_upg_igb.pdf (accessed 31.12.2021)

Latvia

Score 8

As far as implementation of the government declaration is concerned, the government office monitors ministry performance in implementing legislation, cabinet decisions and prime-ministerial decisions. A high degree of compliance has been reported in this regard.

Similarly, the PKC planning center 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.

However, the recent disarray around COVID-19 management, especially with regard to coordinating vaccination processes, indicates that when the government has new, additional tasks to handle outside its regular functions, no meaningful central monitoring occurs.

Lithuania

Score 8

The Office of the Government 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 Office of the Government 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 is aware of what takes place within the each ministry. 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.

South Korea

Score 8 In general, 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. However, while ministerial compliance is largely assured in the Korean system, the ministerial bureaucracy has a certain degree of independence deriving from its members' status as tenured civil servants. Because ministers have a comparatively short tenure, it is difficult for them to guide and monitor compliance in the bureaucracy. Generally, the degree of independence within the bureaucracy varies substantially, and is stronger in areas that are comparatively less important to the president.

United States

Score 8 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.

Under the Trump administration, unprecedented severe staffing deficiencies in both the White House and the departments diminished the capacity for monitoring. The Biden White House is working toward rebuilding this capacity through a massive hiring campaign.

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, there has been 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 monitors 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. Under President López Obrador, the government has sought to concentrate power in the presidency and limit the autonomy of independent agencies. Hence, the presidency does monitor the rest of the government and the administration. However, in many instances, inadequate implementation is due to structural deficiencies in the systemic capacity of monitoring systems, particular in the areas of health and internal security. In core problem areas such as security and health, the central government's capacity is rather poor.

Poland

Score 7 Ministries are obliged to keep the Chancellery of the Prime Minister informed about legislative progress regularly. The Center for Strategic Analysis helps Prime Minister Morawiecki and PiS party leader, and since October 2021 Deputy Prime Minister Kaczyński to monitor line ministries' implementation activities. However, as PiS's coalition partners have become more assertive and rifts within the government have increased, monitoring has become less effective.

Portugal

Score 7 Ministries in Portugal are not independent of the prime minister. The prime minister is also assisted by the Presidency of the Council of Ministers 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.

Spain

Score 7 The activities of all line ministries are monitored by the Prime Minister's Office (PMO), the Government Office (GO), 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 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 since 2015 due to legislation that introduced a new system for systematically assessing policy implementation, in the form of a periodic evaluation report that is 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 these central offices are limited, and these bodies rarely engage in direct coordination of ministerial departments. Only the prime minister or his deputy are entitled to play this role. The cabinet reshuffle in July 2021 was intended to improve this function.

Citation:

Funciones del Ministerio de la Presidencia

<http://www.mpr.gob.es/mpr/funciones/Paginas/funciones.aspx>

Turkey

Score 7 Under the new system, offices produce projects, councils transform projects into policies and the ministries implement policies. Besides, the Office of the Commander in Chief, Intelligence Department, Department of Defense Industry, National Security Council, Directorate of Religious Affairs, State Supervision

Council, and Communication Department are affiliated with the Presidency. The Department of Administrative Affairs conducts monitoring and the State Supervision Council performs a control function.

The Presidency's 2021 Annual Program initiates several monitoring objectives ranging from health, education, judiciary, development, domestic violence, and family life. It is stressed that monitoring will be performed by effective mechanisms in collaboration with the relevant public entities such as ministries, and assessed regularly. The results of these efforts remain to be seen

Citation:

Cumhurbaşkanlığı Strateji ve Bütçe Başkanlığı. 2021 Yılı Cumhurbaşkanlığı Yıllık Programı. https://www.sbb.gov.tr/wp-content/uploads/2020/11/2021_Yili_Cumhurbaskanligi_Yillik_Programi.pdf

Austria

Score 6

There is no specific institution for monitoring ministries in the Austrian core executive. The Chancellor's Office is tasked with coordinating line ministries' activities rather than monitoring them. However, this coordination does allow it to monitor departmental activities to some extent, particularly regarding the implementation of the coalition agreement. Overall, the nature of delegation in the Austrian political executive reflects the established tradition of coalition government. It is the coalition parties' leaders (i.e., the chancellor and the vice-chancellor) that have significant influence over the individual ministers affiliated with their party, though even they lack the resources to monitor the work of individual departments in detail.

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.

Germany

Score 6

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.

Citation:

A 6 fits better to the text than the 5. There is clearly monitoring of all line ministries through the Spiegelreferate. Only "of some line ministries" would not be correct.

Japan

Score 6

Generally speaking, the Cabinet Secretariat, upgraded over a decade ago, offers a means of monitoring ministry activities. In recent years, its staff has expanded, improving its monitoring capacity. However, effective use of the secretariat has been hindered in the past by the fact that the ministries second specialists to serve as secretariat employees. It de facto lacks the ability to survey all activities at all times, but former long-serving chief cabinet secretary Yoshihide Suga, who later became premier in 2020, served as an effective enforcer of official positions.

At the same time, some critics argue that the need to handle the simmering scandals engulfing Prime Minister Abe prior to his resignation in 2020 distracted him and his central staff from following up on major policy issues.

Citation:

Heizo Takenaka, The season of economic policy (Commentary), The Japan Times, 1 July 2018, <https://www.japantimes.co.jp/opinion/2018/07/01/commentary/japan-commentary/season-economic-policy/>

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, Michael (2008): "Das politische System Luxemburgs," in: Wolfgang Ismayr (ed.): Die Politischen Systeme Westeuropas, 4th ed., VS Springer Verlag, Wiesbaden, pp. 483 – 514.

Malta

Score 6

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, ensuring that they implement the decisions made by the PMO. However, because of constituency demands and the likely imminence of a general election, cracks have begun to appear in the system.

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

Times of Malta 17/10/18 79% of budget measures implemented

https://www.maltatoday.com.mt/news/national/97895/74_of_2019_budget_implemented_accountability_exercise_shows#.Xa1uQ5IzaM8

Times of Malta 15/02/22 Chris Fearné says he opposes Marsascala marina project

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. In spite of having limited staff and resources, this office monitors the activity of most line ministries fairly effectively.

Czechia

Score 5

In Czechia, the government office formally monitors the activities of the line ministries. However, the fact that Czech governments have tended to be coalition governments has strongly limited the actual monitoring of ministries. Under the Babiš government, the online system Supervizor, designed to collect and publish data on the financial management of ministries and authorities, was used to monitor the ANO ministries only. This follows the Czech tradition that, in a coalition, government ministries are in the exclusive purview of the party that controls them and others, including the prime minister, are not expected to intervene.

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.

Slovakia

- Score 5** The Government Office formally monitors the activities of the line ministries, however, the diverse composition of the center-right coalition governments has strongly limited the actual monitoring of ministries, especially the monitoring of ministries led by junior coalition partners.

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. Under the Janša and previous governments, the GO tended to respect the assignment of ministries in the coalition agreement, so that most monitoring took place in coalition meetings.

Bulgaria

- Score 4** The Council of Ministers' administration typically lacks the capacity to monitor the implementation activities of the line ministries.

The 2021 government has announced that it plans to reduce the number of public servants by 8%, which is a potentially reachable but risky goal in terms of the administrative capacity to monitor ministries.

The chief secretary of the Council of Ministers' administration and the specialized directorates of the administration can exercise oversight of 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 control tends to be informal, through the party apparatuses, and the strictness with which control is applied seems to be a function of the political context, especially under a coalition government.

Croatia

- Score 4** The primary central-government core-executive bodies, the General Secretariat of the Government and Prime Minister's Office, do not have the capacity to fully monitor the policies implemented by line ministries. Their restrictive remit constitutes a major capacity gap. Greater monitoring power lies with 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

According to the constitution, the direction and control of the government and general policy lie with the Council of Ministers. This creates a circular relationship since each minister is the sole authority in her/his ministry. The DGEPCD, renamed to the DGC, has some monitoring functions, but scope is unclear. The Secretariat of the Council of Ministers monitors the implementation of cabinet decisions. The website EXANDAS offers ministers and citizens a picture of the progress of works and policies. However, visualization and figures are not an evaluation tool.

While the law on fiscal responsibility assigns the finance minister a central role in overseeing and coordinating budgetary and fiscal issues, the ultimate control lies with the Council of Ministers. No instance other than the cabinet has such powers.

Citation:

1. Project EXANDAS, <https://exandas.presidency.gov.cy/>

Netherlands

Score 4

Given the Prime Minister 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. The child benefits policy catastrophe shows this clearly: Although the child benefit system was a bill designed by the Ministry of Social Affairs and Employment, its implementation was entrusted to the tax authorities (in the role of allocator of tax benefits), formally part of the Ministry of Finance. When the first alarming signs of the affair became public, neither the minister of social affairs nor the prime minister were sufficiently well-informed or felt responsible to intervene. Even legal appeals fell on deaf ears in the Supreme Court, and an alarming report by the Ombudsman was neglected. Non-intervention on other departments' turf and a hard division between policymaking/legislation and implementation practice hamper and complicate monitoring.

Since 2013 to 2014, General Audit Chamber studies have focused on salient and financially relevant policy issues 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 2017, the audit chamber launched a website for monitoring ministerial compliance of its recommendations. Three out of five recommendations made by the audit chamber were complied with, according to ministerial self-reports. In 2019, policy failures were signaled with regard to sustainability targets, nitrogen emissions policy for agriculture and building

activities, and toxic risks policy for soil and paints. Eventually, judging by the new coalition agreement, these failures appear today to be leading to remedial action.

Citation:

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

Teller Report, November 23 2021. Weekers warned Asscher about allowance affair: "If only I had persisted"

Algemene Rekenkamer, 2021. Voortgangsmeter aanbevelingen

Indicator

Monitoring Agencies/Bureaucracies

Question

How effectively do federal and subnational ministries monitor the activities of bureaucracies/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 Orbán governments have adopted a hands-on approach and have closely monitored government agencies' implementation activities. They have closely controlled the appointment and activities of the heads and core executives of all state agencies at the national level. 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. The existing civil service legislation has made it easy to dismiss public employees without justification.

In 2021, the government established the Supervisory Authority for Regulated Activities (SARA). In addition to being in charge of regulating and supervising gaming and the tobacco trade, as well for other concession contracts, the new authority has been responsible for overseeing other government agencies. Its first president, a member of Orbán's closest personal team, was appointed by the prime minister for nine years and is practically irreplaceable. Thus, the establishment of SARA has been widely interpreted as an attempt by the government to entrench its power with a view to a possible change in government after the 2022 parliamentary elections.

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 Article 20 of the constitution), and have to report regularly to the ministries. By establishing secretary generals above the heads of departments (Sektionschefs), the ÖVP-FPÖ government (2017–2019) strengthened the control of government ministers over their ministerial bureaucracies, a model that has been continued by the ÖVP-Green government (since 2020). These reforms have to be seen against the traditionally advanced levels of informal party politicization of the bureaucracy, which occasionally favor loyalty over competence. Overall, there have been few if any incidents of “bureaucratic drift.”

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 of public 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 criticize this reporting, which requires agencies to devote substantial time and effort reporting on their performance to their respective department, because it is so extensive that 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 (Jacobsson, Pierre, and Sundström, 2015; Pierre and de Fine Licht, 2017).

Citation:

Jacobsson, Bengt, Jon Pierre and Göran Sundström. 2015. “Governing the Embedded State.” Oxford University Press.

Pierre, Jon and Jenny de Fine Licht. 2017. ”Myndighetschefernas Syn på Regeringens Styrning.” Stockholm: Statskontoret.

Australia

Score 8

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 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, including the requirement for ministers to issue Statements of Expectations to statutory authorities and the establishment of governance boards for statutory authorities.

Canada

Score 8

There are specific government procedures for monitoring both Crown Corporations and Special Operating Agencies. Both these entities fall under the Federal Accountability Act, thus have appropriate fiscal stewardship. In the case of Crown Corporations, these corporations and their mandates are established through legislation and they operate both on a "commercial" model as well public policy goals. Special Operating Agencies, while having some independence, operate under the auspices of their respective ministries with a specific mandate and public policy goals.

Citation:

Government of Canada, "Overview of federal organizations and interests,"

<https://www.canada.ca/en/treasury-board-secretariat/services/reporting-government-spending/inventory-government-organizations/overview-institutional-forms-definitions.html>

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 22 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. In the framework of governance reform (2019 – 2023), the government has proposed merging the various implementing agencies.

At the beginning of 2018, county governments – the regional arm of the executive branch – were abolished. Their responsibilities have been divided between central government agencies and municipalities. More direct control through the former could enhance monitoring, while giving more powers to the municipalities (and their consortia) could create additional challenges.

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. A Tekes review examining the pandemic support measures targeting firms revealed irregularities that related to the hasty execution of the support program.

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. During the period under review, the government continued to closely monitor the executive agencies. There were adequate reasons for such close monitoring. Memories of state agencies contributing to the deterioration in public finances in previous periods remain fresh. Moreover, the monitoring of public health, public employment and social welfare agencies was critical in 2020–2021, as COVID-19 spread through the country, and agencies had to toe the government line in order to manage the corresponding public health and social crisis.

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 labor, social security and public finance, monitoring is more centralized and effective, since the financial implications for the state are much more consequential. Four agencies that wield considerable influence are the Administration of the Environment (Administration de l'environnement); the Labor and Mines Inspectorate (Inspection du Travail et des Mines, ITM), which is attached to Ministry of Labor, Employment and the Social and Solidarity Economy; 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 14 January 2022.

"Inspection générale de la sécurité sociale." Ministère de la Sécurité Sociale. www.mss.public.lu/acteurs/igss/

Accessed 14 January 2022.

Inspection générale des finances. www.igf.etat.lu. Accessed 14 January 2022.

Inspection du Travail et des Mines. <https://itm.public.lu/fr/nous-connaître/objectifs-missions.html>. Accessed 14 January 2022.

Norway

Score 8

Government agencies are formally subject to monitoring through direct bureaucratic channels and informally by the activities of Norway's free press, which regularly exposes problems with implementation processes. There is a formal system of agency oversight in place, including regular top level meetings, the setting of priorities by ministries, and reporting by agencies. As a rule, executive agencies have autonomy when it comes to their areas of expertise, and can provide advice or recommendations to government. They rarely act against the directives of ministries and there have been very few cases in which agency officials have taken deliberate action that could be seen as contrary to government policy. However, it is not unusual that, for instance, 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 are more prevalent than would be expected in such a well-organized system.

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 2014 and 2018 showed that the selection of candidates through the ADP is in fact only moderately institutionalized, 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 highly centralized system like France's, the central machinery is unable to monitor the implementation of government policies fully and constantly. Thus, huge sectoral and geographical variations exist. In some areas, decisions are badly

implemented, flexibly interpreted or not implemented at all. 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. Thus, bureaucratic rules are rendered somewhat less rigid by a certain political flexibility, a pattern that was emphasized even by 19th century sociologist Alexis de Tocqueville, who said: “The rule is hard, the practice weak” (*La règle est rigide, la pratique est _ite*).

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. These agencies are subject to 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.

Poland

Score 7

There is a large number of executive agencies in Poland. Agencies report to ministries, and ministries have special units responsible for monitoring agencies' activities and auditing their finances. Under the PiS government, the leadership of state agencies has become highly politicized, with many of these positions being filled by party representatives or allies. 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. An earlier 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 professionalism, and an erosion of checks and balances. The PiS government has privileged some agencies. The Institute of National Remembrance (IPN), which helped the government to push through its national-conservative agenda, for instance, received a record financial contribution in 2020.

Portugal

Score 7

Over the course of the 1990s and 2000s, Portugal experienced a proliferation of quasi-autonomous non-governmental organizations, agencies and other structures. In the context of the bailout, the Passos Coelho government closed and restructured a number of these agencies, while also tightening control over their work in order to reduce public expenditure.

This increased scrutiny generally remains in the current, post-bailout period. Appointments to these agencies seek to ensure fairly high levels of ex ante alignment between the appointee and the government, which constrains bureaucratic drift. At the ex post level, the political staff of ministries monitor the activities of these agencies, paying greater attention to the more relevant agencies.

Spain

Score 7

Spain's ministries have the capacity to monitor the activities of the administrative bureaucracy and executive agencies with regard to implementation. In 2012, as a consequence of the crisis, the central control over these public bodies increased, and in some cases entailed the absorption of the smallest agencies by the ministry in charge of their task area.

Law 40/2015 established an integrated framework for evaluation, monitoring and the independent audit of all agencies. 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.

Central government ministries are formally able to supervise the activities of decentralized authorities at the regional level. However, many important responsibilities, such as those regarding health or education, have been in the hands of the autonomous communities for almost two decades, and coordination mechanisms are weak. Moreover, the institutional framework for supervision is very limited. For example, during the first weeks of the state of alert in March/April 2020, the national Ministry of Health was unable to collect or provide operational data, let alone coordinate joint actions with the autonomous communities in areas such as the procurement of protective clothing and masks. Another example relates to the controversy over education and linguistic policies implemented by the regional governments, which are not subject to central supervision. This has opened the door for judiciary interventions that have ordered modifications to some relevant aspects of these regional policies.

Citation:

Erkoreka, Mikel; Grau Creus, Mireia; Kölling, Mario (2021), Decentralisation and COVID-19: the Spanish territorial system under pressure, en Nico Steytler (ed.) *Comparative Federalism and COVID-19: Combatting the Pandemic*, Routledge.

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.

Citation:

Cumhurbaşkanlığı Strateji ve Bütçe Başkanlığı. 2021 Yılı Cumhurbaşkanlığı Yıllık Programı. https://www.sbb.gov.tr/wp-content/uploads/2020/11/2021_Yili_Cumhurbaskanligi_Yillik_Programi.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 Program. 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. The government's July 2021 declaration on governance reform sets out plans for a fresh look at policy delivery, including the roles of agencies.

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 and the failings in dealing with cross-channel migration. 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 upward 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.

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, while the CEO of the education standards agency (OFQUAL) was obliged to resign over problems in implementing grading of pupils in the summer of 2020. Public Health England – only created in 2012 – was abolished in October 2021 as a result of perceived inadequacies.

In its 2022 Whitehall Monitor, the Institute for Government asserts that problems with arms-length bodies (ALBs) partly stem from ongoing and largely unresolved questions about how ALBs should be used and what sort of relationship they should have with ministers.

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 33rd 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>

<https://www.gov.uk/government/publications/declaration-on-government-reform/declaration-on-government-reform>

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 broadcasters, Child Focus, a foundation for missing or sexually exploited children, UNIA (against various forms of discrimination), and local 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. Second, the agency must submit a yearly report to the government. This monitoring mechanism is extremely effective, in part thanks to party discipline.

However, 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 officeholders.

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.ar?utm_campaign=app&utm_medium=tablet&utm_source=IPAD

WEF: Schwab, Klaus (ed) (2019). The Global Competitiveness Report 2019. World Economic Forum.

Ireland

Score 6

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). In 2022, there are 213 agencies alongside 18 government departments (IPSC, 2022).

O’Malley and Martin (2018, 261) note that “the Irish experience had been criticised even before the economic crisis by the OECD, which noted that ‘in Ireland, the

objectives of agentification are unclear, mixed and not prioritized,’ resulting in sub-optimal governance structures” (OECD, 2008: 298).

The Health Services Executive (HSE) is the government agency responsible for providing public healthcare. It is the largest semi-autonomous bureaucracy in the country. It was formed by the amalgamation of local health boards in 2005, when the current taoiseach, Michael Martin, was minister for health. It remains difficult to identify the savings that were promised due to this rationalization. On the other hand, cost over-runs and low delivery standards have been a persistent feature of the agency. In 2022, the minister of health is expected to propose the reintroduction of regional health areas, which had been abolished following the establishment of the HSE.

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 high-profile cases in recent years show that it all too often discovers failings and shortcomings after they have occurred and has not been very effective in averting them.

Citation:

IPSC (2022) Government Agencies and Useful Links, available at: <http://www.pointofsinglecontact.ie/browse-by-sector/government-agencies/#:~:text=There%20are%20currently%2018%20Government%20Departments%20%2D%20linked%20below.>

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>^[1]
<https://www.audit.gov.ie/en/about-us/our%20work/reports/>

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>

Israel

Score 6

While connections between ministries, and government agencies and NGOs are defined by contractual agreements, and financial and legal oversight, the content and

quality of services are not under similar appraisal. Most ministries sufficiently monitor their respective agencies, while some – notably education and welfare – are criticized for failing to implement government policies and effectively monitor service provision. According to media reports, government ministries still drag behind when it comes to monitoring and enforcing regulations on private service providers in outsourced services, including protecting the rights of customers and workers.

Citation:

Ben Aeter, Moshe. "Who needs the state-owned enterprises?" – Haaretz, 13.04.16 (Hebrew): <http://www.haaretz.co.il/blogs/moshebatar/1.2914354>

Detal, Lior, "The Ministry of Education inc.: This is how hundreds of private bodies receive some 11 billion shekels," *themarket* 5.10.2014: <http://www.themarket.com/news/education/1.2450395> (Hebrew).

Haber, Carmi, "Managerial culture blocks to implementing open government policy," The Israel democracy institute (March 2013) (Hebrew)

IDF employees: The state leads to the privatization of the production of tanks and armored personnel carriers," *Globes*, 10.10.2018 (Hebrew): <https://www.globes.co.il/news/article.aspx?did=1001255924>

Israel Government Website, "Government Resolution No. 4398 of December 23, 2018: Smart regulation – Implementing OECD recommendations and amending government decision, 2018 (Hebrew): https://www.gov.il/he/Departments/policies/dec4398_2018

Koren, Ora, "Reform in the public sector: The Ministry of Treasury's authorities will be restrained, employees will receive incentives," *TheMarker* website 9.8.2012 (Hebrew)
Limor, Nissan, "Regulation and oversight over third sector organizations," *Social security* no. 70 (2005), 159-187.

Maman, Daniel, "State Economy in a Neo-Liberal Age," In Adva Center's "30 Years for the Neo-liberal revolution In Israel," 2016 (Hebrew): <http://adva.org/wp-content/uploads/2016/05/30yearsto1985.pdf>

"Public service provisions using outsourcing," JDC publication. (Hebrew)

"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)

The privatization failures: "The Transportation Ministry completely smashed the examiners.," *Davar*, 22.11.2017 (Hebrew) <https://www.davar1.co.il/95761/>

"The state admits failures in privatization tenders and supervision of privatized service" – *The Marker*, 8.9.2016 (Hebrew): <https://www.themarket.com/news/1.3062114>

"The state comptroller presents: "The privatization of IMI was" cooked up" – *Globes*, 26.6.2018 (Hebrew): <https://www.globes.co.il/news/article.aspx?did=1001243060>

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 several recommendations, some of which were related to improving the monitoring of these institutions. However, the Sunset Commission ceased operating in 2016. The relationship between the center of the government, its ministries and agencies might be affected by the planned reform of the public administration, which is one of the high-priority reforms identified by the Šimonytė government (which took office in 2020). It is set to be adopted in 2022.

South Korea

Score 6

The Prime Minister's Office annually monitors and evaluates the performance of 42 governmental agencies. The ministries effectively monitor the activities of all executive agencies, with each minister holding responsibility for the compliance of the agencies under his or her purview. Once again, the top-down structure of the government typically 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. By contrast, bureaucrats have often responded to strong political pressures with an apathetic attitude.

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 model of federalism 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.

Federal agencies are monitored by the Swiss Federal Audit Office and the Parliamentary Control of the Administration; public and semi-public enterprises are monitored by various independent regulatory agencies.

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 reduced the ability of departments to monitor agencies. The Biden administration is currently rebuilding this lost organizational capacity.

Czechia

Score 5

The delegations of responsibility away from the government is limited in Czechia. Agencies take diverse organizational forms and are monitored in different ways. Some 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 Supervisor program, which increased transparency but did not cover all line ministries or state agencies.

Italy

Score 5

Autonomous executive agencies are not very common in Italian ministries, but they have increased with time (there are currently around 15 agencies) and their autonomy is quite differentiated (some of them are highly autonomous, while others function as an executive branch of the respective ministry). 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 healthcare agencies, and healthcare expenditure and procurements is theoretically very adequate. This is thanks to the role of the AGENAS (Agenzia Nazionale per i Servizi Sanitari Regionali), which is in charge of monitoring the work of the regional healthcare systems. AGENAS oversees the field effectively, but overall decision-making lacks coherence. As in the case of the standard cost that is not implemented due to the lack of political effectiveness, despite the empirical evidence offered by the monitoring activity of AGENAS.

Malta

Score 5

Malta is a unitary state. As such, monitoring of bureaucratic agencies is undertaken by parliamentary oversight, such as through parliamentary committee sessions, a Parliamentary Public Accounts Committee (PAC), the National Audit Office and the Office of the Ombudsman. In 2018, the Office of the Principal Permanent Secretary committed his office to a review of all cases that had been investigated by the Ombudsman the previous year as a means of ensuring the rule of law and good governance. The 2017 Ombudsman report emphasized difficulties in receiving timely information, and further indicated problems related to the inappropriate disclosure of government information – specifically problems with binding parties signing government contracts to secrecy, and in areas where essential health and energy services in sectors have been partially or fully privatized. The 2020 ombudsman report again emphasized the need to update the FOI act in order to ensure transparency of administration and the need to discuss the ombudsman report in the relevant committees of parliament to ensure appropriate monitoring. In terms of citizen complaints, the highest number concerned issues of fairness and balance, followed by delays and failures to act. 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 Office of the Principal Permanent Secretary, has become more involved in monitoring processes. Nonetheless, National Audit Office reports still point to some problematic areas. The main problem lies with ministers themselves rather than with the bureaucracy, as many problems highlighted by independent offices originate from ministerial secretariats.

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. President López Obrador has tried to limit the autonomy of independent bodies in order to increase the power of the president. Many such bodies are today headed by loyal allies, and independent bodies such as INE, the national electoral institute, have been attacked by the president. Additionally, political polarization has increased, which has led federal-

state governors belonging to opposition parties to oppose the presidency instead of working together. The federal character of Mexico limits the ministries' ability to engage in effective monitoring.

Slovakia

Score 5

Slovakia has a rather fragmented structure of agencies and other public sector organizations that undermines the effective monitoring of administrative performance. While agencies subordinate to the central government and ministries can be monitored relatively effectively, autonomous organizations such as public nonprofit institutions, foundations and state-owned enterprises that carry out administrative functions are more difficult to control. Monitoring has suffered from the politicization of agencies. Their leaders are selected on the basis of their party affiliation and social connections (family bonds) rather than their expertise and public reputation.

Bulgaria

Score 4

Ministries' capacity to monitor the implementation activities of bureaucracies and executive agencies within their task areas is quite limited in institutional terms. For example, a serious shortcoming was revealed in 2019 with the Ministry of Finance's failure to monitor the revenue agency's implementation of personal-data protection policies. Insofar as monitoring takes place, it generally focuses only on high-priority areas (e.g., the absorption of EU funds), and tends to rely on informal rather than formal mechanisms.

Under coalition governments, 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 agency heads from another party.

Croatia

Score 4

In 2015, Croatia had about 75 executive agencies, six of which were regulatory agencies. The tasks of these agencies were 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 predefined 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. Under the first

Plenković government, this proposal was not implemented. The second Plenković government eventually came up with its own reform proposal in August 2018. The government announced a plan to reduce the number of agencies and to make the others more efficient; in this plan, only a few agencies were abolished or shut down, and the rest were merged with other agencies. In September of that year, trade unions responded to the proposal, saying the social partners had not been consulted on the future of some bodies of immediate interest, and opposed the merger of the four agencies.

The government's proposal aimed to downsize public administration by reforming 54 public organizations, including state agencies, state institutions and state-owned enterprises, which will be either closed, merged with other agencies or subsumed within line ministries. Agencies will be brought within a new framework, which will involve a higher degree of homogeneity across the system. A continuing problem is the lack of a publicly accessible online list of all executive agencies and their annual reports, which would enable any changes to their number, size or functioning to be tracked.

Netherlands

Score 4

The many implementation failures and low level of policy effectiveness are generally considered to have resulted from the cuts imposed under the austerity policies of the previous Rutte governments. Inspectorates tasked with monitoring policy implementation practices by QANGOs and bureaucracies have also had their work impaired by the legacy of strict austerity measures. A 2016 evaluation study of the national Framework Law on Agencies/Bureaucracies had insufficient scope, according to members of parliament: too many agencies are exempted from (full) monitoring directives, while annual reports are delivered too late or are incomplete. Hence, the government and parliament lack adequate oversight over the dozens of billions of euros of expenses managed by bodies (QUANGOs) at some distance from the central government. In 2019, the Inspection Council (Inspectieraad) judged that the current legal structure and limited influence exerted by ministerial oversight result from a neglect of implementation problems and a predominantly efficiency-focused inspection approach. Inspectorates in sectors like building, education, healthcare, environment, labor conditions and even some water management regions are now considered impotent due to understaffing, underfinancing and overburdened staffs. A similar situation is evident in the consumer and privacy protection field, especially with regard to the digitalization of citizen registrations and the accessibility of online-only government services.

Citation:

Inspectieraad, 2019. Reflecties op de staat van het toezicht, Den Haag (Rijksoverheid, accessed 2 November 2019)

Evaluatie Kaderwet zelfstandige bestuursorganen, Kamerstuk 33 147, nr. 5, Verslag van een schriftelijk overleg, 20 September 2018

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

NOS Nieuws, n.d., 2021. Milieuovertredingen weinig gecontroleerd; vaak niet bestraft

De Groene Amsterdammer, Estra and Staal, 21 November 2021. Onderzoek: Omgevingsdiensten handhaven niet. 'Bel de pers'.

Groene Amsterdammer, Peek and Woutersen, 29 September 2021. Investico: Inspectie pakt uitbuiting niet aan. Voor de tweede keer slachtoffer.

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 even fail to provide legally required information on their websites.

Slovenia

Score 4

Favored by the 2002 Civil Service Act, the politicization of executive agencies in Slovenia has increased. Governments have reduced the autonomy of the independent regulatory agencies and filled leading positions in executive agencies with politically loyal, but professionally weak personnel. Political and personal ties have prevented misconduct and incompetency being subject to sanctions. While both the Šarec and Janša governments have paid some lip service to the depoliticization of public administration, the situation has deteriorated even further, with ample examples of the partisan politicization of state bureaucracy, regulatory agencies and even the police.

Citation:

Ottavio Marzocchi 2021: The situation of Democracy, the Rule of Law and Fundamental Rights in Slovenia. Policy Department for Citizens' Rights and Constitutional Affairs Directorate-General for Internal Policies PE 690.410
[https://www.europarl.europa.eu/cmsdata/231906/SLOVENIA%20IDA%20DRFMG.up date.pdf](https://www.europarl.europa.eu/cmsdata/231906/SLOVENIA%20IDA%20DRFMG.up%20date.pdf)

Cyprus

Score 3

The Council of Ministers appoints the governing bodies of quasi-governmental institutions, approves their budget and exercises budget control. The government, strengthened by a 2014 law, has greater control over these institutions and oversight over line ministries. Reports by the audit office show that some do not submit accounts for auditing on time or point to problems of management. No data is available about the effectiveness of oversight in practice or remedies to tackle favoritism.

The situation with local authorities is no better. Despite central government control, audits identify high debt levels, disrespect for rules and procedures, and functional inadequacies. No evidence of improvement exists.

Radical reforms of public law bodies and local authorities, suggested by the European Union, IMF and specially commissioned studies have been discussed for many years. The reform of local authorities was presented to the parliament in January 2022.

Citation:

1. Cyprus blocking evolved local government, Financial Mirror, 27 October 2021, <https://www.financialmirror.com/2021/10/27/cyprus-blocking-evolved-local-government/>

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 by 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 NAO'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 were cut as its personnel was reduced from 47 to 42 in 2012, before being restored to 47 by 2017 and remaining close to that level in 2019.

Citation:

National Audit Office Annual Reports 2012 - 2019. (ÁRSSKÝRSLA RÍKISENDURSKOÐUNAR 2012 - 2019.)

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

Canadian provinces deliver key public services, notably healthcare and education. Their share of government spending has risen dramatically over recent decades and now accounts for roughly 78%, compared to an OECD average of 32% (2016 data).

Canada's federal government enables provinces to fulfill nearly all of their tasks adequately. The federal government transfers funds earmarked for healthcare through the Canada Health Transfer (CHT) and for education, social assistance, and child services through the Canada Social Transfer (CST). In addition, Canada has an Equalization program, which provides payments to provinces whose fiscal capacity falls under the national average in order to bring these provinces to that average. The CHT is the object of almost constant debate. Population aging and the pandemic have put tremendous long-term pressures on provincial healthcare systems. Provincial Premiers have pressed the federal government to cover 35% of all healthcare costs. The federal contribution is currently 22%.

Citation:

Béland, Daniel, André Lecours, Gregory Marchildon, Haizhen Mou and Rose Olfert, *Fiscal Federalism and Equalization Policy in Canada. Political and Economic Dimensions* (Toronto: University of Toronto Press, 2017).

New Zealand

Score 9

New Zealand is one of the most centralized jurisdictions in the OECD. More than 90% of government workers are employed by central government organizations, and almost all citizen-facing public services – including policing, fire services, education and health – are central government activities. Almost all local regulation is undertaken by an agent of central government, with little locally initiated regulation. In addition to their relatively narrow task profile, local governments are not permitted 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 (taxes on real-estate holdings and charges). They have full discretion to set rates, subject to a general balanced budget requirement. Other revenue sources include user charges, such as vehicle fuel charges (since 2018), and fees. Local government officials have been lobbying central government for the right to raise revenue from additional sources, including road tolls. To date, their lobbying has been largely unsuccessful. 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.

In April 2021, the minister of local government created an assessment program called Review into the Future for Local Government. This is looking broadly at the system of local democracy and governance, including the functions, roles and structures

of local government; its commitment to the Treaty of Waitangi, the relationships between local government, central government, iwi (tribes), Māori, businesses and communities; and whether current funding arrangements are sustainable and equitable. However, the government will not be bound by the recommendations of this review, and it is not due to report to the government until mid-2023.

Citation:

The New Zealand Productivity Commission 2018. Local government funding and financing Issues paper -November 2018.

https://www.productivity.govt.nz/sites/default/files/Local%20government%20funding%20and%20financing%20issues%20paper_FINAL.pdf

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 cantons as well as create transparency with regard to the flow of resources between the federal state and

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.

The Austrian constitution stipulates 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. Debates are ongoing over allowing the nine states to raise taxes independently. However, some states oppose such a reform and seem satisfied to be financed by federal authorities, with federal funding decided by a negotiated compromise between the federal government (Bund) and the states.

Citation:

https://service.bmf.gv.at/Budget/Budgets/2021/beilagen/Zahlungsstroeme_Gebietskoerperschaften_2021.pdf

Denmark

Score 8

Danish municipalities account for 50% of the country's total tax spending but raise only about 30% of total tax revenue via municipal taxes. The difference is made up of funding from the state (bloktilskud). In addition, 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) – municipal budget decisions 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. The Budget Law, which went into effect in 2014, stipulates tight control over spending

that include municipalities being potentially subject to financial sanctions. The sanctions have both an individual and collective element. If the sum of expenditures exceeds the agreed upon target, state funds will be reduced by an equivalent amount. Sixty percent of this reduction is levied on those municipalities that have exceeded expenditure targets and 40% is borne by all municipalities (the amount is 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 participated in a so-called tax freeze that prevents taxes (e.g., income and building sites) from being increased. If one municipality increases one tax, this needs to be matched by a decrease in another municipality.

Many municipalities face a very tight financial situation and have had to reconsider the use of their resources with regard to core activities, such as child- and old-age care, and education. The current Social Democratic government has responded to this situation by increasing transfers to municipalities and regions for welfare and education so that local authorities can meet public expectations.

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.

Finansministeriet, Velfærd først. Finanslovsforslaget 2020, Oktober 2019.. <https://www.fm.dk/publikationer/2019/finanslovspjece-2020> (accessed 18 October 2019).

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 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 social and healthcare reform will create 21 new public entities (“regions”) which will take over the responsibility of organizing social services and healthcare in 2023.

Citation:

<http://alueuudistus.fi>

Germany

Score 8

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 with the federal level increasingly assuming responsibility for the costs of social programs (e.g., for the costs of accommodation and living for the recipients of basic income support).

With respect to the future of the fiscal equalization system, an important compromise regarding the new system (in effect since 2020) was achieved in October 2016. This involves the Länder receiving higher shares of VAT revenues and replacing the currently horizontally structured system (in which wealthier states transfer funds to poorer states) with a system of exclusively vertical equalization payments (from the federal to the state level).

Also, when municipalities were hit hard by plummeting tax revenues during the pandemic, the federal level stepped in by providing generous compensation for shortfalls in municipal revenue.

Iceland

Score 8

The issue of grant-based funding has been a constant source of conflict between the local and central government levels. 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 with others 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 and 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. http://www.irpa.is/article/view/a.2012.8.2.12/pdf_278. Accessed 4 February 2022.

Luxembourg

Score 8

Since 2018, the Ministry of the Interior has overseen 102 municipalities in Luxembourg, even though as early as 2004, the government promised to carry out a process of merging municipalities. The total number of municipalities was slated to have been winnowed down to 71 in 2017; however, this has not yet happened. This ministry’s oversight is paired with substantial financial transfers from the central government to local entities, which, apart from a substantial share in corporate-income-tax revenues, lack autonomous sources of revenue. The largest municipality is the city of Luxembourg, which numbers 124,832 (2022) inhabitants. 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. Over the last decade, this challenge has led to the creation of so-called municipal syndicates, or associations of municipalities (*syndicats intercommunaux*), whose major purpose is to jointly offer services in areas such as waste management, water supply, and sports and leisure activities. Over the course of the last decade, the number of municipal syndicates has steadily risen. Luxembourg’s cities and municipalities are incorporated in an association called SYVICOL.

Major reform discussions and topics currently on the agenda include further redefinition of administrative structures, for instance by continuing the process of municipal mergers (six of them have been implemented so far), and the character of the relations between the central state and the local level, especially with regard to reforming municipal finances to render these entities more stable.

The municipalities’ major sources of income include funding from the central state and revenues from the occupational tax (*Gewerbesteuer*), which is levied at the local level. Since 2017, due to the full budgetary assumption of teachers’ salaries, grants to local budgets have been increased, providing municipalities with greater financial and planning security. Despite the financial impact of the coronavirus pandemic on Luxembourg’s economy, the 2022 state budget allotted €2.38 billion to the municipalities’ general endowment fund (+7.3% compared with 2021, or +11.2% compared with 2019).

Citation:

“De Budget 2022.” Luxembourg’s Stat Budget 2022 official website. The Government of the Grand Duchy of Luxembourg. <https://budget.public.lu/lb.html>. Accessed 3 January 2022.

“L’État plus généreux avec les communes en 2022.” Luxemburger Wort (02.11.2021). <https://www.wort.lu/fr/luxembourg/l-etat-plus-generoux-avec-les-communes-en-2022-6180f97dde135b9236fb053f>. Accessed 14 January 2022.

“Public administration characteristics and performance in EU28: Luxembourg.” European Commission. Directorate-General for Employment, Social Affairs and Inclusion Support for developing better country knowledge on public administration and institutional capacity-building” (VC/2016/0492).

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 municipalities have become more challenging, particularly for some of the smaller units. As a result, local government funding has been increased. Resources from the central government to the local level is based on a standardized set of indicators assumed to represent expenditure needs in order to implement policy objectives.

This policy was initially met with great support 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, more robust 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 Trump administration increased the states’ discretion in the use of funds for food stamps, medical care for the poor (Medicaid), and cash assistance to the poor. Unsurprisingly, the Biden administration is moving in the opposite direction, for instance by rolling back Medicaid waivers that allowed states to impose work requirements.

France

Score 7

Over the past 30 to 40 years, the powers of communes, provinces (départements) and regions, delegated by central authorities or de facto taken over 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 political systems. While local authorities in theory act as agents of the central government in some areas, they in fact have substantial autonomy. 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. Previously, they did not receive their own tax revenues, depending instead on transfers from the central government. The goal of the merger was to generate efficiencies and thus save on resources. However, a recent Court of Accounts report shows that the new consolidated regions in aggregate spend more than those which were not merged.

On the other hand, piecemeal and ad hoc local taxation reforms, 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 the central government and local authorities has been fueled by President Macron's decision to exempt all local taxpayers from paying (by 2022) the "taxe d'habitation" (a rather unfair tax paid by all local residents, owners and tenants). The local tax will be replaced by property-tax revenues transferred from the provinces to the communes, while the provinces will benefit, like the regions, from a transfer of the VAT from the national level. In that way, regions and provinces benefit from a very dynamic national tax. The Constitutional Council has stated that this transfer was sufficient to fulfil the constitution's fiscal guarantees to local authorities. However, the various levels of local government fear that they will lose resources, with the uncertainty contributing to discontent and protest. Moreover, local authorities fear that the state subsidies or new taxes will not evolve over time according to needs. At the same time, the central government monitors the policy implementation of local authorities. For instance, the government has passed a law obliging local authorities to fully apply the 35-hour working week regulation, as many local governments had offered even further reductions of weekly working times in concession to the unions. The expected savings from this change are said to correspond to 30,000 jobs (though this is probably an overoptimistic estimate).

Israel

Score 7

Local authorities have three main types of income: local taxes (property tax, fines, tolls) earmarked to finance local services, government funds designated for social and educational services, and governmental balancing grants for basic services that poor local authorities are unable to fund. The government's budgeting procedure for local government is clearly articulated and includes progressive budgetary support. Nevertheless, significant gaps in the economic capacity of rich and poor local authorities hinder the ability of poorer municipalities to implement tasks defined by the central government, especially in education and welfare domains.

Citation:

Ben Basat, Avi and Dahan, Momi, "The political economy of local authorities," IDI website 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>

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"Instructions for local authorities' budget frame proposal for the year 2012," Ministry of Interior website (Hebrew)

Ministry of Interior budget of 2017-2018, Ministry of Interior website (Hebrew)

https://mof.gov.il/BudgetSite/statebudget/BUDGET2017_2018/MINISTERIESBUDGET/MinisteriesBudget/DocLib/Pnim_Main.pdf

Ministry of Interior Work Plan, 2017-2018, Ministry of Interior Website (Hebrew)

<https://bit.ly/2UogyVw>

Saada, Aria, "Ombudsman's report 572: Budgeting social services for local authorities equality lacking," Abiliko website 9.7.2010 (Hebrew)

"The State discriminates in welfare budgets between rich and poor authorities," Ynet News, 6.12.17 (Hebrew)
<https://www.ynet.co.il/articles/0,7340,L-5052419,00.html>

Italy

Score 7

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, legislative and administrative changes have transferred broader tasks to local governments. This has particularly been the case for regions where the devolution of functions in the field of healthcare has been particularly extensive. On the other hand, however, because of budgetary constraints and strong pressures 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.

Under the new Recovery and Resilience Plan (PNRR), resources for local governments, especially with regards to infrastructural expenditures, have been significantly increased. The open question is whether local governments will be able to spend these resources in time.

Portugal

Score 7

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 constitute the main subnational level of government. Few tasks are decentralized, which is reflected in very low levels of subnational public expenditure overall. According to available OECD figures for 2019, subnational government expenditure in Portugal accounts for 13.5% of total public expenditure, compared to an OECD-wide weighted average of 40.2% and an OECD weighted average for unitary states of 28.8%. This represents 5.7% of GDP (compared to an OECD average of 16.2%).

The preceding 21st constitutional government approved a deal with the National Association of Portuguese Municipalities in July 2018. This led to more substantial delegation of tasks and increased funding for local governments. Implementation of this decentralization program began in 2019, with municipalities able to selectively adopt elements of the decentralization process between 2019 and 2020. All elements of the decentralization package were to become mandatory in 2021, but this deadline was extended until March 2022. The new government's program aimed to expand this decentralization package by identifying new responsibilities to be decentralized. A June 2021 deadline for announcing the new areas was not met, and this new package was then expected to be unveiled in 2022. However, with the dissolution of parliament in early December 2021 and legislative elections scheduled for January 2022, the program's status remained uncertain as of the time of writing.

Citation:

OECD, Subnational governments in OECD countries: key data, available online at: <https://stats.oecd.org/Index.aspx?DataSetCode=RFD>

Patrício, I. (2021), "É oficial. Adiada para 2022 descentralização na Educação e Saúde," *Eco*, available online at: <https://eco.sapo.pt/2020/08/12/e-oficial-adiada-para-2022-descentralizacao-na-educacao-e-saude/>

Soldado, C. (2021), "Governo deixa derrapar meta da nova fase da descentralização," *Público*, available online at: <https://www.publico.pt/2021/09/01/politica/noticia/governo-deixa-derrapar-meta-nova-fase-descentralizacao-1975850>

XXII Governo Constitucional, Programa do XXII Governo Constitucional 2019-2023, available online at: <https://www.portugal.gov.pt/download-ficheiros/ficheiro.aspx?v=%3d%3dBAAAAB%2bLCAAAAAABACzsDA1AQB5jSa9BAAAAA%3d%3d>

Spain

Score 7

Spain has a very decentralized political and administrative structure, with 17 autonomous communities controlling over a third of public spending, including services such as healthcare and education. In some cases, tasks are delegated to autonomous communities without adequate funding sources. As a result, some autonomous communities have been incapable of adequately fulfilling their delegated tasks without help. A reform of this model planned in 2016 had to be postponed due to political deadlock.

The debate over the criteria for allocating funding to autonomous communities continued in 2021, with most autonomous communities seeking a profound revision of the general funding system. Moreover, there is widespread demand for a further revision of the distribution of revenue, so that all autonomous communities have sufficient funds available to fulfill their tasks. In 2017, two expert commissions were appointed – one for regional financing and the other for local financing – which produced reports that same year describing the primary problems and offering reform proposals. Finally, in December 2021, the coalition government published a proposal for the long-awaited reform of the territorial financing model.

During the COVID-19 pandemic, the central government allocated a significant amount of additional resources to the regional governments to help them provide services and react to the health crisis. In 2021, these extraordinary funds totaled €13.5 billion.

Citation:

Gobierno de España (2021), Hacienda envía una propuesta de población ajustada para determinar el reparto de los recursos del sistema de financiación autonómica, <https://www.lamoncloa.gob.es/serviciosdeprensa/notasprensa/hacienda/Paginas/2021/031221-poblacion-ajustada.aspx>

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 federal government to finance the myriad services they provide, including primary, secondary and vocational education, policing, 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 public services.

The federal government's commitment to pass all revenue raised by a broad-based consumption tax introduced in 2000 on to states only marginally reduced the tension between the two levels of government. Certainly, it has not helped that prices in education and healthcare have risen faster than general price levels in recent years, while the proportion of household expenditure subject to the consumption tax has declined from 65% in 2001-02 to 59% in 2018-19.

In response, the Labor government serving early in the last decade attempted to address underfunding of healthcare and education, reaching funding agreements on healthcare with most jurisdictions in 2011 and making progress on agreements for school funding in early 2013. The coalition governments serving since that time have not shown the same commitment to increasing health and education funding, and indeed have indicated an intention to scale back federal funding. The notable exception is for the National Disability Insurance Scheme, which has had its funding secured by a 0.5% increase of the Medicare Levy (levied on taxable income) as of July 2019.

Citation:

Parliamentary Budget Office reports on trends in taxation:

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Publications/Research_reports/Trends_affecting_the_sustainability_of_Commonwealth_taxes

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Publications/Research_reports/Structural_Trends_in_GST

Report on National Disability Insurance Scheme:

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

<https://federalfinancialrelations.gov.au/>

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%). The assignment of originally regionally held duties to the municipal level has not necessarily implied a corresponding allocation of sufficient new funding.

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 state structure and must be regarded as a structural problem.

In 2021, regional mayors (Intendentes Regionales) were replaced by regional governors (Gobernadores Regionales). The latter are now directly elected by the people, which enables citizens to hold them accountable for promises made in their electoral campaigns. They are responsible for regional and urban planning, the administration of the National Fund for Regional Development (Fondo Nacional de

Desarrollo Regional, FNDR), and implementation of social and economic policies at the regional level. Additionally, three new regional divisions were created by Law 21,074: Industrial Advancement (Fomento e Industria), Human Development, and Infrastructure and Transport.

Citation:

On Chile's decentralization process and the election of Regional Governors:

Undersecretariat of Regional and Administrative Development (Subsecretaría de Desarrollo Regional y Administrativo, Subdere), <https://www.descentralizachile.cl/conoces-las-funciones-de-un-gobernador-regional-descubre-todo-los-detalles>, last accessed: 13 January 2022.

Fundación Chile Descentralizado, <https://chiledescentralizado.cl>, last accessed: 13 January 2022.

Final Report of the Commission on Decentralization:

Fundación Chile Descentralizado, "Informe final – Comisión Asesora Presidencial", 7 October 2014, <https://chiledescentralizado.cl/documentos>, last accessed: 13 January 2022.

On Law No 21,074 – Strengthening the Regionalization of the Country:

Library of the National Congress of Chile (Biblioteca del Congreso Nacional de Chile, BCN), <https://www.bcn.cl/leychile/navegar?idNorma=1115064>, last accessed: 13 January 2022.

On Subnational Finance:

Organisation for Economic Co-operation and Development (OECD), <https://www.oecd.org/regional/regionaldevelopment/mlgsngpublicfinance.htm>, last accessed: 13 January 2022.

Organisation for Economic Co-operation and Development (OECD), "Making Decentralisation Work in Chile", September 2017, <https://www.oecd.org/chile/making-decentralisation-work-in-chile-9789264279049-en.htm>, last accessed: 13 January 2022.

Czechia

Score 6

The regional tier within the Czech system of governance retains importance following a consolidation process of various administrative functions. The budgetary allocation of taxes, tax autonomy, and financial decentralization have enabled regional governments to exhibit independence in fulfilling governing duties and managing necessary infrastructure. While the capacities of subnational governments to deal with the pandemic have differed, the COVID-19 response in Czechia has not been harmed by conflicts between the different tiers of government. After the regional elections in October 2020, however, the willingness of the central government and especially Prime Minister Babiš to engage with the regional governors declined, as ANO had been outmaneuvered in most regions by various coalitions of the opposition. The controversial 2020 income tax reform has reduced the revenues of subnational governments, and has reduced their ability to fund schools and hospitals.

Estonia

Score 6

Estonian local governments are heavily dependent on financial resources from the central budget as local tax revenue is negligible. Central government defines 83% of municipal revenues and, although funds are allocated on a universal basis, the system produces large inequalities in the financial capacity of municipalities. The merger of

municipal authorities in 2018 created larger scales of economy and increased the financial sustainability of municipalities. In addition to administrative measures, the funds allocated by the central government to municipal authorities have been increased and regulations on using targeted transfers have been relaxed. Revision of the land tax rates is also expected to strengthen municipal revenues. More broadly, the government aims to increase local government expenditure as a proportion of total public expenditure.

Ireland

Score 6

To take one example, a primary motivation for the creation of Irish Water in 2013 was the removal of responsibility for the provision of water services from local governments, many of which had failed to provide a reliable supply of high-quality water services to their populations and had seriously under-invested in water infrastructure over the years, perhaps largely due to inadequate funding from 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, 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 (HSE). As we have seen, this has not resulted in a smoothly functioning healthcare delivery system.

The functions and services that remain the responsibility of subnational units of government are funded both by central government and from local resources. In 2020, 36% of local government funding came from central government, 30% from commercial rates, 27% came from “goods and services” (e.g., from housing rents, waste charges, parking charges and planning applications), and 7% from local property tax rates (Gov, 2020).

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 central government for resources. This dependence is proportionately greater in the case of smaller and poorer local units.

In 2015, 80% of receipts from the local property tax (LPT), which was introduced in 2013, 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 for 2021 amounted to €359.3 million. Local authorities can vary the basic LPT rate on residential properties in their area by up to 15% via what is known as the local adjustment factor (CI, 2021). In practice, most local councils have opted to decrease rather than increase local rates of LPT, which has led to continuing problems in funding local government.

Citation:

CI (2021) Local Property Tax, Citizens Information, available at: https://www.citizensinformation.ie/en/money_and_tax/tax/housing_taxes_and_reliefs/local_property_tax.html

Gov (2020) Local Authority Budgets 2020, Prepared by the Department of Housing, Planning and Local Government, available at: <https://assets.gov.ie/111383/5d1f6426-1e13-46ad-bb92-da5a71b827a3.pdf>

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

Japan

Score 6

In Japan, 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. In 2019, the Ministry of Finance issued proposals to reduce the local-government workforce accordingly.

Other measures have included a merger of municipalities designed to create economies of scale, and a redefinition of burdensome local-agency functions. In rural regions, the merger of municipalities has led to some serious challenges and declines in provisions of services such as long-term care and other social and healthcare services. Since 2014 – 2015, special regional vitalization zones and special economic zones (tokku), where national regulations have been eased, have served as field experiments for improved policymaking. Many observers have criticized this approach as being insufficiently bold. In late 2018, the government unveiled a plan to designate 82 regional cities as core urban centers and support them with special assistance.

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/>

Eric Johnston, Abe's plan to battle Japan's regional brain drain draws mixed reviews, The Japan Times, 9 January 2019, <https://www.japantimes.co.jp/news/2019/01/09/national/social-issues/abes-plan-battle-japans-regional-brain-drain-draws-mixed-reviews/>

Japan's Finance Ministry proposes cuts to local-government workforce as population drops, The Japan Times, 23 May 2019, <https://www.japantimes.co.jp/news/2019/05/23/business/japans-finance-ministry-proposes-cuts-local-government-workforce-population-drops/>

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%. In 2019, the government approved the 2020 budget with local governments receiving only 19.6% of Latvia's total tax revenue.

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.

Nevertheless, 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.

Public sector reform is ongoing. In 2019, the government came to an agreement to reduce the number of municipalities. As of July 2021, that number decreased from 119 to 43. The aim of the reform is to create economically stronger and more highly developed municipalities, and to enable them to attract more investment, ensure sustainability and improve the quality of services to their citizens. However, some municipalities have contended that the revenue they derive from the personal income tax will now decrease as a result.

Citation:

1. The President's Strategic Advisory Council (2013), Management Improvement Proposals, Available at (in Latvian): <http://saeima.lv/documents/63de2ea15d96f4315bf69377a4877d8e9e6b9a6d>, Last accessed: 05.01.2022.
2. Freedom House (2016). Nations in Transit: Latvia 2016. Available at: <https://freedomhouse.org/report/nations-transit/2016/latvia>. Last accessed: 05.01.2022.
3. European Commission (2017), Country Report: Latvia, Available at: <https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-latvia-en.pdf>, Last accessed: 05.01.2022.
4. Re:Baltica (2020) The biggest drop in revenue for the poorest municipalities, Available (in Latvian): <https://rebaltica.lv/2020/11/lielakais-ienemumu-kritums-trucigakajam-pasvaldibam/>, Last accessed: 05.01.2022.

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 2018, the Congress of Local and Regional Authorities reported that the overall environment for local self-government in Lithuania was generally positive. However, its rapporteurs expressed a concern that despite the country's quick economic recovery from the financial crisis, and despite increases in local budgets,

local authorities' financial resources were still not commensurate with their responsibilities. This limits municipalities' ability to deliver the services that are within their area of responsibility. The management of the illegal migration crisis in 2021, when municipalities were playing an important role, again attracted public attention to the issue of adequate funding.

Citation:

Congress of Local and Regional Authorities (2018). Local democracy in Lithuania, Report, CPL35(2018)02prov. Available at: <https://rm.coe.int/summary-of-reports-presented-at-the-35th-congress-session/16808ea978>

Slovenia

Score 6

Municipal governments – the sole tier of subnational self-government in Slovenia – have suffered substantial fiscal difficulties for some time. Both the Cerar and Šarec governments focused on reducing the bureaucratic burdens without reducing the number of municipalities. However, the measures taken were not effective, and municipalities suffered from the government's decision to postpone the re-introduction of the property tax. The Janša government finally succeeded in implementing effective measures to reduce bureaucratic burdens on municipalities, as well as reaching a financial agreement, and subsequently improved central government transfers to municipalities, which had been below the legal limit for a number of years. Relations between central government, and the Association of Municipalities and Towns of Slovenia (SOS), the Association of Municipalities of Slovenia (ZOS), and the Association of City Municipalities (ZMOS) improved substantially with a number of meetings between both sides and governmental visits to most municipalities.

Turkey

Score 6

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 the Turkish Court of Accounts' reports, most metropolitan municipalities have substantial debts. Therefore, most local projects in major metropolitan municipalities are run by the central government.

Financial decentralization and the reform of local administrations were both major issues during the review period. The central administration (mainly through the Bank of Provinces) is still the major source of funding for local governments, with the funds channeled through regional development projects (e.g., GAP, DAP and DOKAP). The central government also continues to make transfers to the village

infrastructure project (KÖYDES), the Drinking Water and Sewer Infrastructure Program (SUKAP), and the Social Support Program (SODES).

The resources allocated to metropolitan municipalities and special provincial administrations increased by 18.2% to TRY 97.3 billion in 2020. Nevertheless, arbitrary governance prevails. Most strikingly, the expenditures by trustees appointed to formerly HDP-governed municipalities such as Diyarbakır, Van and Mardin have been extremely high and without accountability. The trustee appointed to Van alone left a debt of TRY 1,389 billion in three years. In particular, extraordinary increases in office and dining expenses have been documented.

According to Law No. 5393 on Municipalities (Article 37), mayors make appointments in municipal companies. Shortly after the local elections on 20 May 2019, the Ministry of Trade granted this authority to the municipal councils. Moreover, the Ministry of Environment and Urbanization prepared a draft law that will terminate the powers of the opposition-controlled Istanbul Metropolitan Municipality (İBB) and the four district municipalities regarding the Istanbul canal project. The 10% share of revenues accruing to the İBB from bridge crossings was transferred to the government. Moreover, a Council of State decision has given municipal councils the power to appoint administrators in municipality-affiliated institutes, with a majority vote required.

Citation:

Anadolu Ajansı. “2020 yılı merkezi yönetim bütçesi belli oldu,” October 17, 2019. <https://www.aa.com.tr/tr/politika/2020-yili-merkezi-yonetim-butcesi-belli-oldu/1616663>

Evrensel. “Kayyumlar belediyeleri borç batağında bırakmıştı,” August 19, 2019. <https://www.evrensel.net/haber/385098/kayyumlar-belediyeleri-borc-bataginda-birakmisti>

Cumhuriyet. “Yeni Boğaziçi yasasıyla İBB’nin köprü geçiş ücreti payı da gidiyor,” November 1, 2019. <https://www.cumhuriyet.com.tr/haber/yeni-bogazici-yasasiyla-ibbnin-kopru-gecis-ucreti-payi-da-gidiyor-1572928>

Cumhuriyet. “‘23 Haziran sendromu yeniden hortladı!’: Başkanların atama yetkisi meclislere verildi,” March 16, 2021. <https://www.cumhuriyet.com.tr/haber/23-haziran-sendromu-yeniden-hortladi-baskanlarin-atama-yetkisi-meclislere-verildi-1821000>

United Kingdom

Score 6

Within the United Kingdom, Scotland, Wales and Northern Ireland have devolved governments, which have responsibility for major public services, such as healthcare and education. England has more limited devolved government as a result of the relatively recent establishment of metro and city mayors, and 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 were among the hardest hit by government spending cuts during the 2010s. 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 has been announced in more recent annual budgets, 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 are 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, while for historical reasons Northern Ireland has a distinctive form of financing. 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 government new taxation and borrowing powers. After the close outcome of the Scottish independence 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 2016, which allows the Scottish government to borrow £450 million a year for infrastructure investment, such as on schools and hospitals, up to a total of £3 billion.

The National Assembly of Wales has far less fiscal discretion, but central government has agreed that further borrowing powers should also be devolved to the Welsh Assembly and agreed on a fiscal framework. A new settlement for the Northern Ireland Assembly has also been under discussion for some time. However, after the Northern Irish parties were unable to form an executive after the regional election in 2017, the province had an extended period of renewed direct control of Westminster. A quid pro quo for the Northern Irish DUP’s support for the May government was extra funding for the province.

The growing number of devolved administrations in England has led to the rise of several assertive new political actors (e.g., the Greater Manchester Combined Authority and the Liverpool City Region Combined Authority), whose fiscal relation to the central state is expected to become a major political topic as the government seeks to implement its “leveling-up” agenda. However, central government funding for local governments was one of the areas most heavily cut during the years of public spending retrenchment. The cumulative effect of these cuts has been considerable, with many councils obliged to run down already slender reserves, and a number of local governments have struggled to maintain even statutory services. Notably, special measures were imposed on the Conservative-run Northamptonshire County Council – in effect a declaration of the council’s insolvency. After the pandemic, a need for fiscal restrictions is likely to create tensions with devolved and regional entities, which have managed to raise their profile during the crisis.

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

Regions and Nations Factsheets, Autumn Statement 2021: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1036523/Regions_and_Nations_Factsheets.pdf

Croatia

Score 5

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. In addition, due to a lack of consistent long-term policies, the allocation of central-government grants is complex, unclear and subject to sporadic alteration. Although local government units have substantial autonomy in providing services related to economic activity, preschool education, and culture, sports and religious activities, they have limited autonomy in financing such responsibilities because the proceeds from tax sharing and central-government grants are earmarked. Moreover, many public services depend on financing from both central and local government levels, undermining their coherent delivery. In 2018, the Plenković government decided to transfer some income tax revenue to municipalities and cities. This has enhanced fiscal capacities within these local governments. However, the level of effective administrative and political decentralization remains low according to analyses by the Committee of the Regions.

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.

Bajo, A., M. Primorac (2018): Croatia: instruments of fiscal equalisation, in: W. Bartlett, S. Kmezić and K. Djulic (eds.), *Fiscal Decentralisation, Local Government and Policy Reversals in Southeastern Europe*, Cham: Palgrave Macmillan, 53-80.

Committee of the Regions division of powers report: <https://portal.cor.europa.eu/divisionpowers/Pages/Croatia.aspx>

Malta

Score 5

Task funding remains a contentious issue. Although many new schemes have been put in place, funding remains inadequate. Local councils in Malta are primarily municipal bodies, and cannot raise revenue through local taxes. However, as they are an integral part of the political system, and under party control, they come under pressure to carry out tasks beyond their remit. Nearly all funding for local-government activities comes from the central government, with a small fraction sourced from local traffic fines. Other funding comes from EU financed projects, or one-off donations from government or the Planning Authority. As of 2019, the regional committees were allocated a fund containing more than €3 million. These committees have now been relieved of all expenses relating to local tribunals, as these costs are now borne by the Local Enforcement System Agency (LESA), which is under central control. In 2021, €500,000 was made available to local councils to finance capital projects, while another fund was established to finance open green spaces. In 2020, the total allocation for local councils was €48 million. The 2020 auditor general report on local government stated that “a number of Local Councils face financial distress and are heavily reliant on Government grants to sustain their operations. This is mainly due to inappropriate financial planning and management which could result in funds not being utilized economically and efficiently. Allocation of funds intended to cover administration costs also did not suffice.” The report concludes that in 2020 24 councils ended in deficit and/or with negative retained earnings.

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

The Independent 12/12/18 A total of 30 local councils benefit from the capital projects fund

Financial Allocations to local councils January -December 2018

Slovakia

Score 5

In Slovakia, the degree of decentralization is relatively high. Despite the power of the Association of Towns and Communities of Slovakia (ZMOS), 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, their strong reliance on personal income tax has made their revenues highly dependent on the performance of the economy. About a third of the revenues come from state transfers the allocation of which does not follow clear criteria and is often driven by the patronage of subnational governments. During the first year of the COVID-19 pandemic, the Matovič government has transferred a lot of tasks, including mass testing, to subnational governments, without providing them the requisite financing.

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 in 2017. However, local and state governments have relatively little ability to raise their own revenue and thus depend on central-government support. The financial independence of provinces and municipalities has steadily decreased over the past decade. The fiscal self-reliance ratio dropped from 56.3% in 2003 to 52.5% in 2016. The share of local government revenues raised via local tax revenues decreased from 35.5% in 2006 to 30.7% in 2019.

The Moon administration aimed to transfer additional fiscal authority to local governments. In October 2019, it announced a plan to restructure the relative size of national and local budgets from 8:2 to 7:3. The plan included transforming part of the national value-added tax into a local consumption tax.

Citation:

OECD. 2021. Perspectives on Decentralisation and Rural-Urban Linkages in Korea, <https://doi.org/10.1787/499ed299-en>.

OECD, Government at a Glance Database, <http://www.oecd.org/gov/govataglance.htm>

“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>

Kwak, Young-sup. “Fiscal Self-Reliance of Local Gov’ts Worsens over 13 Years.” Yonhap News Agency, November 13, 2017. <https://en.yna.co.kr/view/AEN20171114001900320>.

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 regarding their frustration with insufficiently funded mandates. Subnational governments enjoy extensive autonomy in relation to the central government in Sweden. Local governments and their national association, the 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 emphasizes whenever 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. From the local authorities' perspective, this problem has become more significant as the central government has increased its control over local authorities during the past couple of years, as the Swedish Agency for Public Management recently showed (Statskontoret, 2018). A recently formed commission of inquiry (Regeringskansliet, 2020) is likely to result in municipal reforms in the years to come.

Citation:

Regeringskansliet. (Government Offices of Sweden). 2020. "Starkare kommuner – med Kapacitet att Klara Valfärdsuppdraget." <https://www.regeringen.se/rattsliga-dokument/statens-offentliga-utredningar/2020/02/sou-20208/>.

Statskontoret. 2020. "Utveckling av Styrningen av Kommuner och Landsting 2019." Stockholm: Statskontoret.

Belgium

Score 4

Over the course of recent decades, Belgium has delegated several sovereign functions of the central government to local entities: to the three regions (Flanders, the Brussels region and Wallonia), to linguistic communities (Flemish, French, and German), and to municipalities (communes/gemeenten; a city may be subdivided into several communes). Due to recurrent political stalemates between the Flemings and the Francophones, the Brussels region is chronically underfunded. This makes it unable to implement its policy with full independence. It depends on cash injections from the other regions or the federal government.

Municipalities are sufficiently funded only in rich areas, as their main source of funding is the personal income tax levied on locals. Reductions in unemployment benefits have also had spillover effects on these municipalities, since they are financially responsible for providing minimum income support to the poor. Meanwhile, the COVID-19 crisis has increased their expenditure (for instance, some of the local contact centers – Centres Publics d'Action Sociale / Openbare Centra voor Maatschappelijk Welzijn – experienced a 49% increase in requests in 2020 in comparison with 2019) and reduced their income (as a series of taxes, such as those on café/restaurant terraces, parking and markets were extremely negatively impacted).

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 still in economic transition, with unemployment levels twice as high as those in Flanders, it is difficult to see Wallonia not continuing to suffer from chronic underfunding. All this has been made even more difficult after the floods that hit Wallonia hard in the summer of 2021 (damages were much less severe in

Flanders). In contrast with Germany, where Berlin agreed to cover half of the costs (for a total of €30 billion) following the floods that hit the Rhineland, a much richer region than Wallonia, in Belgium, the federal government proposed a loan of €1.5 billion, rejecting the idea of a transfer as suggested by the secretary of state for recovery, asserting that the current financing law does not allow the federal government to make such a transfer.

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 bone of contention between the main regions and communities, with the health crisis following on the heels of the recent financial crisis having heightened tensions.

Citation:

<https://www.rtl.be/info/belgique/societe/le-coronavirus-en-belgique-impacte-fortement-les-cpas-1269600.aspx>

<https://www.lalibre.be/belgique/politique-belge/2021/09/30/le-federal-navait-quune-solution-pour-aider-la-wallonie-un-pret-et-pas-un-don-DYSMV6OU3JFXFLHGG33S5U3XJ4/>

https://www.rtb.be/info/article/detail_wallonie-inondations-et-solidarite?id=10843102

<https://www.lecho.be/economie-politique/belgique/wallonie/la-fin-des-transferts-pas-la-fin-du-monde/10352832.html>

<https://www.lecho.be/economie-politique/belgique/wallonie/la-wallonie-est-elle-au-bord-de-la-faillite/10352831>

Bulgaria

Score 4

One of the promises of the governing coalition formed at the end of 2021 was that they would consider 2% of the 10% income taxes to remain at the disposal of the municipal government where the income was produced in the first place.

As of today, 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 the central government in three ways: a portion of the revenues from some general taxes are designated for municipal budgets; the central government subsidizes municipal budgets; and the central government delegates some tasks (mostly responsibility for managing schools and hospitals) to municipalities, transferring the associated financing to them (known as delegated budgets).

The National Association of Municipalities claims that the central government routinely leaves delegated functions underfunded. There have also been allegations that the central government favors municipalities headed by the parties governing at the national level.

Currently, all revenues, except for municipal taxes, are to be sent to the central government, which means mayors must request transfers. No changes are currently under discussion, as the reform mentioned above is intended to address the problem.

Cyprus

Score 4

Local authorities are subject to extensive central government control. They receive substantial state subsidies, amounting in some cases up to 40% of their budget. In addition, the Council of Ministers, in particular the ministers of interior and finance, have extensive powers of control and management for the finances and assets of municipalities. Reform of the municipalities bill was presented to the parliament in early 2022, following a series of inconclusive debates since 2014. Existing plans for mergers and reorganization aim to address critical challenges facing local governments by making them more efficient (including financially), improving management, fighting corruption and upgrading the quality of services.

Citation:

1. Local government elections postponed until May 2024, Financial Mirror, 17 September 2021, <https://www.financialmirror.com/2021/09/17/local-government-elections-postponed-until-may-2024/al-authority/>

Mexico

Score 4

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, which has been a central theme for President López Obrador, underfunded mandates and insufficient resources have made successful completion of many government tasks challenging, and have undermined the realization of the principle of subsidiarity in Mexico's fiscal federalism. In the wake of the COVID-19 pandemic, President López Obrador announced a 75% budget cut, which seriously threatens many state activities.

Netherlands

Score 4

Since 2010, the national government has devolved a significant number of implementation tasks to subnational governments. Subnational governments, which are positioned closer to citizens, are presumed to be more effective in delivering localized social and healthcare policy responses. However, local governments did

not receive commensurate financial compensation for their additional activities, as “tailor-made” policies were intended to involve savings for the national budget. The more complicated interadministration relations and multilevel governance structures have made government and administrative responsibilities fuzzier, and policy performance harder to evaluate. According to data published by the Association of Local Governments (VNG), nearly half of such government entities are not financially resilient. 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.

Citation:

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

Financieel Dagblad, 26 February 2019. Gemeenten in zwaar weer door verplichte sociale uitgaven.

VNG, 23 November 2021. Financiële weerbaarheid bij veel gemeenten onder de maat

NRC-H, Engelaar, April 30, 2021. Stop de fictie van ‘lokaal maatwerk’

Greece

Score 3

Traditionally, in Greece, subnational governments raise limited funding independently and remain under the tutelage of the central government as far as funding is concerned. The revenue of subnational governments primarily comes from the state budget. In the past, the central government would sometimes deliberately shift unfunded mandates to subnational governments, but this practice was curtailed during the economic crisis of 2010–2018. Since the change in government in 2019, the New Democracy government has prioritized stimulating economic growth primarily through incentives to private investors rather than through subnational governments or other state entities. A policy shift to recalibrate the distribution of funding between the central and subnational governments is not in sight.

Poland

Score 3

Since 1999, Poland has supported three tiers of subnational governments: municipalities, districts and regions. Since 2015 and even more so since the municipal elections in October 2018, the relationship between the central government and the majority of local governments has been tense, as the majority of larger cities are controlled by opposition parties. Several reforms have shifted costs to the subnational governments or have deprived them of much needed money. Despite their strong role in healthcare and education, municipalities received little budgetary support from the central government during the COVID-19 pandemic. While the Local Investment Fund of July 2020 provided PLN 12 billion (€2.68 million) of non-refundable support for infrastructure, education and digitalization,

the money came late and the process was opaque. Subnational governments' fiscal problems have been exacerbated by a decrease in the availability of EU funds at the local level.

There were discussions between 12 of Poland's larger cities about suing the government due to the government's failure to ensure adequate task funding. And in the course of the debate on the rule of law instrument for the EU recovery fund and the budget in general, several municipalities wrote a letter to the European Commission in December 2020 in which they distanced themselves from their government's veto position (Zalan 2020). In summer 2021, the Association of Polish Cities strongly criticized the tax changes envisaged in the government's "Polish Deal," arguing that the changes would impose substantial revenue losses on municipalities.

Citation:

Zalan, E. (2020): Warsaw and Budapest seek EU funds despite national veto, in: EUobserver, December 8 (<https://euobserver.com/economic/150304>).

Romania

Score 3

Subnational governments suffer from a lack of revenues and thus remain dependent on central government funding. As the governing coalition has done little to secure sufficient funding for subnational governments, the quality of public services has remained low. Central government funding has been tainted by party bias, with subnational governments controlled by the ruling parties receiving more money. Moreover, the funds from Bucharest have come late, so that subnational units have scrambled to keep projects alive during the first months of each calendar year. The financial dependence of subnational governments has contributed to an unwillingness to implement larger-scale projects for fear of losing funding as a result of political changes. Concerns with bias in the distribution of funds to regional governments continued in 2021, when the USR-PLUS accused the PNL of using a large-scale infrastructure funding scheme to buy political support in subnational regions ahead of a party leadership campaign. The scuffle precipitated the collapse of the ruling government, forcing Romania into its third shuffle in two years.

Hungary

Score 2

In the 1990s, Hungary reformed its public administration, and established a multilevel structure that provided extensive and meaningful rights in the policymaking process to all levels of administration. Since 2010, the Orbán regime has reversed this trend toward subsidiarity and has created a strict top-down state administration. 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. As financial resources have been curtailed, many municipalities have lacked the financial resources to carry out basic functions. 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.

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 constitutionally regulated 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 European Union and Canada (CETA). The treaty was only signed after weeks of pressure and tense negotiations.

On some policy dimensions (e.g., spatial planning, transport, education, culture, applied research and local authorities), 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 contributed to reinforcing this trend.

However, the new importance gained by bodies such as the consultation committee ("Comité de Concertation"/"Overlegcomité," aka CoDeCo), which bring together representatives of the different levels (federal and regional/community), could enhance coordination and therefore quell potential tensions between the different levels, at least if the implementation of policies is discussed there beforehand. However, this would require that the body be less instrumentalized by certain parties

than has already been the case. Recently, an N-VA minister (a party in power in Flanders, but in the opposition at the national level) who is usually in favor of the relaxation of public health measures summoned a third CoDeCo meeting in slightly more than two weeks with the goal of reinforcing public health measures (one week after having blocked them, and one day after having opposed further tightening). The single, suddenly important point was to ban some indoor recreational activities. It soon became apparent that his hidden agenda was to cancel a giant Santa Claus event in Antwerp, saving the mayor, his party president, from having to do so himself.

Citation:

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

<https://www.lesoir.be/410376/article/2021-12-03/le-codeco-quon-nattendait-pas-tourne-la-foire-dempoigne>

Canada

Score 10

Canada is, by all measures, one of the most decentralized federations in the world (Dardanelli et al., 2019). The division of power in the federation is such that provincial governments have exclusive autonomy to legislate and to implement policy in their constitutionally-assigned fields of jurisdiction. Provinces exercise the entirety of their constitutional autonomy, and any attempt by the federal government to direct policy in provincial fields of jurisdiction meets with staunch resistance, first and foremost from Québec but also from Alberta and from some other provinces. The resistance faced also depends on the timing of measures and the policy sector (Lecours, 2019).

Citation:

Dardanelli, Paolo, et al. 2019. "Dynamic De/centralization in Federations: Comparative Conclusions," *Publius: The Journal of Federalism*, vol. 49, no.1, 194-219.

Lecours, André. 2019. "Dynamic De/centralization in Canada, 1867-2010," *Publius: The Journal of Federalism*, vol.49, no.1, 57-83.

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.

The main competences for public policies are with the cantons. The implementation of federal policies in Switzerland is strongly shaped by the institutional setting.

According to Vatter, “While the Federation holds the legislative power in many areas, responsibility for implementing federal policies resides to a large extent with the cantons.” Therefore, in a great number of policy domains, the federal level is dependent on the cantons for the implementation of federal legislation. Due to the high degree of legislative autonomy of the Swiss cantons, the delegation applies not only to the actual implementation of federal laws (i.e., the right to act) but also to the adaptation of these provisions to the local situation (i.e., the right to decide). The cantons are not only implementing, but also programming authorities. According to Sager et al., the complexities of modern infrastructure, economic intervention and social programs have stimulated mechanisms of intensive cooperation between the three levels of the federal system.

Sager et al. (2019) show how the cantons use their discretionary power to complement federal policies in order to achieve their stated objectives.

Citation:

Sager, F., Ingold, K., & Balthasar, A. (2017). *Policy-Analyse in der Schweiz: Besonderheiten, Theorien, Beispiele. Politik und Gesellschaft in der Schweiz*. Zürich: NZZ.

Sager, Fritz, Christian Rüfli and Eva Thomann (2019). « Fixing Federal Faults. Complementary Member State Policies in Swiss Health Care Policy », *International Review of Public Policy* [Online], 1:2 | 2019, Online since 20 November 2019, connection on 04 December 2019. URL : <http://journals.openedition.org/irpp/426>

Vatter, A. (2007) ‘Federalism,’ in U. Klöti et al. (eds), *Handbook of Swiss Politics*, 2nd edn, Zurich: Neue Zürcher Zeitung, 77-99.

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, healthcare, 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.

Sweden

Score 9

Although unfunded mandates have been much debated, the 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, the state 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, the appropriate extent to which the central government ought to be able to force local governments to receive asylum-seekers was thoroughly debated. However, the national government did not interfere with the implementation of the contagion mitigation measures at the municipality level, though other Scandinavian countries did so (Petridou, 2020).

State control over autonomous local governments has increased gradually over the past several years. Such control does not reach across the board, but is generally targeted at specific issues and programs such as education. The red-green minority government from 2014 until 2018 and its key advisory agencies established a commission of inquiry and the Public Management Agency review intergovernmental relations in preparation for a reform proposal. A 2020 commission of inquiry (Regeringskansliet, 2020) has also proposed a series of measures (including mergers) that would help municipalities pay for the welfare services they are tasked with providing. Given the sensitivity of this issue, municipal autonomy is sure to be a question in the upcoming 2022 elections.

Citation:

Petridou, Evangelia. 2020. "Politics and Administration in Times of Crisis: Explaining the Swedish Response to the Covid-19 Crisis." *European Policy Analysis* 6: 147-58.

Regeringskansliet. (Government Offices of Sweden). 2020. "Starkare Kommuner – med Kapacitet att Klara Vårldsuppdraget." <https://www.regeringen.se/rattsliga-dokument/statens-offentliga-utredningar/2020/02/sou-20208/>.

Austria

Score 8

Subnational self-governments in Austria are able to utilize their constitutional scope of discretion quite effectively. While the competences and independent financial resources of the states (Länder) and municipalities are limited by the constitution, national administrative tasks are often carried out by subnational agencies, which gives the states considerable (de facto) political power. This implies that constitutionally weak states tend to be more powerful at the level of the "living constitution." Important examples relate to the areas of healthcare and education.

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, compared to other similar countries, the Danish public sector is relatively decentralized. The parliament can, at any time, change the scope of local autonomy and its organization. In recent years there has been a tendency to curtail the effective discretion of lower layers in the public sector, in particular the municipalities.

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). Moreover, the Basic Law also grants local self-government to the almost 12,000 local governments in Germany. Local governments enjoy autonomy in organizing and carrying out their own affairs.

Iceland

Score 8

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.

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, 62-88.

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

United Kingdom

Score 8

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 latter have devolved governments enjoying considerable autonomy from central government, in contrast to the strong restrictions on local authorities in England. Nevertheless, more power was given to local

authorities in England by the 2011 Localism Act, which substantially increased local authorities' decision-making and spending powers over, for example, healthcare, 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 alone.

The devolved parliaments in Scotland and Northern Ireland decided 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 and in one case (Torbay, in May 2019) the mayoralty was abolished following a referendum. These plebiscites more often than not rejected proposals to install mayors. In 2021, 15 cities had directly elected mayors, including London. However, there are also nine so-called metro mayors, who are the chairs of "mayoral combined authorities," for instance in the Greater Manchester Area and the West Midlands; the latest being in West Yorkshire, elected in May 2021.

The political weight of these subsidiary authorities varies markedly and the substance of mayoral offices in the traditionally centralized political system of England is hard to measure. The number of mayors is clearly increasing and they now cover 41% of the population, much of it in the nine metropolitan areas. Numerically, though, they remain a small proportion of all English subnational government jurisdictions.

Some further powers were shifted to the devolved administrations and they undoubtedly took advantage of these (and existing) powers in differentiating their responses to the pandemic. Scotland has gained increased tax powers. The 2017 Scottish Budget set out new income-tax bands. 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 the restored Northern Ireland executive after a long political hiatus between 2017 and 2020. 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. With the current Scottish government planning for a second referendum on independence, the central government will likely be even more cautious not to do so.

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>

United States

Score 8

Whether the federal government permits the states to exercise their constitutional authority without undue interference is one of the central, long-term 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. On the other hand, multiple states have legalized medical and sometimes recreational use of marijuana. The Trump administration sought to impose controls on states that maintained certain liberal policies. The advent of the Biden administration has put an end to such policies.

Chile

Score 7

Chile is a centrally organized state, rather than a federal state. This represents a structural problem given the wide range of differences between the various regions with respect to geography, level of 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 relatively high degree of budget autonomy.

In January 2018, a law (Ley No. 21,074) was enacted that enhances the regionalization of the state (Ley para el Fortalecimiento de la regionalización en Chile). This can be seen as an important step in the context of the ongoing decentralization process. Since July 2021, regional governors have been directly elected and are therefore politically independent from the national government. A regional presidential delegate, serving as representative of the national government, is responsible for the coordination, supervision and oversight of public services operating in the region that depend on or are related to a ministry. These delegates exercise their respective functions in accordance with the orders and instructions of the president.

Citation:

On decentralization:

Fundación Chile Descentralizado, <https://chiledescentralizado.cl>, last accessed: 13 January 2022.

On Law Nr. 21,074:

Library of the National Congress of Chile (Biblioteca del Congreso Nacional de Chile, BCN): <https://www.bcn.cl/leychile/navegar?idNorma=1115064>, last accessed: 13 January 2022.

Regional Governments:

Undersecretary of Regional and Administrative Development (Subsecretaría de Desarrollo Regional y Administrativo), <http://www.subdere.gob.cl/autoridades-nacionales/gobernadores-regionales>, last accessed: 13 January 2022.

Organisation for Economic Co-operation and Development (OECD), “Making Decentralisation Work in Chile”, September 2017, <https://www.oecd.org/chile/making-decentralisation-work-in-chile-9789264279049-en.htm>, last accessed: 13 January 2022.

Czechia

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.

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.

The COVID-19 emergency has fostered a greater degree of cooperation between central government and regional authorities through regular consultation procedures involving the government and the Conferenza Stato-Regioni (State-Regions conference).

Citation:

<https://www.statoregioni.it/conferenza-unificata/sedute-2021/seduta-del-20122021/report/> (accessed 2 January 2022).

Luxembourg

Score 7

Local governments increasingly depend on transfers from the central government. Efforts to centralize the regulation of land use have been ongoing for years and continue to drag on as a result of insufficient personnel, changing EU legislation and citizen initiatives. 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. A municipal reform also undermined other aspects of autonomy, as evidenced by a law on emergency services. In return, the government has promised to provide more autonomy through territorial reforms, especially in the form of expanded financial autonomy and the provision of support for municipal finances through regional funds.

Citation:

Eser, Thiemo W./Scholtes, Maryse (2008): Raumentwicklung, Regionalpolitik und Landesplanung, in: Wolfgang H. Lorig/Mario Hirsch (eds.), *Das politische System Luxemburgs*, Springer VS Verlag, Wiesbaden, pp. 286 – 309.

Syvicol. <https://www.syvicol.lu/fr>. Accessed 14 January 2022.

Spain

Score 7

The constitution sets out the division of powers: some powers are expressly assigned to the central government, while the autonomous communities are by statute able to address all matters not allocated to the central government, as well as the legislative development of these tasks and the implementation of the relevant framework legislation and federal legislation. This enables the autonomous communities to adapt federal laws somewhat to fit their own preferences. Over the last 40 years, the autonomous communities have adopted their own statutes defining their institutions and powers, and have assumed responsibility for providing a wide range of public services of a regional or local nature.

During the COVID-19 crisis, the suspension of EU fiscal rules provided the various levels of government with considerable discretion over overall debt limits, but also uncertainty about the normative context of their medium-term budget planning.

During the first state of alarm (14 March – 21 June), the autonomous communities lost their decision-making capacity, although they remained responsible for the management of centrally issued instructions. However, the second nationwide state of emergency (October 2020 – May 2021) was implemented in a decentralized manner, and was managed primarily by the autonomous community governments. Since then, these entities have been able use their constitutional scope of discretion with regard to perimetral lockdowns and restrictions on social and religious gatherings.

The central government allows subnational governments to use their constitutional discretion, but available funding remains an important constraint, with reform to the system still needed.

Citation:

Carrión Álvarez, Miguel (2021), Eurozone fiscal reform in light of COVID-19: a review of existing proposals, FUNCAS, <https://www.funcas.es/articulos/eurozone-fiscal-reform-in-light-of-covid-19-a-review-of-existing-proposals/>

Estonia

Score 6

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 2018, former (smaller) municipalities were merged into larger units with a median population of 7,700. The aim of the reform was to enhance local governance capacity and to improve the quality of public services throughout the country. Following the reform, the scope of implementation autonomy has extended. Today, local governments can decide on regional public transport arrangements. Previously, these arrangements had been the task of the former county governments, which had represented the central government and were abolished at the beginning of 2018.

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 has been decisive. However, this is less true in the National Assembly due to the fact that the majority of the new deputies elected in 2017 have no local experience or responsibility. 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/judicial 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, the central

government has failed to find any tools more effective than cutting central government funding in order to force local authorities to reduce their spending. “Contracts” fixing spending caps were signed with most of the large local units in 2018.

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. Furthermore, according to the Congress of Local and Regional Authorities, many legal regulations tend to restrict municipal autonomy and local authorities’ ability to act independently.

Citation:

Congress of Local and Regional Authorities (2018). Local democracy in Lithuania, Report, CPL35(2018)02prov. Available at: <https://rm.coe.int/summary-of-reports-presented-at-the-35th-congress-session/16808ea978>

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. Additionally, considerable administrative capacity deficits persist at the subnational level. Under President López Obrador, the concentration of power in the presidency has further undermined this fragile equilibrium.

On 7 September 2021, the Mexican Supreme Court unanimously ruled that penalizing abortion was unconstitutional, setting an important precedent across the whole country.

Citation:

Díaz-Cayeros, Alberto, Fiscal Federalism and Redistribution in Mexico (December 16, 2016). Available at SSRN: <https://ssrn.com/abstract=2886703>

New Zealand

Score 6

Local governments do not enjoy constitutional status, as they are creatures of statute. 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, a comprehensive reform program (“Better Local Government”) culminated in the Local Government Act 2002 Amendment Act 2014. According to the Department of Internal Affairs, the act includes: 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 the disclosure of 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.

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. Some claim that the central government increasingly has tied the hands of local governments. For example, central government partially controls local government spending by earmarking transferred funds for specific purposes. Central government also defines specific standards on services and social rights. 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.

Slovenia

Score 6

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, although the situation improved in a major way during the period under review. The Cerar government 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. The implementation of those strategies was very slow from the beginning, achieving the stated goals only under the Janša government, when an agreement between central government and the three representative municipal associations was signed regarding adequate funding for local communities and lowering the bureaucratic burdens on municipalities.

Citation:

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

(http://www.mju.gov.si/fileadmin/mju.gov.si/pageuploads/JAVNA_UPRAVA/Kakovost/Strategija_razvoja_JU_2015-2020/Strategija_razvoja_ANG_final_web.pdf).

Ministry for Public Administration (2016): Strategija razvoja lokalne samouprave do 2020 (Strategy of local 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).

South Korea

Score 6

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 accorded to 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. In addition, local administrations are understaffed, and central-government employees are often delegated to subnational authorities. 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.

President Moon highlighted the importance of decentralizing state power in order to allow local municipalities and provinces to be run more autonomously. Under the 2018 budget proposal, KRW 3.5 trillion (.1 billion) in subsidies was to be provided to provincial governments. While the broader effort to achieve regionally balanced development was delayed, the Moon administration did push through some reforms via amendments to the Local Autonomy Act (e.g., autonomous local police, increased local fiscal authority, enhanced local councils).

Citation:

Kook, Joong-Ho. „Does Local Autonomy Enhance the Autonomy in Local Public Finance? Evidence from the Case of Korea,“ 2014. [http://www.akes.or.kr/eng/papers\(2014\)/127.full.pdf](http://www.akes.or.kr/eng/papers(2014)/127.full.pdf)

The Korea Times. Moon and Local Authority. September 26, 2017. http://www.koreatimes.co.kr/www/opinion/2017/10/625_237037.html

“Moon: Constitutional Amendment Needed for Decentralization.” KBS World, January 17, 2022. http://world.kbs.co.kr/service/news_view.htm?lang=e&Seq_Code=166948.

“Remarks by President Moon Jae-in at 1st Central and Local Government Cooperation Meeting.” The Republic of Korea Cheong Wa Dae, January 13, 2022. <https://english1.president.go.kr/BriefingSpeeches/Speeches/1136>.

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 past 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. 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 federal 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 policies favored by the federal government, which has had the effect of subverting their constitutional scope for discretion.

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 cities and counties – 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 in 2015 that local authorities that stand to receive more income from the LPT than they received from the Local Government Fund 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:

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

Israel

Score 5

Economic gaps between local municipalities in Israel greatly affect their autonomy, so the policy autonomy of rich cities (e.g., Tel Aviv) is significantly higher than that of poor municipalities. In addition, rich municipalities in Israel are organized in a forum that acts as a pressure group vis-à-vis the government, further enhancing their de facto autonomy. Tensions between local municipalities and central government are also evident when it comes to central government’s administrative control over a variety of issues. For example, the minister of interior used the ministry’s authority to authorize municipal bylaws to limit supermarket opening hours and public transport operations during Shabbat (Saturday).

Citation:

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).

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<https://www.inn.co.il/News/News.aspx/376136>

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<https://www.ynet.co.il/articles/0,7340,L-5065779,00.html>

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<https://www.themarker.com/dynamo/cars/.premium-1.7961486>

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<https://www.israelhayom.co.il/article/587241>

The report that was shelved: A new bill to combat corruption in the local government, Israel News, 18.1.2018
<https://bit.ly/2Y6FkKE>

The Supermarkets Law was approved in second and third readings – by a vote of one vote, Walla News, 9.1.2018 (Hebrew):
<https://news.walla.co.il/item/3125629>

“What will be opened and what will be closed on Shabbat? All you need to know about the “Supermarket Law”“, Ynet
 News 9.1.18 (Hebrew):
<https://www.ynet.co.il/articles/0,7340,L-5068454,00.html>

Why and by whom is a report of recommendations for eradicating corruption in the local government shelved?, Branza News, 23.1.18, (Hebrew):
http://branza.co.il/site/article/article_view/news-1516727272
<https://www.ynet.co.il/articles/0,7340,L-5068454,00.html>

“Buses overflow as Tel Aviv launches public transportation on Shabbat,” Times of Israel, 23.11.2019,
<https://www.timesofisrael.com/buses-overflow-as-tel-aviv-launches-public-transportation-on-shabbat/>

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 has 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 central government has a tendency to overregulate, a practice that may negatively affect the local government’s discretionary authority.

Citation:

1. Latvian Association of Local and Regional Governments, Smart municipalities for the next centenary of Latvia, Available (in Latvian) at:
https://www.lps.lv/uploads/docs_module/1_Viedas%20pa%C5%A1vald%C4%ABbas%20-%20n%C4%81kamajai%20Latvijai%20simtgadei.pdf, Last accessed: 05.01.2022.

2. Law on Local Governments, Available at: <https://likumi.lv/doc.php?id=57255>, Last accessed: 05.01.2022.

Netherlands

Score 5

Dutch local governments are hybrids of “autonomous” and “co-government” forms. Typically, starting in 2016, the Local Government Fund (Gemeentefonds) budget has decreased and/or increased in step with the national government’s budget. Local autonomy is defined mostly negatively as pertaining to those tasks left to local discretion because they are not explicitly designated as national policy competencies. Co-government is financially and materially constrained in rather extensive detail by the elaborate set of indicators specified in the Local Government Fund (Gemeentefonds). 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, jointly, violate the European Charter for Local Government in having created a culture of quality control and accountability that paralyzes local governments by reducing their policy flexibility to near zero. This is due in part to popular and political opinion that in a small country like the Netherlands local policymaking, levels of local-service delivery and local taxes ought to be equal everywhere. The transfer of policy competencies in many domains of care imply that local discretion has formally increased, sometimes resulting in different treatment of similar cases by local governments in different parts of the country. In 2021 the Dutch Association of Local Governments (VNG) offered a moderately positive evaluation regarding its increasing share in the national budget. But it also went so far as to publish a critical analysis of what it called an erosion of local government and democracy and, overturning the present constitutional three-level structure of inter-administrative relations (Huis van Thorbecke), advocated a radically innovative design for a Law on Decentralized Government.

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 2019, Bijzondere Ledenbrief, (vng.nl., consulted 1 November 2018)

VNG, February, 2021. Manifest. Het roer om. Naar nieuwe verhoudingen in het openbaar en decentraal bestuur,

VNG, September 2021. VNG-reactie op de Rijksbegroting 2022. Bijzondere ledenbrief.

Ministerie van Binnenlandse Zaken en Koninkrijksaangelegenheden, Staat van het bestuur 2020: groeiende zorgen over decentrale democratie en het lokaal bestuur. (kennisopenbaarbestuur.nl)

Portugal

Score 5

Formally, the central government enables subnational governments to make full use of their constitutional scope of discretion with regard to implementation. However, subnational governments have very limited scope for independent action, which requires cooperation with the central government in many domains of policy implementation, and certainly for the most important domains. The central government is not always fully responsive to local government communications in this regard, though that appears to be a largely inadvertent consequence of the complex, legalistic structure and rigid bureaucracy noted elsewhere in this report. It should be noted that local governments have very limited sources of revenue, and are largely dependent on transfers from the central government.

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.

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 was accompanied by an implementation program for the 2016 – 2019 period. Its implementation was meant to be monitored by a newly created council on the decentralization of state government. However, this council has existed only on paper. No evaluation of the implementation program has been published thus far, and in 2021, no new implementation program for the coming years had been published.

The expiration of various municipal development in 2021 meant that new seven-year plans were to be drafted and adopted by the end of the year; this process is still underway.

Citation:

OECD (2021): Decentralisation and Regionalisation in Bulgaria, <https://doi.org/10.1787/b5ab8109-en>
<https://read.oecd.org/10.1787/b5ab8109-en?format=read#page17>

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. “Lex Šerif,” a special law passed in 2017, strengthened mayors vis-à-vis local assemblies by allowing mayors to dissolve the assemblies when they do not adopt budgets. This was an attempt on behalf of the ruling HDZ to provide more power to mayors from their own ranks in the face of growing political fragmentation in local assemblies since 2017 election. On 1 January 2020, special laws came into force entrusting certain tasks formerly implemented by the state administration to county governments. By entrusting these tasks to counties, the government intended to encourage the process of further decentralization.

Cyprus

Score 4

The constitutional status of local government is vague. Placed originally under the authority of the Communal Chambers (Art. 86-111), which were abolished in 1964, local authorities are governed by the Law on Municipalities of 1985. Local authorities possess limited competences because constitutional clauses allow the

central government to impose restrictions on their powers. Budgets and management decisions on a variety of financial issues and assets are subject to approval by the Council of Ministers. Additionally, the law on fiscal responsibility (20(I)/2014) imposes strict budget controls by the finance minister. In order to proceed with the reforms, which under law require local approval via referendums, the executive and the parliament suspended the 2021 elections and by-passed the law provisions for referendums.

The situation that has prevailed over the years has been one in which local authorities have not made good use of their (limited) autonomy.

Citation:

1. Municipal elections postponed, Cyprus Mail, 16 September 2021, <https://cyprus-mail.com/2021/09/16/municipal-elections-postponed/>

Japan

Score 4

The Japanese constitution guarantees the autonomy of local governments. However, articles 92 to 95 discussing local self-government are very short and lack specifics. The central government 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 last decade, there have been a growing number of initiatives aimed at strengthening local autonomy. However, the success of the government's regional revitalization drive remains questionable given the continuing allure of Tokyo and its surroundings. This issue is gaining in urgency as remote regions age and lose population with increasing speed.

The most recent example of a push for local autonomy by merging the Osaka prefecture and Osaka city to create an Osaka metropolis failed to materialize, partly due to the lack of central government interest.

Citation:

Local autonomy in dire peril (Editorial), The Japan Times, 26 January 2019, <https://www.japantimes.co.jp/opinion/2019/01/26/editorials/local-autonomy-dire-peril/>

Shuntaro Iizuka, Consequences of Agencification in Japan: An Analysis of Survey Data, Paper for IPSA Conference 2018, <https://wc2018.ipsa.org/events/congress/wc2018/paper/consequences-agencification-japan-analysis-survey-data>

Hungary

Score 3

The second Orbán government initiated a far-reaching reform of local governments, which aimed to tackle the persistent problem of inefficient subnational governance. It 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. As a result, the autonomy of the latter has decreased. Since Fidesz lost control over Hungary's major cities, including the capital, and a large proportion of smaller settlements in the municipal elections in October 2019, it has declared war against municipalities and has sought to further disempower them. The Orbán government has instrumentalized the COVID-19 pandemic in continuing this war. Drawing on the state of emergency, it has further curtailed the competencies of the municipalities. It has deprived them of important revenue sources, including the vehicle tax, car parking fees and business taxes, and has prohibited them from raising taxes as a means of coping with the hardships of the pandemic. The government has also canceled a number of local development projects, most of them in opposition-led municipalities, and has misused anti-crisis legislation providing the possibility of "special economic areas" for transferring tax revenues from opposition-led municipalities to Fidesz-controlled counties. Some observers have called the attack on opposition-run municipalities, "the real COVID-19 coup in Hungary" (Györi et al. 2021:31). While the government's measures have hit opposition-led municipalities most strongly, Fidesz-ruled settlements have also been affected, so that even Fidesz-loyal leaders have protested against the bleeding of local public administration.

Citation:

Györi, G. et al. (2021): Hungarian Politics in 2020. Budapest: Friedrich Ebert Stiftung/ Policy Solutions (<http://library.fes.de/pdf-files/bueros/budapest/17181.pdf>).

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.

Poland

Score 3

Despite the existing level of decentralization in Poland, the PiS government has perceived local governments as a bastion of the opposition. A view that was reinforced by the 2018 local election results. Thus, the PiS government has tried to restrict local government powers. It has restricted rather than encouraged locally adopted responses to the COVID-19 pandemic, and has complicated the cooperation

of Polish and German regions and municipalities regarding cross-border commuters and healthcare. Moreover, the central government has distributed funding and support not on merit, but has selectively supported PiS-leaning municipalities. Since the higher courts – which could normally be called on in cases of conflict between national and local or regional levels of government – are politically loyal to the government, representatives of the municipalities are unlikely to win judicial support.

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 during 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. The Dăncilă government promised to further decentralization, but was unable to deliver on this promise by the time it was unseated. The current government does not list decentralization among its major objectives.

Slovakia

Score 3

All Fico-led governments pursued a hands-on approach that limited the constitutional discretion of subnational governments and privileged subnational governments considered to be loyal. Under the Pellegrini government, the politics of direct patronage for party-loyal municipalities (such as building sports facilities in towns and villages led by Smer-SD party members) continued. When Smer-SD lost all regional capitals to predominantly independent candidates or candidates supported by the opposition parties in the municipal elections in November 2018, the tensions between central government and subnational self-governments increased even further. The new center-right government has not respected the autonomy of subnational self-governments either. Prime Minister Matovič's rhetoric toward representatives of self-governments was often offensive, and he did not treat them as equal partners vital to solving this crisis, thus prompting frustration and massive protests by the Association of Towns and Communities of Slovakia (ZMOS) (Hrabovská Francelová 2021). Mass testing activities conducted in October and November 2020 were not done so with the consent of subnational self-governments. Like previous governments, the new government has not based its transfers to municipalities on clear economic and legal criteria.

Citation:

Hrabovská Francelová, N. (2021) Confused and frustrated municipalities call on government to treat them as equals, in: *Slovak Spectator*, February 4 (<https://spectator.sme.sk/c/22589121/municipalities-and-government-clash-over-testing-and-measures.html>).

Greece

Score 2

Subnational authorities have limited scope of discretion in Greece. 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. Between the economic crisis of the previous decade and the period under review, successive governments have narrowed the scope of fiscal discretion available to subnational self-governments, because – given the large size of Greece’s public debt – state finances are at risk of collapsing.

Citation:

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

OECD, Regional Policy for Greece Post-2020 (especially Ch. 4) available at https://www.oecd-ilibrary.org/urban-rural-and-regional-development/regional-policy-for-greece-post-2020_cedf09a5-en

Turkey

Score 1

Since 2014, Turkey’s municipalities have been subject to significant changes with respect to the delivery of administrative, financial, political, and public services. These changes run contrary to the European Charter of Local Self-Government and severely undermine the principle of subsidiarity. In addition, the Housing Development Administration of Turkey (TOKI) now holds all the power to act in efforts to prevent shanty housing in new areas assigned to a municipality. Furthermore, a June 2019 amendment to the Urban Transformation Regulation enabled the Ministry of Environment and Urbanization to consolidate the application of urban areas which results in a limitation of municipalities’ ability to exercise their powers.

While existing competencies will in general remain, ensuring effective and efficient delivery of public services will require an expansion of local government powers, diversification of local needs, and a strengthening of public interest. However, Turkey’s new presidential system, which is based on the centralization and unification of decision-making, does not allow for decentralization.

Citation:

K. Öztürk, “Yerel Yönetim Reformunda Yerelleşme– Merkezileşme Dikotomisi: 6360 Sayılı Yasa Örneği,” *Hukuk Ve İktisat Araştırmaları Dergisi*, 11(2): 133-48.

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 important recent example includes the proposals made to introduce minimum standards for various public services, a move that aims 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 frame 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 protests by businesses and local politicians against a flood of norms and standards, the government has started a review and implemented a number of “simplification” measures, in particular for small communes. However, no significant results have as yet been observed, with the exception of the construction sector, where norms have been simplified after the initial imposition of extremely cumbersome rules and standards. But the French state is as yet unable to control the full implementation of these standards effectively. The main force behind standardization is local authorities’ fear of being sanctioned by the courts if they fail to apply regulatory rules and standards fully.

Iceland

Score 8

A diverse range 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 for social services (e.g., services for disabled people). These laws are specific and not thought of as incentives. Central government monitors compliance with some standards and has even raised certain standards to such a level that local governments find them difficult to achieve with the funding made available by central government.

Citation:

Barnaverndarlög, 2002 nr. 80 10 May.

Lög um grunnskóla, 2008 nr. 91 12 June.

Lög um þjónustu við fatlað fólk með langvarandi stuðningsþarfir, 2018 nr. 38 9 May.

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 transfers between central and local entities, and training activities. While a 2000 reform abolished local entities’ agency functions in a strict sense (with direct administrative supervision losing some importance as 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 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 provide and enforce uniform services. The take-up rate for the card remained initially very low (22% in late 2020), which was due in part to its limited usage and in part to concerns over privacy. The government has thus implemented a variety of initiatives and incentives to increase usage, including the use of these cards for health insurance and as a driver’s license. However, the government’s goal of achieving universal take-up by March 2023 seems out of reach, also as a result of local bottlenecks in the provision of cards to citizens.

Citation:

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

Japan starts My Number card use for health insurance, The Japan Times, 20 October 2020, <https://www.japantimes.co.jp/news/2021/10/20/national/my-number-insurance/>

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

Japan gov’t wants ‘My Number’ ID cards distributed pronto, but local gov’ts can’t keep up, The Mainichi, 19 November 2020, <https://mainichi.jp/english/articles/20201118/p2a/00m/0na/026000c>

Luxembourg

Score 8

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

State planning has been criticized by municipalities due to the Ministry of the Interior’s failure to publish a land-use plan (“Plan d’aménagement général” or “Flächennutzungsplan,” PAG), which is a technical and complex instrument that guides municipalities’ development activities, but also affects landowners who have acquired land or who want to start construction or renovation work. In 2019, 36 Luxembourg municipalities expressed concern over state-imposed updates to their PAGs, with sometimes significant consequences for property owners.

Even after 15 years, half of the country’s municipalities have yet to adapt their development plans to the law. This is the case for nearly 40 municipalities across the Grand Duchy. As a result, the Ministry of the Interior has taken some of the blame because the new municipal land-use law has proved to be too difficult. A sub-development plan (“Plan d’aménagement particulier” or “Teil-Bebauungsplan,” PAP) ultimately had to be published for all construction projects.

Citation:

“Aménagement communal.” Le gouvernement luxembourgeois. Ministère de l’Intérieur (2022).

<https://mint.gouvernement.lu/fr/dossiers/2021/amenagement-communal.html>. Accessed 14 January 2022.

“General development plan: changes ... and consequences!” Editus (2020). <https://www.editus.lu/en/practical-guide/development-and-maintenance-257t/map-of-layouts-general-in-and-change-of-consequences-1112a>. Accessed 14 January 2022.

Norway

Score 8

The Norwegian government is committed to providing public services that are as uniform as possible across the country. This follows both from the legal rights all individuals have to tax-financed welfare and health services, and from a widely shared policy objective that the quality of public services should be the same all over 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. A reform of municipalities and services aims to increase the effectiveness of public-services provision in peripheral regions and improve local governments’ fiscal sustainability. Such a reform is likely to enhance the status of the subnational level further vis-à-vis the national level. However, the extent to which these reforms will meet the stated goals remains an open and much-debated question. The new public entities called regions will assume responsibility for organizing social services and healthcare in 2023.

Germany

Score 7

German federalism impedes the application of national standards because both states and local governments enjoy considerable autonomy. 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. A certain harmonization of implementation and enforcement is achieved through a process of tight coordination between federal and state governments and particularly among the individual state governments.

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, 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. The EPA 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. In 2022, the deficiencies in social housing and the need to address the shortcomings in the country's housing supply remains extremely prominent in national public discourse.

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 limited ability of poor local authorities (e.g., largely Arab or Orthodox Jewish municipalities) to maintain government standards incited the expansion of central government's authorities during the 2000s, and authorized the Ministry of the Interior to closely supervise and even to dissolve councils that fail to deliver proper services, at the cost of a less democratic local representation.

Service treaties in local authorities 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. In recent years, many local authorities have taken part in this process and published information regarding local services on their website. Additionally, the privatization of social services continues to exhibit problems as weak social ministries struggle 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 and consequent inequality.

Citation:

Bersler-Gonen, Rotem, "Service treaty in local government in Israel – review," Ministry of the interior website (December 2011) (Hebrew)

Dagan-Buzaglo, Noga, "Aspects in privatization in the education system," Adva Center 2010. (Hebrew)

Detal, Lior, "The Ministry of Education inc.: This is how hundreds of private bodies receive some 11 billion shekels," TheMarker 5.10.2014: <http://www.themarker.co.il/news/education/1.2450395> (Hebrew).

Paz-Fuchs, Amir and Bensimhon-Peleg, Sarit, "On the seam between the public and the private: Privatization and nationalization in Israel: Annual report 2013," The Van Leer Jerusalem Institute, 2014 (Hebrew)

Spektor, 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)

"Local government in Israel," Knesset website (Hebrew)

"On nominated councils and democracy," Hithabrut website (NGO) (Hebrew)

Local government in Israel, Knesset website:
http://www.knesset.gov.il/lexicon/eng/LocalAuthorities_eng.htm

"Quality of service provided to residents of local authorities," State Comptroller, 2016 (Hebrew):
http://www.mevaker.gov.il/he/Reports/Report_554/8b2456e1-a1dd-450f-af0c-df9fcca5d4f/106-service.pdf

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>

New Zealand

Score 7

There is a dense network of agencies that are involved with the development and monitoring of local government, including 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 form part of the Local Government Act 2002 Amendment Act 2014. In June 2017, the Local Government Act 2002 Amendment Bill (No 2) passed its second parliamentary reading, which includes the Better Local Services reforms. The bill would have continued the general trend of increasing central government scrutiny and control over local government. The bill was the subject of criticism, especially in Auckland with its relatively new “super city” structure and population of 1.4 million. However, smaller municipalities had also been critical of the reforms, describing them as being undemocratic, especially the “draconian” powers granted to the Local Government Commission. Following the September 2017 election and the change of government, the bill was not moved forward to the third reading. There have been ongoing tensions at different times between the central and local governments over the allocation of responsibilities. These continue to be felt in areas such as water reforms, resource management and housing, and especially over local governments’ perceived slowness in granting building permits and maintaining environmental standards (although in the last two years, the number of approvals has increased).

Citation:

New Zealand Parliament 2018. Local Government Act 2002 Amendment Bill (No 2). https://www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/00DBHOH_BILL69266_1/local-government-act-2002-amendment-bill-no-2.

Woolf, Amber-Leigh, 2016. Minister says Better Local Services reforms not a ‘threat to democracy’ or forced amalgamation. Stuff.co.nz. 3 August 2016 <http://www.stuff.co.nz/national/politics/82752225/Minister-says-Better-Local-Services-reforms-not-a-threat-to-democracy-or-forced-amalgamation>.

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) areas like Seoul and the country’s

southeast and those 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.

Citation:

Wray, Sarah. Korean local government to pilot basic income. *Cities Today*, March 22, 2021. <https://cities-today.com/korean-local-government-to-pilot-basic-income/>

Sweden

Score 7

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 the 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, the government exercises a strategy of steering by auditing. In addition, the 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.

There is a tendency toward centralization and standardization in the field of crisis management as well. A recent commission of inquiry (Regeringskansliet, 2018) resulted in legislative changes mandating that municipalities form joint constellations to fight large forest fires and even the standardization of equipment.

Citation:

Regeringskansliet. (Government Offices of Sweden). 2018. “En Effektivare Kommunal Räddningstjänst.” <https://www.regeringen.se/rattsliga-dokument/statens-offentliga-utredningar/2018/06/sou-201854/>

Switzerland

Score 7

The Swiss political system is one of the most decentralized systems in the world. Cantons and municipalities enjoy very substantial autonomy not only in terms of organization but also in terms of policy. 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 must 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.

As member-state implementation in all policy sectors leads to marked differences in both conformance and performance compliance, the federal government increasingly employs non-binding policy programs instead of legal acts to steer the cantons and secure distributive justice in service delivery. These programs often take the form of financial incentives or funding schemes for the achievement of given policy goals. They rest upon deliberative action rather than hierarchical coercion.

Citation:

Ritz, M., Neumann, O. and Sager, F. (2019), Senkt New Public Management die Verwaltungsausgaben in den Schweizer Kantonen? Eine empirische Analyse über zwei Dekaden. *Swiss Polit Sci Rev.* 25(3): 226–252 doi:10.1111/spsr.12381

United Kingdom

Score 7

Because of the constitutional position of the devolved administrations, there are significant policy areas, such as education, health and social care where there is no UK-wide standard – by design. In England, 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 healthcare, 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 charged with overseeing 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 set standards, it does not always do enough to “watch the watchers.” Similar factors apply in Wales, Scotland and Northern Ireland. 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. 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. It was announced on 13 January 2022 that an agreement had been reached on relations between all of the United Kingdom's governments. It will be a three-tiered structure and will formalize a new council, chaired by the prime minister, made up of the heads of the devolved governments.

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 federal government 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 federal government to achieve uniformity in minimum standards.

Austria

Score 6

The national government has relatively few instruments by which to make state governments comply with its formal policies. In some areas, such as education, state governments enjoy much autonomy, which necessarily leads to considerable regional differences. These differences reflect, in particular, the different party complexions of state governments. The coronavirus pandemic showcased the strikingly limited ability of the national government to guarantee identical standards nationwide.

Czechia

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, 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.

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. In the past, the president's Strategic Advisory Council has warned that overregulation 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. In 2015, 59 one-stop agencies were launched. In just their first year of operation, they proved to be useful, processing more than 25,000 different types of applications to state and municipal agencies. In 2019, the number of the agencies had reached 76. However, the comparability of data sets between institutions remains a challenge.

Effective provision of public services was one of the driving motivators behind the administrative-territorial reform adopted in 2021, which significantly decreased the number of municipalities, making the process of offering such services more manageable.

Citation:

1. Ministry of Environmental Protection and Regional Development (2019) Progress on implementing the Public 1 1. Service Development Conception (Report), Available at: <http://tap.mk.gov.lv/mk/tap/?pid=40473484>, Last accessed: 10.01.2022.
2. The President's Strategic Advisory Council (2013), Management Improvement Proposals, Available at (in Latvian): <http://saeima.lv/documents/63de2ea15d96f4315bf69377a4877d8e9e6b9a6d>, Last accessed: 10.01.2022.
3. Regulation Regarding Concept of the Public Service System Development (2013), Available at (in Latvian): <http://www.likumi.lv/doc.php?id=254910>, Last accessed: 10.01.2022.
4. Saeima (2020) Saeima adopts administrative-territorial reform, Available at: <https://www.saeima.lv/en/news/saeima-news/29027-saeima-adopts-administrative-territorial-reform>, Last accessed: 10.01.2022.

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 healthcare services. The Public Management Improvement Program aims at defining minimal-quality standards for various public functions such as healthcare, education and social services. 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. More specifically, the National Audit Office recommended improving the accessibility of personal healthcare services in Lithuania.

Citation:

The Public Management Improvement Program, Plans for 2019-20 (in Lithuanian) is available at <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/e147d990767e11e99ceae2890faa4193?jfwid=bkaxly2s>

Malta

Score 6

The Department of Local Government and the National Audit Office (NAO) work together to ensure that local councils meet basic standards. The former entity 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 NAO independently investigates local council activities both from a purely auditing perspective and from a “value for money” perspective. It is this latter perspective that has by and large driven reform of local councils. However, not all local councils responded positively to the recommendations of the NAO, with some even failing to present their accounts on time. A NAO 2020 review of follow-up actions undertaken by local councils noted that performance has consistently fallen below expectations and over 70% of recommendations remain unaddressed. National standards at the local level are reinforced through the councilors’ code of ethics and the Local Councils Association. The ombudsman has also proposed introducing a commissioner for local government within his office. In 2017, within the Ministry the Local Government, a division was established in preparation for the 2019 local council reform bill, which aims to strengthen regional councils by more precisely defining their role, supplying them with financial resources and recognizing regional governance in the constitution. However, not all the reforms envisaged in this act have as yet been realized, with the pandemic being only partially at fault. In 2021, the number of regional councils was increased from five to six to more accurately reflect the situation on the ground.

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 2019

White paper on local government 2018

NAO Local Government 2020

Poland

Score 6

Institutionally, the regions have a centrally appointed head of regional administration (voivode) who is responsible for ensuring that national policies are implemented and that state institutions operating in the region perform their functions properly. The politicization of the civil service under the PiS government has reduced the fulfillment of these standards by reducing professionalism within the regional administrations. Conflicts between the voivode and locally elected representatives, who often have other political priorities, have increased. Moreover, the financial problems of regional and local governments, which have been aggravated by the central government, make it more difficult to achieve high public service standards. Additional investment in infrastructure might help to mediate these problems, but they are rather directed primarily toward the more undeveloped eastern parts of Poland, which are regions in which people tend to vote for PiS.

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.

Spain

Score 6

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 the autonomous communities. In general, minimum standards are set by basic national legislation, but are not

subsequently enforced. The formal method for monitoring the provision of services by the autonomous communities through administrative supervision (the so-called High Inspectorate) has not been particularly effective. 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.

Disparities in educational outcomes, innovation activities and healthcare outcomes are increasing.

During the first month of the COVID-19 pandemic, the central government had difficulties coordinating the national response. It was very difficult for the Ministry of Health to obtain and provide even basic operational data, or to coordinate joint actions with the autonomous communities. As a lesson from the crisis, the National Ministry of Health is seeking to ensure national standards in healthcare delivery. Moreover, efforts are being made to improve coordination and multilevel governance within the management of the National Health System. To this end, the government will create a National Public Health Center tasked with improving the system's governance, and foster cooperation mechanisms between the autonomous communities' healthcare and public health services.

In contrast, there are few national standards for other important policy areas (such as social services, education or transport). As a consequence, there is considerable diversity in term of services and outcomes.

Citation:

Erkoreka, Mikel; Grau Creus, Mireia; Kölling, Mario (2021), Decentralisation and COVID-19: the Spanish territorial system under pressure, en Nico Steytler (ed.) *Comparative Federalism and COVID-19: Combatting the Pandemic*, Routledge.

Kölling; Colino, Jaime-Castillo (2020), *Desigualdades socioeconómicas territoriales en España*, working paper, Friedrich Ebert Stiftung.

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 European and federal levels. 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 federal government.

In general, the federal 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 federal and subnational levels, coordination is facilitated.

On the one hand, significant political misalignment between the regions (mainly right-wing in the north and left-wing in the south) and high fractionalization in the federal parliament did not help coordination. On the other, the COVID-19 crisis called for policy responses designed jointly, and thus led to coordination at levels rarely seen before, mainly through the National Security Council at first, and afterward through the concertation committee.

Canada

Score 5

There are very few national standards for public service delivery in Canada, as provincial governments have extensive freedom to determine their policy objectives, instruments, designs, etc... When the federal government transfers funds to the provinces, it could have some practical leverage to establish standards but much of the time chooses not to use this leverage. National standards are often opposed by provinces (always by Québec), which means they involve a political struggle the federal government might not win. In the area of healthcare, provincial governments formally have to conform to the five principles of the 1984 Canada Health Act (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) but funds from the Canada Health Transfer (CHT) are rarely withheld. The Canada Social Transfer (CST) that supports, among other things, social assistance in provinces comes with the “low bar” condition that provincial governments do not exclude potential recipients on the grounds that they have just moved to the province.

Estonia

Score 5

Several public services in Estonia are provided at the local level, although the quantity and quality of services varies greatly relative to the size and capacity of municipalities. The administrative-territorial reform, which merged municipalities into larger units, aims to offer residents better services, and hire more competent employees and officials. The focus is on ensuring that a basic universal list of services is available in each municipality and that the quality of services is more closely monitored. Yet, the implementation process faces serious challenges due to the shortage of qualified labor in regions. According to the annual report of the National Audit Office to the Riigikogu (2020), the shortage of GPs, teachers, policemen and rescue workers has reached a level where the provision of public services in accordance with established quality standards across the country is not possible.

Citation:

Riigikontroll (2020). Esmatähtsate avalike teenuste tulevik. Riigikontrolli aastaaruanne Riigikogule.

Italy

Score 5

Minimal national standards for decentralized public services (e.g., public healthcare 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 (e.g., education and healthcare), 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.

Concerning national standards for utilities (e.g., water, electricity and communications), independent authorities are in most cases responsible for their definition and implementation. Implementation in this field is fairly adequate.

Netherlands

Score 5

National standards are implicit in the nationwide local-government fund model, which allocates a share of national tax revenues to the roughly 360 local governments on the basis of numerous variables. This funding today comprises 86% of local-government budgets. Local governments themselves also try to meet mutually agreed-upon 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, renamed VNG Realisatie B.V.). As part of a knowledge platform (Waarstaatjegemeente.nl), the Association of Dutch Local Governments produces a comparative report on the status of local governments that collects relevant policy evaluations and assists local governments in their information management. Nevertheless, due to the implementation of ill-considered decentralization plans, including funding cutbacks, it is likely that the uniformity of national standards in the delivery of municipal services has somewhat diminished. Instead of strict output equality, official discourse now refers to "situational equality." This development is counteracted by increasing cooperation by municipalities in transboundary tasks (e.g., garbage collection and treatment, youth care, care for the elderly, but also regional energy and innovation policy). Cooperation agreements for such transboundary tasks escape normal democratic control by local councils, and have reached numbers and degrees of intensity that give rise to concerns about the scope and quality of local democracy.

Citation:

A. Korsten, 2004. Visiteren van gemeentebesturen, Bestuurwetenschappen, 1-15, VNG Uitgeverij

P. Meurs, Maatwerk en willekeur. Een pleidooi voor situationele gelijkheid, Raad voor Volksgezondheid en Samenleving, 28 January, 2016

Waarstaatjegemeente.nl, 2021

Raad voor het Openbaar Bestuur, Van den Berg et al., May 11 2021. Perspectief op interbestuurlijke samenwerking: Beelden van het rijk en decentrale overheden kwanitatief vergeleken.

Slovenia

Score 5

In Slovenia, public-service standards are poorly defined, especially with regard to the independent functions of municipal governments. As the constitution guarantees the autonomy of every municipality, the extent and quality of public services 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 finances, for instance, the Ministry of Finance, the Court of Audit and municipal supervisory committees all play an oversight role.

Turkey

Score 5

Local governments, mainly elected municipal governments, are subject to several supervision mechanisms such as internal and external audits, mayoral supervision, the control of local councils, and a central government audit. The Ministry of Interior Affairs closely monitors the structure and quality of services provided by municipal governments through its local agencies and administrative trusteeship which conduct internal and external audits and audits by civil service inspectors. The Turkish Court of Accounts (TCA) reviews the accounts of municipalities on behalf of parliament. It conducts performance audits of municipalities effectively. The Ministry of the Interior has the power to send civil inspectors and local government controllers to individual municipalities, and has, until recently done so to exercise political pressure on mayors with ties to the opposition.

Prior to the review period, the Ministry of Internal Affairs substantially increased the frequency of its inspections of municipalities. While inspectors prepared 625 reports in 2018, this figure increased by 58% to 990 in 2019. The number of special inspection reports increased by 1,400%. Additionally, in six of the 65 municipalities in which the HDP won in the 31 March 2019 local elections, the candidates elected were not authorized to govern. Trustees have been appointed to 48 municipalities. This represents an open violation of the right to rule, and has triggered harsh criticism among opposition parties.

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 province, 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:

Birgün. "Belediyeler el değiştirdi denetim yüzde 1400 arttı," September 28, 2020. <https://www.birgun.net/haber/belediyeler-el-degistirdi-denetim-yuzde-1400-artti-317160>

Evrensel. "HDP'nin 65 belediyesinden 48'i kayyumla, 6'sı mazbata verilmeyerek gasbedildi," October 2, 2020. <https://www.evrensel.net/haber/415521/hdpnin-65-belediyesinden-48i-kayyumla-6si-mazbata-verilmeyerek-gasbedildi>

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. Moreover, states exercise broad discretion in setting standards of eligibility for Medicaid coverage or with regard to unemployment insurance. A large variation in state government policies and standards of service is regarded as legitimate in most fields.

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 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 healthcare sector,

monitoring is uneven, and some localities have much lower standards than others. The extent to which different municipalities' regulations are compliant with regulatory standards set in national law also varies.

Chile

Score 4

Due to the different financing structures at the regional and municipal levels, the national government can guarantee services at an adequate standard only at the regional level. The central government has clearly failed to establish nationally upheld standards at the municipal level. Relatively poor municipalities and those in rural regions often lack the capacity and economic resources to meet national standards for public services, especially in the fields of healthcare 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. The same is true of public health institutions. 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.

Citation:

On disparities between rural and urban schools:

Centro de Investigación Periodística (CIPER), “¿Por qué las escuelas rurales deberían reabrir?”, 1 September 2020, <https://www.ciperchile.cl/2020/09/01/por-que-las-escuelas-rurales-deberian-reabrir>, last accessed: 13 January 2022.

Example of an infrastructure governance analysis:

Organisation for Economic Co-operation and Development (OECD), “Brechas y estándares de gobernanza de la infraestructura Pública en Chile”, May 2017, <https://www.oecd.org/gov/brechas-y-estandares-de-gobernanza-de-la-infraestructura-publica-en-chile-9789264286948-es.htmhttps://tribunambiental.cl>, last accessed: 13 January 2022.

Croatia

Score 4

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 catalogue of services that local and regional self-government units (municipalities, towns, counties) 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.

Greece

- Score 4** In the period under review, there was some improvement in the implementation of national standards. It was realized that failing to implement such standards risks another fiscal derailment, similar to that which led to the 2010–2018 economic crisis. Today, the government ensures more than it did during the crisis period that subnational self-governments realize national standards. Such self-governments are heavily dependent on the central government for their funding, and thus they are under the surveillance of the Ministry of Interior and the Ministry of Finance.

Hungary

- Score 4** In Hungary, the quality of subnational public services has suffered as a result of the reorganization of subnational governments, since 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 and, as a result, national standards have often been undermined, especially in the fields of healthcare, education and social services. Still, as some administrative tasks were taken over by central deconcentrated authorities and the tasks of smaller villages were bundled with those of smaller cities, national standards have been strengthened to a certain extent.

Romania

- Score 4** The central government seeks to ensure that subnational governments realize national public-service standards. The prefects, which represent the central government in each of the country's 41 counties as well as in the municipality of Bucharest, have an important role in this respect. In practice, however, enforcement is often undermined by the inadequate and uneven funding of subnational governments.

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.

Mexico

Score 3 Insufficient funding, corruption and inefficiency inhibit the effective implementation of nationwide public policy standards in many sectors. While the government has launched several efforts to improve social policies, President López Obrador's populist policy approach generally undermines public policy standards. Particularly with regard to pandemic-management efforts, it was clear that there are severe limits in the degree to which national standards can be reliably implemented at the regional and local level.

Citation:

Latin American Regional Report: Mexico & NAFTA (November 2017) "Solving higher education conundrum key to 2018 election success?."

Cyprus

Score 2 Standards and indicators at the central government level often lack consistency and universality. Reform of local government was at an advanced stage in January 2022. In order to abide by the rules and standards, the Ministry of Finance issues guidelines for each category of public institution regarding budget design and strategic planning. These guidelines set general standards and procedures, in particular on fiscal issues. The persistence of problems is an indication that proper implementation remains an issue.

Serious problems in local government have led to a process of reform since 2014. Among other issues, the auditor general pointed in his 2016 report to disregard for standards and procedures, stressing that "the situation in municipalities is not viable."

In order to assist subnational entities, the Ministry of Finance annually reports on issues of fiscal risk facing each sector. Proposals for anticipating and addressing problems, and minimizing risks are part of them. For example, guidance is offered, among other things, on how to avoid risks related to unguaranteed loans, financial claims before the courts and excessive expenses.

Citation:

1. Ministry of Finance, Report on Fiscal Risks, September 2021, http://mof.gov.cy/assets/modules/wnp/articles/201705/301/docs/2021_09_17_frs_2021.pdf

Indicator

Effective Regulatory Enforcement

Question

To what extent is government enforcing regulations in an effective and unbiased way, also against vested interests?

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 = Government agencies enforce regulations effectively and without bias.
- 8-6 = Government agencies, for the most part, enforce regulations effectively and without bias.
- 5-3 = Government agencies enforce regulations, but ineffectively and with bias.
- 2-1 = Government agencies enforce regulations ineffectively, inconsistently and with bias.

Finland

- Score 9** In general, powerful vested interests are not favored in Finland. To a certain extent, this can be explained by the fact that Finnish governments tend to be coalition governments, often made up of parties from both the left and right.

Germany

- Score 9** Laws and other regulations are usually enforced effectively and without bias. However, law enforcement against vested interest depends on the structure of the respective acts. Detailed and strict laws are difficult to thwart, and administrators and courts are able to enforce them. By contrast, vague and lax laws may be more easily circumvented by vested interests. In general, government and courts are willing and able to enforce their respective regulations, and prevail against vested interests.

Sweden

- Score 9** Much of modern regulation is responsive regulation: it is designed and implemented through a dialogue with the targets of the regulation rather than forcefully imposed. Often, regulatory agencies prefer to use incentives rather than formal rules to elicit the desired behavioral changes among the targets of the regulation. Given that changing behavior is the overarching objective, regulators may use a combination of rules, bargaining and incentives toward that objective. There is no evidence of a systematic bias in this respect among Swedish regulatory agencies (OECD, 2021).

OECD. 2021. "OECD Regulatory Policy Outlook 2021." <https://www.oecd.org/gov/regulatory-policy/oecd-regulatory-policy-outlook-2021-38b0fdb1-en.htm>

Denmark

Score 8

Public administration in Denmark features a number of checks and balances to ensure compliance with rules and regulations. It is difficult for the government to favor specific interest groups, and any such effort would most likely be noticed by the media and thus potentially exploited by the opposition in the parliament.

The clearest example of effective grassroots pressure has been the change in environmental policies, which has led to changes in viewpoints across all political parties.

The tradition of coalition and minority governments, and tripartite consultations are further mechanisms that ensure the effective and relatively unbiased enforcement of regulations.

It should also be noted that many regulations are based on EU legislation. When it comes to the implementation of EU directives, the Danish record is quite good compared to other EU member states.

Estonia

Score 8

Regulations are generally enforced in an impartial way without discriminating between the political and social status of organizations and enterprises. Some non-governmental foundations – which operate on a non-profit and non-political basis, and act in the public interest – may be tax-exempt. The list of income tax-exempt foundations is issued annually by the Tax and Customs Board in accordance with the Income Tax Act.

Equal enforcement applies also for businesses in terms of complying with tax obligations, technical and sanitary standards. However, such strict enforcement of regulations is sometimes criticized for penalizing SMEs (e.g., small shops, tourist farms and food providers), which struggle to meet the government's high standards.

Ireland

Score 8

Government agencies do attempt to enforce regulations effectively and without bias. This was borne out in October 2018, when Denis Naughten, then minister of communications, was asked to resign for having met a stakeholder of a company that was bidding for the National Broadband Plan contract.

There has been significant growth in political lobbying in Ireland. In general, lobbyists claim that they are simply providing advice about how the policymaking process works, but – given that many lobby firms hire ex-ministers, members of

parliament and some journalists – transparency advocates believe it is important to have a statutory register of lobbying to guard against corruption. The Regulation of Lobbying Act was passed in 2015. The act provides for an extensive web-based register for lobbying. In its first year of operation 1,100 people registered and there were also almost 1,500 returns by lobbyists. The database is searchable and provides a lot of information on who the lobbyist was, whom they lobbied, what was the content of their lobbying and what the intended outcome of their lobbying was. “All this is radically new in the Irish context. The lobbying register clearly provides citizens with far more information on the lobbying process than ever before – an important step in the promotion of open and transparent policymaking” (Murphy 2018, 290).

The Office of Lobbying Regulation was also set up (within the Standards of Public Office Commission). Its job is to ensure that the Lobbying Act is enforced. It is independent of government, industry and the other sectional interests.

Citation:

Murphy, G. (2018) ‘The Policymaking Process,’ in John Coakley and Michael Gallagher (eds) *Politics in the Republic of Ireland*.

Norway

Score 8

Governance in Norway is closely linked to consultative processes with relevant stakeholders. Consequently, such consultations and close relationships might limit government autonomy. In a small and open economy, the government also seeks to ensure policies that will enable important industries to continue. Historically, various interest groups associated with agriculture and shipping have been particularly influential. The social partners representing employers and workers respectively, are routinely consulted in all major, national decisions. During the last decade or so, the interests of the petroleum business and the seafood industry have become more powerful. The key non-governmental actors that shape public policymaking are trade unions, the confederation of businesses and industry, and environmental groups. The unbiased application of laws and regulations is highly valued in Norway, and those interest groups will not only point out whether policies and their implementation are burdensome for their members, but also advocate for a uniform policy application in their own sectors.

United Kingdom

Score 8

The implementation, execution and control of regulations in the United Kingdom is the task of the civil service and statutory regulatory bodies. Many of the latter are set up on a statutory basis, either as non-departmental public bodies that report to parliament or as non-ministerial government departments, ensuring that they are at

arms-length from government and ministers. There are also a number of non-governmental regulators for different industry sectors, some of which are voluntary and some of which are placed on a statutory footing either through legislation or a Royal Charter.

The civil service (also known as “Whitehall” for its historic location in London) is a highly centralized and powerful bureaucratic body that abides by very strict codes of conduct, and generally provides an indispensable and loyal service to the UK government.

Like many other countries, key industries in the United Kingdom – the City of London, with its concentration of financial and business services, is a notable example – are able to lobby against unwelcome regulation more forcefully than other businesses or civil society.

Canada

Score 7

The quality of regulatory enforcement in Canada is generally high. While regulatory agencies occasionally face resource constraints, these are not usually the result of interest group lobbying. Interest groups in Canada tend to focus on obtaining leniencies during the creation of regulations rather than after regulations are promulgated.

One notable exception is the regulatory oversight and environmental assessment review of major infrastructure projects, where final decisions are in the hands of the ministry or cabinet. In many instances, stakeholders have complained that government approval did not follow the rules and regulations set out by law. Two recent high-profile cases highlight the issue: both the Enbridge west coast oil-port proposal (under former prime minister Harper) and the Trans-Mountain pipeline expansion (under current prime minister Trudeau) obtained positive recommendations from the National Energy Board, all required federal and provincial environmental-assessment certificates, and final ministerial approval. Yet, federal courts ultimately struck down both approvals.

The government recently reformed its impact assessment legislation, creating a new Impact Assessment Agency to centralize federal evaluations of major projects. It additionally created a new Canadian Energy Regulator to oversee Canada’s interprovincial and international pipelines and powerlines. These bodies have respectively replaced the Canadian Environmental Assessment Agency and the National Energy Board.

France

Score 7

The French government's efforts to adopt rules and regulations applicable across the country encounters resistance due to the diversity of local situations and the relative strength of vested interests. The difficult exercise of balancing conflicting goals has characterized France since the time of the monarchy.

During the Fifth Republic, there have been limited cases of political bias or clientelistic behavior within the central administrative apparatus. This is less evident at the local level, where mayors can be more lenient vis-à-vis individuals or groups, for instance in the field of urban planning or in the management of procurement contracts (favoring local providers). The main distortions in policy implementation derive from a well-rooted tradition of ignoring the incomplete implementation or non-application of excessive regulations. Governments often lack the courage to enforce regulations when they fear substantial protests. Successive governments have either failed to regulate or withdrawn planned regulations when protests have proved powerful and won widespread public support. Macron's insistence on the need to fully implement policy decisions helped trigger a social revolt during the winter of 2018 – 2019. Like his predecessors, he too has been forced to withdraw or postpone some of his unpopular decisions.

Latvia

Score 7

When it comes to effective regulatory enforcement in the private sector, there have been concerns regarding bribery, including a few high-profile corruption scandals (e.g., the so-called Oligarchs Case, which involved charges of bribery and money laundering among its other allegations). In addition, there have been tensions around the banking sector and suspicions of "state capture." These three factors have raised concerns about the state's ability to take a strong stance. The OECD noted that many of these issues are linked with the fact that Latvia's financial sector has provided a bridge between the East and West.

Following these scandals, Latvia has made substantial steps to improve the situation, and closely followed recommendations offered by the OECD Working group on Bribery. KNAB, the anti-corruption agency, has been strengthened, with its staff levels stabilized and salaries increased. A court specifically for economic cases was recently established, and the prosecution service was reformed, with a specialized prosecution unit for crimes committed in state service created. In addition, the Whistleblowing Law has been in force since 1 May 2019. This provides a channel to report possible violations in the private and public sectors, and protects whistleblowers from retaliation. Thus, there are channels for citizens to make reports and help enforce regulations, even against vested interests.

Although the effects of these improvements are yet to be fully observed, Latvia has consistently attempted to tackle corruption since gaining independence (e.g., the

creation of KNAB, and the development of several national anti-corruption strategies and programs). In terms of implementation and governance, Latvia has received positive reviews in global ranking reports. That said, the Phase 3 report by the OECD (2019) noted that stronger enforcement of the reforms is needed, which should be reflected in an increased conviction rate.

Citation:

1. OECD (2019) Implementing the OECD Anti-Bribery Convention, Phase 3 report: Latvia, Available at: <http://www.oecd.org/corruption/anti-bribery/OECD-Latvia-Phase-3-Report-ENG.pdf>, Last accessed: 11.01.2022.

2. OECD (2015), Phase 2 Report on Implementing the OECD Anti-bribery Convention in Latvia, Available at: <http://www.oecd.org/corruption/anti-bribery/Latvia-Phase-2-Report-ENG.pdf>, Last accessed: 11.01.2022.

3. OECD (2017), Latvia: Follow-up to the Phase 2 Report & Recommendations, Available at: <https://www.oecd.org/corruption/anti-bribery/Latvia-Phase-2-Written-Follow-up-Report-ENG.pdf>, Last accessed: 11.01.2022.

4. Ministry of Justice (2020) Economic Cases Court, Available (in Latvian) at: <https://www.tm.gov.lv/lv/ekonomisko-lietu-tiesa-0>, Last accessed: 10.01.2022.

5. LSM (2021) Stukans establishes a criminal prosecution service for officials and promises to train professionals in this field, Available (in Latvian) at: <https://www.lsm.lv/raksts/zinas/zinu-analize/stukans-izveido-amatpersonu-noziegumu-izmeklesanas-prokuraturu-un-sola-izskolot-sis-jomas-profesionalus.a389254/>, Last accessed: 11.01.2022.

Lithuania

Score 7

In the World Bank's 2020 Worldwide Governance Indicators, Lithuania scored at the 83rd percentile, a position that has shown little change in the 2017 – 2020 period. A 2017 OECD report indicated mixed effectiveness in regulatory delivery efforts in Lithuania. Although food safety inspections were effective and in line with best practices, compliance with occupational safety rules was problematic, and the regulation of fire safety was of concern. To improve the enforcement system in Lithuania, the report recommended gathering better data and conducting more analysis, paying more political attention to enforcement, improving risk assessment in enforcement activities, rethinking priorities, reallocating resources, and paying more attention to education and outreach.

The better-regulation policy of the Lithuanian government seeks to reduce administrative burden, manage risks better, fight corruption and move to compliance promotion. Regulatory reform momentum was strong at first but has slowed down considerably in recent years. No regulatory institution is named on the list of the most corrupt institutions in the country, though some corruption scandals involved a few regulatory agencies. For instance, in 2016 the Special Investigation Service called on the State Food and Veterinary Service to eliminate corruption after its food safety inspections had yielded no action against any food product deemed harmful to human health. In late 2018, the Ministry of Economy and Innovation released the first study of regulatory institutions' activities, assessing the methods and instruments used by institutions that regulate businesses. The study determined that 61% of institutions (33 out of 50) assessed were performing unsatisfactorily, with

grades below 5.5 out of 10. Only two institutions, State Tax Inspection and State Labor Inspection, received grades above nine. In general, those institutions that mostly deal with regulating business activities performed better than those which have business regulation as only one of their activities. On the basis of these assessments, the Ministry of Economy and Innovation issued its recommendations on reducing administrative burdens for businesses. The Skvernelis government planned to merge some regulatory institutions, reducing their number from 55 to 47 by 2020, but failed to achieve this goal.

In October 2019, a major fire broke out in a tire-recycling facility in Alytus, leading the town's authorities to declare a state of emergency. This case demonstrated the inadequacy of legislation and the lack of effective enforcement in the fields of pollution control and fire safety; as a consequence, substantial damage was done to the environment. Similarly, the illegal migration crisis in 2021 exposed the limited ability of various levels of the administration to deal with such a crisis, even though a simulation of a similar crisis had been performed only a few years before, involving the arrival of 10 times as many migrants as appeared in 2021. The Šimonytė government has initiated a reform of the crisis management system with the goal of making it more resilient and effective at managing future crises.

Citation:

National Audit Office, Consolidation of Institutions Regulating Business, 2020 <https://www.valstybeskontrole.lt/LT/Product/23913>

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

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

Ministry of Economy, Report of Regulatory Institutions December 2018, available so far only in Lithuania at <https://ukmin.lrv.lt/lt/veiklos-sritys/verslo-aplinka/verslo-prieziuros-politika/svieslente>

Spain

Score 7

The country's important companies and interest groups have substantial influence over policymaking. In recent years, the Spanish government has faced strong pressure from powerful economic groups in the banking, energy and telecommunications sectors, as well as several private groups such as pensioners and taxi drivers. Non-compliance with the law results in either administrative or criminal sanctions. However, regulators seek to encourage preventive action. Until 2015, with an absolute majority in parliament, the government was able to push unpopular legislative acts through parliament even against the opposition of vested interests. Nevertheless, the minority governments that have held power since 2015 were forced to seek not only the support of other political parties, but also a broader societal consensus. This has limited the ability to push through regulations against strong opposition from powerful interest groups, and produces significant regulatory biases in some policy areas (such as energy, public works, banking, or trade and commerce).

Citation:

Euractiv (2021), Spanish power companies clash with government over measures to reduce electricity bill, 16/09/2021

United States

Score 7

In general, the United States has invested quite heavily in regulatory enforcement. A substantial amount of investment reflects the frequent, substantial legal resistance to enforcement actions on the part of the targeted firms or other entities. U.S. regulatory agencies are highly subject to judicial review, and their enforcement actions are often appealed, raising the costs of enforcement and reducing its effectiveness. In general, however, enforcement efforts have been sufficiently energetic. As a result, the targeted firms generally take regulations seriously.

During the Trump presidency, however, many of the regulatory agencies were headed by appointees with extremely strong and direct ties to the regulated industries, or with strong ideological opposition to their agencies' programs. The Biden administration is moving in the opposite direction of its predecessor. On January 20, 2021, President Biden signed an executive order that "directs all executive departments and agencies (agencies) to immediately review and, as appropriate and consistent with applicable law, take action to address the promulgation of Federal regulations and other actions during the last 4 years that conflict with these important national objectives, and to immediately commence work to confront the climate crisis."

Citation:

<https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-protecting-public-health-and-environment-and-restoring-science-to-tackle-climate-crisis/>

Australia

Score 6

With some notable exceptions, the enforcement of regulations is generally effective and unbiased. Exceptions arise in certain industries with large companies, such as in the banking sector, where there is clear evidence of so-called regulatory capture and the regulator does not fully enforce the regulations. More problematic in the Australian context is that the regulations themselves (particularly those specific to an industry) are heavily influenced by powerful vested interests, be they financial institutions, mining companies, property developers or other large companies. The Australian government is addressing the issue by creating a regulator of the regulators, the Financial Regulator Assessment Authority.

Citation:

<https://www.smh.com.au/politics/federal/watching-the-industry-watchdogs-20180601-p4zito.html>

<https://www.law.ox.ac.uk/business-law-blog/blog/2022/02/combating-regulatory-capture-australias-new-financial-regulator>

<https://www.legislation.gov.au/Details/C2021A00063>

Austria

Score 6

The question of “biased” and “unbiased” cannot be answered impartially by political actors. Political parties and their representatives will always tend to see the enforcement of regulations in different ways, reflecting the different perspectives of the competing parties. But, by and large, the Austrian tradition of enforcing regulations is broadly accepted as being without significant bias.

Generally, it is not so much the “enforcement” of regulation that may be biased, but rather the legislation (or regulations) that are sometimes biased. There is a rather strong tendency in Austrian politics to avoid legislating against the vested interests of powerful (economic or political) actors. Furthermore, depending on the party complexion of the government, different interests are likely to benefit from close ties to governing parties.

Belgium

Score 6

Belgium’s system of proportional representation easily falls prey to lobbying. Belgium is actually recognized as a neo-corporatist system. When a strategic decision involves key socioeconomic issues, representatives of the “social partners” (i.e., the powerful and well-organized employers’ organizations and trade unions) systematically negotiate a bilateral agreement, which is then passed to the executive for legal implementation.

For this reason, the design of regulations may tend to be biased and at times ineffective, as it is based on a temporary and uneasy compromise between the social partners.

This enforcement was at times challenged during the health crisis given the speedy and restrictive nature of the measures taken. As in other countries, such as Spain, the courts have invalidated certain state decisions, considering their legal basis to be insufficient. More recently, as described under “Policy Communication,” enforcement was hampered by the politicians themselves when several local elected officials, as well as the minister of culture of the French community, announced in the media that they would not take retaliatory measures against cultural venues that decided to remain open despite the decision of the consultation committee to close them. The decision was then voided by the State Council, forcing a new meeting of the consultation committee.

Citation:

<https://www.lesoir.be/415020/article/2021-12-28/un-codeco-ce-mercredi-pour-rouvrir-immediatement-les-theatres-et-cinemas>

<https://www.lesoir.be/364048/article/2021-03-31/coronavirus-la-justice-rappelle-letat-ses-devoirs>

<https://www.lesoir.be/409639/article/2021-11-30/la-base-legale-du-covid-safe-ticket-se-fissure>

Chile

Score 6

Some regulations are highly influenced by economic-interest groups, especially regulations affecting the productive sectors (e.g., fishing, agriculture and the mining industry). However, once enacted, government agencies usually enforce regulations effectively and without bias. Therefore, it's more a question of how regulations are designed than a question of their enforcement.

Iceland

Score 6

Government agencies enforce regulations and are accountable to a corresponding ministry. Government agencies include the Directorate of Health, Icelandic Medicines Agency, Icelandic Competition Authority, Financial Supervisory Authority, and Directorate of Fisheries. Evidence of the extent to which these authorities are able to function in an effective and unbiased way is hard to find. The Financial Supervisory Authority was heavily criticized for failing to do its job prior to the financial collapse in 2008. A 2015 master's thesis on the Directorate of Fisheries concluded that the directorate had operated according to OECD standards. However, as state television (RÚV) has reported, fishermen have over many years complained about the significant quantities of fish illegally discarded at sea, despite the directorate's denials. The Directorate of Fisheries (Fiskistofa) has in recent years implemented new methods that use drones to monitor the discarding of fish outside quotas (brottkast) .

The Central Bank of Iceland and the Financial Supervisory Authority (FME) were merged on 1 January 2020. The merger was intended to enhance trust, transparency and efficiency in financial administration. In the past, the FME was less effective as a department within the central bank than as an independent institution.

Citation:

Margrét Kristín Helgadóttir (2015), Eftirlitsstofnanir á Íslandi. Fiskistofa. MPA thesis from the University of Iceland.

RÚV (2017), Brottkast, ís-svindl og uppgjöf Fiskistofu (Discarding, ice-fraud, and the capitulation of the Directorate of Fisheries), <http://www.ruv.is/frett/brottkast-is-svindl-og-uppgjof-fiskistofu>. Accessed 4 February 2022.

Israel

Score 6

In general, Israel has a good record in dealing with powerful interest groups and enforcing regulation – the prime example being the Encouragement of Competition and Restriction of Centralism Act of 2013. The law was enacted after a public

interministerial committee found that one of the most prevalent structural market failures was the presence of a small group of tycoons that used large pyramidal corporations to control the market. Therefore, it recommended several affirmative actions to regulate the corporative structure of large businesses and ensure the public interest. The government accepted the recommendations and legislated the aforementioned law.

On the other hand, there are many examples according to which the government does not operate with the public interest in mind. For example, in its report from 8 May 2018, the State Comptroller surveyed the Ministry of Health's policy on reducing smoking and tobacco consumption, and reproached the ministry for its policy discrepancies and close relationship with tobacco companies. One indicative example from that report is that the deputy minister for health, Ya'acov Litzman, and senior officials from his office met twice with representatives of tobacco companies in undisclosed and unreported meetings.

Japan

Score 6

During the early postwar period, the operations of the so-called iron triangle between LDP politicians, the ministerial bureaucracy and big business served to promote overall economic growth, with a bias in favor of large enterprise groups. At the same time, this system ensured that policymaking was not captured by selective industry interests. Following the collapse of the bubble economy around 1990, the iron triangle declined, but a bias in favor of larger enterprises can still be noted.

In some policy areas, however, the role of vested interests is conspicuous. A notable example is energy policy, where the relationship between ministerial bureaucrats, specialized politicians and the nuclear-power industry – basically the major regional energy providers – has remained rather close. Another example is agriculture, which has received particularly favorable treatment and protection for decades as governments have sought to secure rural votes. Whereas the government has stepped up the liberalization of agriculture in recent times, trade agreements such as the Japan-EU FTA and even the 2019 Japan-U.S. trade pact have reflected this to only a limited degree.

Citation:

Jeff Kingston, Japan's nuclear village. Power and resilience, in: Jeff Kingston (ed.), *Critical Issues in Contemporary Japan*, Abingdon: Routledge 2013, pp. 107-119

Masayoshi Honma and Aurelia George Mulgan, Political Economy of Agricultural Reform in Japan under Abe's Administration, *Asian Economic Policy Review*, Volume13, Issue1, January 2018, pp. 128-144

Xiaochen Su, The Toxic Influence of Japan's Rural Political Interest Groups, *The Diplomat*, 5 January 2019, <https://thediplomat.com/2019/01/the-toxic-influence-of-japans-rural-political-interest-groups/>

Luxembourg

Score 6

There are a number of powerful interest groups in Luxembourg.

Civil servants (Fonctionnaires d'État) affiliated with the CGFP union (Confédération Générale de la Fonction Publique) constitute one such group. Civil servants represent a large part of the electorate in national elections (foreigners are not allowed to vote). Therefore, it is not easy for a government to make decisions that go against the positions of the CGFP trade union, for fear that the political opposition would immediately take the CGFP's side. As one result, a number of civil servants earn much higher salaries than are paid in comparable private sector positions. In January 2021, about 31,049 people were employed by the Luxembourg government (of which 16,339 were women, or 52.6%), meaning almost 2,000 people were added to the payroll during the pandemic.

One influential subgroup of civil servants are the teachers, who have a strong influence over educational policies. Other powerful interest groups include business associations, insurance companies and the construction industry.

Citation:

"La Fonction publique." <https://fonction-publique.public.lu/dam-assets/fr/documentation/fonctionpublique/fonction-publique-chiffre-2020.pdf>. Accessed 14 January 2022.

Schroen, Michael (2012): Luxembourg. Interessenvermittlung in einem Kleinstaat, in: Werner Reutter (ed.): Vergleichende Interessengruppen- und Verbändeforschung, 2nd edition, Springer VS, Wiesbaden, pp. 417 – 444.

New Zealand

Score 6

The enforcement of regulations is generally effective and unbiased. As in other democracies, regulations themselves (particularly those specific to an industry) are heavily influenced by powerful vested interests. Regulatory capture – a situation in which an industry has the power to determine the activity of a government agency tasked with regulating the industry – certainly occurs and can result in the weak enforcement of regulations. Examples include the fishing and mining industries. The conclusions of the Pike River inquiry show that the regulation of occupational health and safety in mining had in effect been subject to regulatory capture by employers. Critics argue that the state of the electricity sector displays many symptoms of regulatory capture. There was also widespread criticism of the Securities Commission for its failure to control unacceptable behavior among investors and companies, contributing to a lack of confidence in the share market and other forms of investment. In the 1990s, there was continuing opposition to greater regulation from some powerful and vocal parties, such as the Business Roundtable. It is difficult to distinguish the effects of weak legislation, weak regulator and regulatory capture, but the outcome of the limited standards and enforcement has suited some interests despite being to New Zealand's long-term detriment.

Currently, the Ministry of Business, Innovation and Employment is charged with overseeing much of New Zealand's regulatory design, delivery and review processes. This includes 112 statutes and 17 regulatory systems covering housing, workplace safety, trade, intellectual property, employment relations, financial markets and so on (MBIE).

Citation:

OECD Regulatory Policy Outlook 2015 Country profile New Zealand. <https://www.oecd.org/gov/regulatory-policy/New%20Zealand-web.pdf>.

New Zealand Council of Trade Unions. 2013. Submission of the New Zealand Council of Trade Unions Te Kauae Kaimahito the New Zealand Productivity Commission on its inquiry into Regulatory Institutions and Practices. <https://www.union.org.nz/wp-content/uploads/2017/10/131025-Productivity-Commission-Regulatory-Institutions-Practices.pdf>

MBIE, 2021. <https://www.mbie.govt.nz/cross-government-functions/regulatory-stewardship/regulatory-systems/>

Slovenia

Score 6

Ministries and government agencies largely succeed in enforcing regulations effectively and without bias. However, there have been some cases in which they have succumbed to pressure from interest groups. A good case in point have been the protracted conflicts over the enforcement of public procurement rules which have delayed the construction of the second Karavanke tunnel tube on the highway to Austria and have led to the resignation in April 2019 of Borut Smerdel, the head of the National Review Commission (DKOM), a review body for procurement-related disputes.

Switzerland

Score 6

In Switzerland, there is a very limited likelihood that regulations contradict the interests of powerful groups, considering the numerous opportunities to articulate private interests in policy development. A case in point is agricultural policy: farmers are very effective in impeding regulations given their political power in parliament.

In addition, implementation – even of federal regulations – is almost exclusively done by cantonal and local administrations. Frequently, they apply federal law in a very pragmatic way, tailored to the needs of local and cantonal interests. Hence, if federal rules are in direct conflict with powerful vested interests, they are likely to be implemented in a way that minimizes the disadvantages for the powerful vested interests on the cantonal or local level.

Moreover, vested economic interests are very powerful in the implementation process of public policy. Obvious examples are federal rules which were agreed upon in popular votes but violated major economic interests. In 2017, the government and parliament avoided implementing a constitutional rule constraining

the inflow of foreign workers. The government and parliament feared that the rule would entail massive economic disadvantages and were supported in their view by economic interest organizations – ranging from trade unions to employers' associations – and individual firms. Likewise, the strict implementation of a constitutional rule limiting the construction of vacation homes was considerably modified due to powerful cantonal and local economic interests.

Discretion is a necessary condition for implementation, be it by interest groups or cantons. The main goal of federal legislation is the formulation of policy proposals that are accepted in a referendum. This is only possible by granting discretion in the implementation of policies: allowing implementing agents to adjust federal policy. As the federal government depends on implementing agents for basically all policies, there are strong reservations against strict enforcement of compliance. This is a deliberate consequence of the Swiss institutionalized emphasis on policy acceptance rather than outcomes.

Italy

Score 5

The ability of the government to effectively enforce regulations against resourceful interest groups received renewed attention after the 2018 collapse of the Genova motorway bridge. It has become clear, for instance, that the Ministry of Transport and Infrastructures did not adequately monitor the implementation of the motorway concession agreements by the private companies who were the concessionaires (particularly in the field of investments and security controls). A review of other fields would likely reveal similar problems. So far, no major steps forward have been made to improve the situation.

Malta

Score 5

For the most part, government agencies in Malta enforce regulations effectively and without bias. This said, the close personal relationships inevitable on a small island have undoubtedly greased the cogs of the administrative machine in order to facilitate positive outcomes in many cases. Certain powerful interests such as the construction lobby also wield influence over the decision-making process. A number of protests in 2019 expressed civil society anger against government support for development proposals running counter to the vision of a sustainable economy. Finally, the government's reliance on direct orders for large purchases, along with allegations of mismanagement in tendering processes, has left it open to accusations of favoritism. In 2013, the government strengthened the fight against corruption by reducing elected political figures' ability to evade corruption charges, and introduced a more effective Whistleblower Act. This act has been reformed for a third time. The recommendation of the 2017 ombudsman's report to regulate lobbying has not been

met. The Chamber of Commerce has also called for greater transparency in a set of proposals made to government. This is interesting as it highlights growing concerns among its members, who are normally guilty of such practices, about the current situation. However, nearly all government entities replied positively to the recommendations issued by Ombudsman's Office. Furthermore, the Commissioner for Standards in Public Life has ruled against the practice of members of parliament sitting on government boards. Judicial reviews and European Commission investigations have frequently given the lie to accusations of bias or wrongdoing, and the government has strengthened its efforts on several scores. However, as in Iceland and Luxembourg, the country's small size impacts negatively on efforts to ensure bias-free governance. There is now growing agreement that the current STV electoral system, which has facilitated a two-party system, has contributed to Malta's failings, including the country's grey listing. There is, therefore, a growing consensus in favor of change.

Citation:

<https://www.timesofmalta.com/articles/view/20181020/local/possibility-of-state-aid-rules-breach-in-db-groups-its-project-raised.692024>

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Malta Today 06/03/2020 scales tips in favour of developers

Netherlands

Score 5

The government frequently formulates policy goals that are more far-reaching than can realistically be achieved in practice. For example, virtually none of the coronavirus policies could or can be implemented with the existing contingents of nurses, care workers, police officers and their assistants. Realistically speaking, enforcement of coronavirus policies rests on moral appeals to firms and citizens and nudging them to obey the rules (regarding social distancing, wearing masks, etcetera), paired with small-scale law-enforcement activities. The same could be argued about traffic control; enforcing anti-pollution and environmental rules for firms; and drugs, food and sustainability rules for consumers.

Paradoxically, generally weak rule enforcement leads to overreaction and harsh rule enforcement in other cases. The child benefit affairs could come about only because of a policy of zero tolerance for social benefits fraud, which was deemed necessary to guarantee citizens' solidarity and willingness to pay taxes. Another example is the use of regulatory enforcement by administrative bodies (rather than legal prosecution by legal authorities) to counter the efforts of criminal organizations to penetrate the

formal economy and government administrations. Attention has been focused on illegal-drug production, traffic (notably in harbor cities, but also in the relatively empty rural areas of the country's south and east), transportation and trade, as well as on human trafficking (women, refugees). Special police teams, mayors of larger cities, national and local public prosecutors, and fiscal detectives collaborate (not very successfully) in detecting drug and human trafficking gangs. Through the use of ordinary administrative laws, authorities “harass” drug and human traffickers to such an extent that they close down their business or, more frequently, relocate. Studies trying to estimate the effectiveness of such methods have been methodologically contested and are thus inconclusive. It is in connection to illegal drugs and human trafficking that mayors of larger cities and sometimes small, rural villages become “crime fighters.”

Citation:

Trouw, 31 August 2019. Niet alleen in Amsterdam zijn drugs een probleem.

De Correspondent, 26 October 2019. De CO-2 heffing die nooit werd geïnd.

NRC-H, Meeus, December 4, 2021 Minder hijgerigheid, meer tegendruk: ambtenaren en de komst van Rutte IV

Inspectie Justitie en Veiligheid, 18-05-2021. Jaarbericht 2020: Grote druk op uitvoeringsorganisaties

Tweede Kamer, 25 February, 2021. Eindrapport onderzoek uitvoeringsorganisaties overhandigd. (‘Klem tussen balie en beleid’.)

Poland

Score 5

Decision-making and the enforcement of decisions generally follow lines of political affiliation within the current Polish government. As government agencies do not act independently, but instead follow the responsible ministry and the party line, it is difficult for outside interests opposing the government to win a hearing. Thus, their attempts to influence government agencies are rarely fruitful, while economic interest groups that are close to the government have more success. For this reason, while government agencies do not act in a strictly unbiased manner, they can be effective in implementing the decisions the government wants to be enforced.

Portugal

Score 5

On the whole, government agencies enforce regulations on powerful vested interests largely without bias. While the level of effectiveness is low, this is a general problem in Portugal, particularly when faced by powerful vested interests that are more adept at finding loopholes in Portugal's complex legal structure.

At the same time, these vested interests may well have the ability to capture and shape regulation toward their interests. As such, government agencies may to some extent be enforcing regulations that are already designed to serve the interests of these interests.

South Korea

Score 5

Government agencies enforce regulation, but are usually biased in favor of certain groups and vested interests. The big business conglomerates and foreign investors are naturally the most powerful vested interests, and most policies take the interests of the big business sector and foreign investors into account. For example, environmental and safety regulations imposed on large businesses such as carmakers or domestic and foreign humidifier makers have been very lenient. SMEs have similarly emerged as a powerful interest group. SMEs have managed to obtain very generous exclusions, for example from the reduction of maximum allowed weekly work times from 68 to 52 hours. Collusion between management and labor unions has also led to circumvention or exploitation of government regulations. For example, by excluding regular (non-performance-based) bonuses from the calculation of the minimum wage, even workers with relatively high total wages were able to benefit from the minimum-wage increase. Since 2019, Korea has introduced regulatory sandboxes (including 21 regulation-free zones) to ease the regulatory burden on new and smaller firms.

Citation:

Rhyu Sang Young, Moon Jae-in and the Politics of Reform in South Korea, Global Asia 2018, https://www.globalasia.org/v13no3/cover/moon-jae-in-and-the-politics-of-reform-in-south-korea_sang-young-rhyu

Croatia

Score 4

Ensuring impartial enforcement of the law and implementation of regulations by public administration bodies independently of the political, economic or social interests of those subject to regulation is a significant problem in Croatia. The underlying reasons lie in the existence of interest groups that enjoy strong protection through political patronage and in the corruptive tendencies of a part of the street-level bureaucracies dealing with the enforcement of regulation (i.e., inspectorates, tax administration, land registry administration, etc.) The politicization of the civil service and weak governance structures have led to the prevalence of institutions of clientelism and regulatory capture. The introduction of the State Inspectorate in 2018, which encompasses 17 previously independent inspectorates, has failed to ensure compliance. On 1 April 2019, the Plenković government finally legally established the State Inspectorate as the central state administration body.

Czechia

Score 4

The enforcement of regulations by government agencies in Czechia has suffered from bias. The Office for the Protection of Competition (Úřad pro ochranu hospodářské soutěže, ÚOHŠ), for instance, has been quite effective in tackling

abuses of market power, but has been broadly criticized for failing to adequately supervise public procurement. Likewise, the ecological disaster that affected the river Becva in September 2020 has demonstrated the Czech Environmental Inspection's weak enforcement of environmental regulations. Prime Minister Babiš was able to use his political power to enforce regulations against business opponents.

Greece

Score 4

In Greece, it is difficult to argue that enforcement of regulations is effective. In the past, Greek governments used to employ pro-government individuals rather than skilled managers to head government agencies. This pattern dampened efficient and unbiased enforcement. Since the change in government in 2019, skilled professionals or experts rather than political party officials have been appointed to government agencies. In important cases, such as the state-run Public Power Corporation (DEI), the appointment of skilled managers has led to better results following a period of tremendous financial losses.

On the other hand, in various sectors (e.g., commercial shipping, mass media and construction), there have always been resourceful interest groups and influential businessmen. Governments have been and remain unwilling or unable to deal with them. The establishment of the National Transparency Authority (the EAD) in 2019 was a step forward in the enforcement of regulations. However, generally in government agencies, there are long backlogs of cases, as with EFKA, the social security agency responsible for awarding public pensions.

Mexico

Score 4

Insufficient funding, corruption and inefficiency inhibit effective regulation in many sectors. Additionally, fragmented responsibilities due to deficiencies in the federal Mexican system are prevalent. Vested interests often manage to block reforms or policy implementation. President López Obrador has attacked vested elite interests with his populist approach. The government has said it intended to establish stronger relations with NGOs, but instead of creating new formal standards, it has relied on informal discussions.

Turkey

Score 4

During the review period, the AKP and the president followed a biased and polarizing strategy in government that undermined sustainable, democratic public policymaking and implementation. On many occasions, government members also accepted that the new system has some deficiencies in practice. Profiting from this is

the group of clientelistic enterprises (the “gang of five”) that have been winning numerous public tenders. In total, this group has signed contracts worth a total of TRY 94 billion. The tenders in question include tenders for bridges, highways, airports, tunnels and city hospitals. Osmangazi Bridge, Third Airport, Eurasia Tunnel and Third Bridge are among the most notable projects.

The World Justice Project’s Rule of Law Index 2021 ranked Turkey at 119th place out of 139 countries, with a score of 0.41 for regulatory enforcement. In particular, the score for delays in enforcement without an acceptable reason (0.41) is below the global average (0.49), while the score for respect for due process is very low (0.14), particularly with respect to the global average (0.48).

Citation:

World Justice Project. WJP Rule of Law Index. <https://worldjusticeproject.org/rule-of-law-index/country/2021/Turkey/Regulatory%20Enforcement/>

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Cyprus

Score 3

General government policies and practices appear fair. However, a bias toward serving the interests of powerful economic groups and individuals as well as bowing to the demands of strong trade unions becomes evident when the stakes are high. Also, both the government and political parties often act on the basis of political expediency: to avoid confrontation with strong formal or informal interest groups, they resort to procrastination, adopt rules that are either ineffective, or simply avoid decision-making. The public good is, thus, not fairly served and lingering governance challenges persist.

The most notable example in recent years were policies presented in the form of an investment scheme, which in reality involved selling passports to the benefit of certain groups. This activity continued even after being officially terminated. In addition to ethical questions, risks of corruption and money laundering, this policy undermined town planning and other laws. Other decisions, under the pretext of development, are contradict the decisions of other authorities, as well as obligations to protect the environment and care for natural resources. In the financial sector, decisions and laws on foreclosures and non-performing loans are passed with amendments by parties serving strategic defaulters.

The abandonment of some reforms and the very slow pace of others are indicative of a policy bias in the government and among parties to avoid any political costs.

Citation:

1. Cyprus awaits Brussels decision on golden passports, KnewKathimerini, 8 November 2021, <https://knews.kathimerini.com.cy/en/news/cyprus-awaits-brussels-on-golden-passports>
2. Ministry defends decision to green light multi-story building in down town Nicosia, Cyprus Mail, 21 December 2021, <https://cyprus-mail.com/2021/12/21/ministry-defends-decision-to-green-light-multi-story-building-in-down-town-nicosia/>

Hungary

- Score 3** In general, Hungarian government agencies can enforce regulations. However, given the capture of the Hungarian state, agencies have acted with bias when the interests of important oligarchs have been involved. The latter's special treatment can be illustrated by hundreds of "high public interest" decrees, in which the firms of regime-friendly oligarchs have been exempted from existing regulations, including environmental ones.

Romania

- Score 3** Generally speaking, government agencies possess the technical capacity to enforce regulations against vested interests. In practice, however, regulations are mostly enforced only to the extent to which they benefit powerful lobbies and politicians' clients.

Slovakia

- Score 3** A core weakness of the Slovak public administration system is the politicization of public decision-making and the influence of economic lobbies and other organized interest groups on policymaking. Thus, government agencies tend to enforce regulations ineffectively and demonstrate bias in their activity.

Bulgaria

- Score 2** Government regulatory enforcement in Bulgaria is biased and uneven. On numerous occasions over recent years, government agencies have enforced regulations inconsistently for different actors, favoring specific vested interests and penalizing potential competitors to these vested interests. Examples include biases in the implementation of the competition-protection framework in banking and non-bank financial supervision, public procurement, post-privatization monitoring, and the energy and media sectors. In 2019, scandals involving prominent political figures' real-estate deals made it clear that building-permit regulations in Sofia are implemented very unevenly. In 2021, a non-competitive process for large

procurement orders was applied; the investigation of cash payments totaling more than BGN 20 million are still underway.

In 2020, COVID-19 emergency regulations were enforced in certain localities and among specific ethnic groups, including Roma, in ways that blatantly violated privacy and other rights. The regulations themselves were of poor quality.

Address | Contact

Bertelsmann Stiftung

Carl-Bertelsmann-Straße 256
33311 Gütersloh
Germany
Phone +49 5241 81-0

Dr. Christof Schiller

Phone +49 30 275788-138
christof.schiller@bertelsmann-stiftung.de

Dr. Thorsten Hellmann

Phone +49 5241 81-81236
thorsten.hellmann@bertelsmann-stiftung.de

Pia Paulini

Phone +49 5241 81-81468
pia.paulini@bertelsmann-stiftung.de

www.bertelsmann-stiftung.de
www.sgi-network.org