

**MODERNISING GOVERNMENT**

# Modernising Governments in other countries

**International comparison of  
processes of change in central  
government**

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## **International comparison of processes of change in central government**

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**This is the summary of the report. The full report can be downloaded  
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# Preface



'It is about organising the government around social problems instead of vice versa.' This is how Tony Blair described the central principle of the British government reform programme. In the Netherlands, the Modernising Government Programme is working towards a strong central government which is effective and focuses attention on society.

There is dissatisfaction about the functioning of the government not just in our own country, but in many other countries as well. Since the 1980s, there have been reform and modernisation initiatives all over the world. This is why an international comparison of the central government structures in ten countries, as well as the developments and changes undergone by these, has been carried out. This study was commissioned by the Modernising Government Programme, which reigns under the responsibility of Minister Pechtold as Minister for Government Reform and Kingdom Relations.

The Dutch Cabinet wants to change the organisation as well as the procedures of the central government in a meaningful way. Currently there is a gap between the presumptions and working of the government and the expectations of citizens and businesses. But the government cannot afford any loss of legitimacy. For this reason, changes must be made to the way in which the government currently functions.

In 2006, the Cabinet will submit proposals to the Lower House for the more effective functioning of the civil service. This international comparison has been carried out in preparation of this. The study offers insight into the problems faced by government organisations in various parts of the world. It also shows what solutions have been found by other countries and how change is brought about. This provides extra material and inspiration for the discussion in our own country on the question: how should the Modernising Government process be shaped?

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Preface

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1. Introduction



### **International inspiration for modernising government**

A changing relationship between government and society demands a critical analysis of government tasks, powers and responsibilities. An international comparison of (reforms to) the structure of national government services can be an important tool for this. The analysis of foreign experiences can make a contribution to answering the question of what institutional design fits in best with the new vision of the Dutch (central) government. Starting from this assumption, the idea arose to list significant and innovative developments relating to the structure of the central government in a number of countries. In this respect, we have proceeded on the assumption that international experiences can not only offer useful information for changes already planned within the Dutch public service, but can also provide new ideas for altering the government organisation.

This study surveys the extent to which new forms of government management and new ways of structuring the civil service system are apparent in a number of selected countries. The reforms in *Belgium, Canada, Denmark, Estonia, Finland, France, New Zealand, Poland, the United States of America, the United Kingdom* and the Belgian federal state of *Flanders* have been studied. We have taken the national political/administrative context of the countries concerned into account when looking at the extent to which these countries have experienced consensus or disagreement in respect of the design and implementation of government modernisation programmes. In addition, the underlying trends and the forces which have given rise to these reforms have also been considered. Based on this, reference points for the Dutch government can be identified: is our government dealing with similar problems which form the basis for specific reform trends?

Policy-oriented recommendations have been formulated on the basis of this international comparison, which may help the civil service to further redesign the administrative organisation.

### **Report**

This report provides a summary of the research report 'The structure of the central government. An international comparative analysis'. The research report gives the results of the eleven country studies, as well as an extensive comparative analysis, conclusions and recommendations for the Dutch central government.

This management summary gives the conclusions and recommendations that have arisen from the research. It then goes into the underlying international comparative analysis.

The comparative analysis starts with a discussion of a few institutional characteristics of the governments concerned, particularly in terms of the political/administrative context and territorial (de)centralisation. We then look at the extent to which the civil service systems in the countries studied have been integrated and pose the question of whether there is a connection between the integration of policy and the integration of the civil service system. The next topic deals with the separation of policy-making tasks from policy implementation tasks. Closely connected to this is the question of the political control of functionally decentralised organisations. We discuss how the different reform programmes deal with the dilemma of management autonomy versus political control. The next section deals with the shifts in the area of the relationships between politicians and civil servants. We also discuss the consequences of the reforms for horizontal coordination within central governments. How do the various countries deal with the risk of fragmentation or compartmentalisation of policy areas? An important point is the way in which the problem is defined and the driving forces behind the reforms.

The necessary attention is also paid to the extent to which the intended effects have been achieved and the possible problem areas. At the same time, any new reforms which have been planned are also discussed. Are the countries concerned continuing along the road already taken or do the new reforms have to counter (any) 'perverse' effects of reforms already implemented?

### **Acknowledgments**

This international comparison was commissioned by the Modernising Government Programme and the Ministry of the Interior and Kingdom Relations. The researchers wish to thank those who commissioned the project and the members of the steering committee and reading committee. We would like to thank them for ensuring the smooth progress of the project, in terms of which a close connection between the research carried out and the problems encountered within the Modernising Government Action Programme was guaranteed. We would also like to thank all those who supported the research in one way or another and/or provided interesting information. Finally, we hope that the report will provide relevant information for the further development of a 'Modernised Government' in the Netherlands.

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1. Introduction

2. Comparative analysis



## 2.1 Political/administrative structure

In our study, we will look at the administrative/-organisational structure of a number of countries. First of all, we have divided the countries into categories based on the accepted classification according to political/administrative forms, namely the Anglo-Saxon model, the Napoleonic/Latin model, the Continental Constitutional State model or a Hybrid, namely a mixture of the above models (table 1).

The Anglo-Saxon/Westminster model is based on the 'rule of law', but does not have a separate system of legal arrangements governing the administrative processes and maintains a strict separation between the political and administrative worlds. The US deviates somewhat from this model, among other things as a result of the great deal of importance attached to the Constitution. Within continental Europe, there are two dominant models. The Napoleonic/Latin model has a strong central state, hierarchical structures and a civil service system that enjoys a high level of prestige. In the Constitutional State, political power is based on legislation and a 'Weberian' bureaucracy has to guarantee the functioning of the system. Finally, a few countries have been designated as 'Hybrid'

Country	State structure
Belgium	Napoleonic/Latin model
Canada	Anglo-Saxon/Westminster model
Denmark	Hybrid
Estonia	Hybrid
Finland	Hybrid
France	Napoleonic/Latin model
New Zealand	Anglo-Saxon/Westminster model
Poland	Continental Constitutional State model
United States	Anglo-Saxon/Washington model
United Kingdom	Anglo-Saxon/Westminster model
Flanders	Hybrid

Table 1. Countries studied according to accepted classification on the basis of political/administrative situation

states, in which principles from the models referred to above are combined. Countries such as Finland, Denmark and Estonia link principles of the Constitutional State with 'Scandinavian characteristics', such as a strong egalitarian character and the constitutional separation of policy-making and policy implementation. The Netherlands and Flanders are also classified as Hybrids, with the political/administrative organisation being based on a Napoleonic model, supplemented with influences from the Constitutional State model.<sup>1</sup>

There is a risk, when categorising countries on such a broad basis, of distorting reality - a comment that also applies to the tables below. The models applied are ideal types, which means that actual practice per definition will always deviate somewhat. Furthermore, the administrative structure in the countries discussed is also constantly changing and developing.

It is however important to identify the administrative culture of the countries being studied because this influences a number of choices relating to the structure of the government. It is important to avoid simply taking over institutions from other administrative models without taking this context into account. After all, indiscriminately copying programmes poses a threat to the 'logic of existing design' of administrative models.<sup>2</sup> The existing political/administrative structures of a country may also have an impact on the possibilities for reforming the civil service system.

<sup>1</sup> Raadschelders, J.C.N. & Rutgers, M.R. (1996). The Evolution of Civil Service Systems, in Bekke, H.; Perry, J. & Toonen, T. (eds.) (1996). *Civil Service Systems in Comparative Perspective*, Bloomington: Indiana University Press, pp. 67-100, Wright, V. (1995). Preface in Wunder, B. (ed.) *Les influences du modèle Napoléonien d'administration sur l'organisation administrative des autres pays*, Brussels: IISA, 3-6, p. 4; Hondeghem, A.; Horton, S. & Steen, T. (s.d.) Trajectories, Institutions and Stakeholders in Public Management Reform, in Farnham, D.; Hondeghem, A. and Horton, S. (eds.): *Staff Participation and Public Management Reform*, Basingstoke: Palgrave Macmillan (forthcoming), F.M. van der Meer, J.C.N. Raadschelders, Between restoration and consolidation. The Napoleonic model of administration in the Netherlands 1795-1990, in: Bernd Wunder (ed.), *The Napoleonic model of government*, Brussels: IIAS (1995), 199-222.

<sup>2</sup> Ziller, J. (2001). European Models of Government: Towards a Patchwork with Missing Pieces, *Parliamentary Affairs*, 54, 102-119, p. 103

## 2.2 Territorial Decentralisation

In addition to the above political/administrative structure, the degree of territorial (de)centralisation is also an important administrative characteristic. Apart from the distinction between federal government structures and unitary states, this relates to the degree to which the administration is organised at the central or decentral level. A large number of criteria play a role in this, which means that unequivocal categorisation is problematic. In addition, there are regular shifts in the ways in which administrative levels are divided, which makes clear classification difficult (this has recently been the case above all in France and the UK). The classification given in table 2 should therefore be read with a degree of caution. Factors that affect central/regional/local relationships include the changing role of the government (as a result of internationalisation and functional decentralisation), management reforms, the rise of direct citizen participation and changes to local representative democracy.

Country	State structure
Belgium / Flanders	Decentralised federal structure
Canada	Decentralised federal structure
Denmark	Highly decentralised unitary state
Estonia	Decentralised unitary state
Finland	Highly decentralised unitary state
France	Centralised unitary state
New Zealand	Centralised unitary state
Poland	Highly decentralised (since 1999)
United States	Highly decentralised federal structure
United Kingdom	Centralised unitary state

**Table 2: State structure: decentralisation towards regional and local government authorities**

## 2.3 An integrated civil service?

For the Dutch central government, the question of whether an integrated civil service can be set up is of great importance.<sup>3</sup> In contrast to the high degree of departmental fragmentation at the lower levels of the civil service system, the Senior Civil Service (Algemene Bestuursdienst - ABD) has been set up as an integrated system for the higher positions within the central government. The question is whether such a system is workable within a non-integrated political system (fragmented coalition system) or runs the risk of being torn apart.

Since the institutional characteristics of a country, including the political structure, are important for the civil service system, table 3 shows whether the countries studied have an integrated political system (with a majority government and a strong head of government) or a fragmented coalition system, and indicates the degree of integration/-fragmentation of the civil service system.

### 2.3.1 Integration or fragmentation of political system and civil service system

Belgium and Flanders work with a political system with various parties and broad coalition governments. In addition, the civil service system is characterised by a highly regulated career system. Despite recent reforms, the lower and middle levels still constitute a closed labour market and the staff regulations are still governed by a legal framework. At the same time, there are shifts which must make the system more open and flexible, such as open recruitment for top jobs (even if it is not clear in this regard that the political persuasion of applicants has lost all its influence) and the decentralisation of competencies as far as personnel management is concerned.

From a constitutional perspective, Canada has a Westminster system with a parliamentary majority democracy. Canada is however also a federal state with only a limited number of civil servants at the federal level. The federal civil servants fall under an integrated 'civil service', led by the Head of the Civil Service (Deputy Prime Minister). Formally, these civil servants are employed by the Treasury Board. The Deputy Ministers, the civil servants heading the ministries, are, like the ministers, appointed by the Prime Minister. Senior civil servants are seldom appointed from outside the civil service. Recent

<sup>3</sup> In an integrated system or career system, recruitment takes place on the basis of the organisation and career prospects are offered across the whole of the central government. A coordinating personnel management system, based on a strict system of civil service regulations, has been developed for this.

reforms, such as the 'Public Service Modernization Act', do not appear to have detracted from the integrated 'public service' system.

In Denmark, a fragmented political system goes hand in hand with a fragmented civil service. This system is similar in some ways to that within the Dutch central government, and also has the same disadvantages. Each ministry follows its own staff policy, which creates a closed system within each ministry. Promoting horizontal mobility is therefore also an important aspect of the reforms.

The Estonian system is characterised by a high degree of neo-corporatism and often weak and short-lived political coalitions. The staff policy is decentralised, with each ministry and agency being responsible for the recruitment, evaluation and organisation of their civil servants. A relatively large number of senior civil servants are appointed by the parliament or the government. The 'Public Services Act' differentiates between non-political and political civil servants (appointed for a specific period). Also important are the attempts that are being made to move towards competitive recruitment of the more senior civil servants, with experience within the civil service system or loyalty to the central government being subordinated to the aim of getting the best people in higher positions. The salaries of senior civil servants in equivalent posts may also differ considerably.

Finland has a multi-party system and broad coalition governments. The government is highly decentralised with small, policy-oriented ministries, and central agencies and regional and local authorities that play a major role in the implementation of policy.

The French system has a character all of its own. At the political level, we have a coalition system with characteristics of a 'majority system' and a strong, directly elected president. The civil service system is in turn characterised by central control by the 'grands corps'. In addition to the central 'grands corps', the civil service consists of a large number of bodies with their own regulations, defined within general legislation governing civil servants.

New Zealand is a unique case. Traditionally, the members of parliament were chosen by means of a 'first-past-the-post' system with 'single-member districts'. In 1996, a 'mixed member proportional' system was chosen, which has made coalition and minority governments possible. Up until the 1980s, the civil service had a tightly integrated structure. Civil servants were formally employed by the central State Services Commission and usually had permanent appointments. This changed as a result of various reform programmes. In 1988, the State Services Commission lost its role as employer and the 'unified career service' came to an end. The civil service department heads were no longer appointed on a permanent basis, but were given contracts for a fixed period (five years). This increased the intake from outside the public sector and the civil service was able to attract top managers from the private sector.

The Polish government structure combines elements from various traditions and periods. In recent decades, various categories of civil servants and types of employment contract have been introduced, abolished and sometimes reinstated. The 'Civil Service Act', in force since 1999, distinguishes between a select corps of 'civil servants' and a majority of 'civil employees', who work under general employment law. The 'civil

Country	Political system	Civil service system
Belgium	Coalition	Integrated
Canada	Majority government	Integrated
Denmark	Coalition	Fragmented
Estonia	Coalition	Fragmented
Finland	Coalition	Fragmented
France	Coalition / Hybrid	Integrated
New Zealand	Majority government (up to 1996) / fragmented (after 1988)	Integrated (up to 1988) / coalition (from 1996 onwards)
Poland	Coalition	Integrated
United States	Majority government	Integrated
United Kingdom	Majority government	Integrated
Flanders	Coalition	Integrated

Table 3: Political and civil service system

servants' are only those officials who formally fall under the Prime Minister, and the civil employees are all the other employees in the public sector.

The US has a two-party structure, but also a system with extensive 'checks and balances'. The President may have to work in a situation of cohabitation, if his party does not have a majority in both Congress and the Senate. Because of the strict division of powers, the president or the government cannot implement any significant measures relating to administrative reforms without the consent of parliament. As a remnant of the typically American 'spoils system', a considerable number of politically appointed civil servants work alongside the permanent career civil servants.

In the UK, the Westminster model provides for a combination of a majority government and a centralised civil service. A parallel can be drawn between the Senior Civil Service created in the UK in 1996 and the Senior Civil Service in the Netherlands. The aim is for the British Senior Civil Service to strengthen cooperation and coordination between departments. The Cabinet Office has an important task as far as the management of the civil service is concerned, and supports uniformity within the civil service system via instruments such as the 'Civil Service Management Code' or the 'HR Capability Framework'.

### 2.3.2 Connection between the integration/-fragmentation of the political and civil service systems?

The final question is whether an integrated political system automatically goes hand in hand with an integrated civil service system and a fragmented political system with a fragmented civil service system. This hypothesis appears to be true for the majority of the countries studied, but there are also exceptions. Furthermore, just because political integration (or fragmentation) goes together with administrative integration (or fragmentation), this does not necessarily mean that there is a causal link between them. For example, there is the hypothesis that there is no direct link between the administrative and political reforms in New Zealand, but that a third variable - in this case the rise of neo-liberal ideas - explains both developments.

In each case, the exceptions show a political coalition system that relies on an integrated civil service system. For example, Belgium/Flanders has an integrated and closed civil service career system, despite the fragmentation at the political level. The question is however to what extent the political

fragmentation also fragments the (highly politicised) senior levels of the civil service system in practice and what impact the use of political cabinets has in this respect. France also has a political coalition system and an integrated civil service system. The political system cannot however unequivocally be described as fragmented. The civil service system is integrated, but is divided across a large number of 'corps', which have their own specific characteristics within the frameworks of the general law governing civil servants, and France also has political cabinets. Poland, finally, has a fragmented political system and an integrated civil service system, but this picture does not tell the whole story, either. In practice, the current political system is a two-party coalition, consisting of a very powerful political party supplemented by a couple of parliamentary seats from a much smaller party. The 'civil service' is indeed integrated, but this forms only a very small part of the total administrative system.

Integration or fragmentation at the political level does not therefore automatically go hand in hand with integration or fragmentation, respectively, at the administrative level. And yet the structure of the central civil service system is in many cases linked to characteristics of the political system. Based on the finding that in all the above exceptions, a political coalition system goes together with an integrated civil service system, we can formulate a new hypothesis that *when the turnover in civil servants approaches the turnover rate for politicians (change of government), the possibilities for combining an integrated civil service system and a coalition system are greater*. The examples also show that it is not always possible to describe a system unequivocally as integrated or fragmented. Differences between strong and weak coalitions and the role played by ministerial cabinets make unambiguous classification difficult.

## 2.4 Functional decentralisation & ministerial control

In many of the countries studied, functional decentralisation forms one of the basic elements of the reorganisation of the central government. In the table below, we look at how tasks are separated within the central government and the specific characteristics of the management relationships among politicians, central departments and executive organisations.

### 2.4.1 Functional decentralisation

In Belgium, in contrast to the Netherlands, policy preparation is predominantly the domain of the ministerial cabinets, and not the civil service. Policy is implemented by departments and executive bodies.

In Canada, executive organisations were only created at a late stage and on a limited scale. Traditionally, ministers are closely involved in the implementation of policy. Five Special Operating

Agencies were however created, which form part of the departmental structure. The heads of these agencies do not report directly to the minister, but indirectly via the department manager. Since the abolition of central management control by the Treasury Board or the Public Service Commission, senior civil servants have a high degree of management autonomy, but the minister can intervene in organisational matters at any time. There are also non-departmental organisations that carry out a government task: bodies for administrative supervision, Crown corporations (for example, the Canadian Broadcasting Corporation), and research and advisory bodies. In the majority of cases ministers can also still exert influence on appointments, budgets and general policy-making.

Even before the rise of NPM in the 1980s and 1990s, the Danish government was working with small departments and relatively large executive

Country	Separation of policy-making (P) and implementation (I)	Characteristics of (political) control
Belgium	Political cabinets, departments (P) - departments and institutions (I)	Attempts to reorganise the division of tasks by shifting policy-making and evaluation to the civil service system; increased management autonomy and new control systems for executive organisations
Canada	No clear separation of tasks; large departments, few executive agencies	Limited independence
Denmark	Departments (P) - executive bodies (I)	Decentralised regulation of control relationships
Estonia	Departments (P) - executive bodies (I)	Weak political system puts political control under pressure
Finland	Departments (P) – executive bodies (I)	Strengthening of department - agency link has had unclear results in terms of autonomy and political control
France	Political cabinets and central senior civil service levels (P) - lower levels of central departments and peripheral bodies (I)	Coordination hampered by cultural differences between groups involved in formulating and implementing policy
New Zealand	Departments (P) – crown entities (I)	Criticism of the control of 'crown entities' has led to proposals to link policy and implementation more closely once again
Poland	Departments (P & I)	Control is not a topic given the lack of contractualised separation of tasks (but territorial separation of tasks does exist)
United States	Departments and some agencies (P) - departments and independent agencies (I)	Political control of (independent) agency possible via spoils system
United Kingdom	Departments (P) – agencies and non-ministerial departments (I)	Lack of clarity about responsibility relationships; re-centralisation of services
Flanders	Cabinets, departments (P) – internal and external independent agencies (I)	Clear restructuring with distinction between internal and external independence

Table 4: Functional decentralisation

agencies. The departments are responsible for preparing, planning and evaluating policy and for the budget for the department and the accompanying agencies. Regulation and control of the structure are decentralised, with no general frameworks having been laid down for the division of tasks and/or collaboration.

Estonia has relatively small core departments, geared towards policy-making, with a large number of executive bodies. These are financed by the central government and controlled by the government or the minister to whom they are accountable.

In Finland, the idea of separating tasks relating to making policy and implementing it is nothing new. Agencies (autonomous parastatal agencies) play an important role. Many of these were converted into state-run enterprises or privatised even further in the 1990s. The agencies do not form part of the departmental structure, but are linked to their 'parent ministries' via contracts and performance management.

During the past two decades, a great deal of attention has been paid to functional decentralisation in France as well. Policy is predominantly formulated within the 'ministerial cabinets'. There is also a clear distinction within the civil service system between civil servants who are actively involved in defining policy and civil servants who are charged with routine decisions and implementation. The relationships between central ministries and their decentralised departments are laid down in performance contracts. A few decades ago, the distinction between formulating policy and implementing it matched the distinction between elected politicians and the cabinet on the one hand, and appointed civil servants on the other. Currently, this distinction is between the central, political/administrative elite in Paris and the other civil servants lower down in the central departments and the staff of the peripheral government bodies.

In New Zealand, policy-making and policy implementation are strictly separated. The central departments are responsible for policy-making, and the more decentralised crown entities deal with the implementation thereof.

Poland does not have any tendency to separate tasks on a contract basis. There are relatively few offices outside the departmental structure. Decentralisation to the *voivodships* (regions)

appears to be much more important than devolution to national parastatal agencies.

The federal government in the US has a variety of policy-formulating departments and policy-implementing departmental agencies (or 'bureaus'). In addition to the agencies which fall under a department, there are 90 independent agencies. After 9/11, the security policy was re-centralised into the Department of Homeland Security, as a result of which both the management autonomy of senior civil servants and political control in the policy area increased.

In the UK, the 'Next Steps Programme' entailed a clear organisational separation between policy-making and implementation, and a large number of executive agencies were created. A distinction is made between agencies (under a ministry) and non-ministerial departments. No legislation is required to set up or close down agencies in the UK. This makes decentralisation and re-centralisation faster and easier.

The Better Administrative Policy reforms in Flanders are aimed at clearly separating tasks to make a clearer distinction between internal and external independent bodies. Internal independent agencies that are not legal entities fall under the departmental structure and under ministerial responsibility. Internal and external independent agencies with legal personality do not have any hierarchical relationship with the department. In practice, the separation of tasks between policy-making and policy implementation is less clear than envisaged. Agencies can after all also provide policy-related input.

#### 2.4.2 Political control

Ministerial responsibility is closely related to the question of functional decentralisation. In the Netherlands, this appears to be shifting from strict liability (liability for everything in the relevant ministerial portfolio) to liability based on fault (only responsible for what the minister could reasonably have known or influenced), in terms of which the distinction between agencies (within the ministerial structure) and independent administrative organisations (ZBOs) is of crucial importance. In practice, however, this shift is muddying the waters. Do other countries have similar tendencies and how are they dealing with this problem?

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<sup>4</sup> ROB (2004). *Cultuur met een FORS postuur. Rijksdienst tussen rechtsstaat en flexibiliteit*, ROB, p. 23

Together with the neutrality of the civil service, ministerial responsibility is an essential cornerstone of the Westminster model. This concept is strongly anchored in the political/administrative relationships in other Western countries as well. Modernising the civil service system may affect political control, however. If, as part of the separation of tasks, a clear distinction is made between ministerial departments and executive agencies with a high level of management autonomy, the question arises of the extent to which the minister is responsible for the functioning of the agencies.

The UK is currently experiencing a noticeable move towards bringing executive offices back into the central government, because people have realised that the independent bodies did not meet expectations in respect of effectiveness and customer orientation. The responsibility relationships are also under discussion. Although the agencies form part of the parent department, the UK minister does not bear any responsibility for the day-to-day operational decisions. In practice, this structure leads to a lack of clarity as a result of the sometimes murky dividing line between policy and management. The political control and degree of autonomy differ considerably from body to body. The political sensitivity of the tasks of an executive office is decisive in this regard, rather than the formal status of the organisation. This lack of clarity is a problem because politicians and civil servants can simply shift the responsibility in the case of failure. In 1996, a committee of inquiry concluded that there was a great deal of confusion about who was responsible for agencies, but no measures were taken.

In New Zealand, the crown entities are further from the government, in formal terms, than the ministries. However, the relevant minister appoints the board of a crown entity, and ministers buy services from crown entities. Ministers can sometimes mark out formal policy lines and set priorities. The crown entities are monitored in many different ways. There has recently been a great deal of criticism of the control exercised over crown entities because of the alleged 'managerialisation' and 'technocratisation' of the responsibility relationships.

In Canada and the US, both also based on the Westminster model, this concern plays less of a role. In the US, the executive controls the independent agencies by having the president appoint the management of these agencies on political grounds. There has been far less functional

decentralisation in Canada than in New Zealand or the UK, which means that less pressure has been placed on ministerial responsibility.

Finland does have far-reaching functional decentralisation, however. The Finnish reforms have ensured that many budget and operational decisions are taken at a low level of the civil service system. This is called the 'frontline principle'. This creates a coordination problem, because the micro objectives do not always correspond to the macro objectives under the government programme. Furthermore, the performance agreements are not legally binding, so that executive agencies cannot easily be held liable and are hard to punish if they deviate from the agreements. The result of the reforms to the relationship between departments and agencies carried out in the 1990s is not clear, since they have led to both increased management autonomy and possibilities for ministerial control.

In Denmark there has been little debate recently about the division of tasks between agencies and departments. Since the restructuring at the beginning of the 1980s, there has been little central control at this level. As a result, we have examples of autonomous agencies that have been incorporated into the parent department, agencies that have continued to exist unchanged, and agencies which have been granted increased autonomy. In the 1990s, the Danish government did however issue recommendations on the introduction of arrangements between departments and agencies on a contractual basis.

In Estonia, the executive bodies are accountable to the political level that controls and coordinates them. The pressure on the political control of the civil service system does not so much arise from the decentralisation of executive organisations, but rather from the strong neo-corporatism and weak political coalitions.

Neo-corporatism also plays an important role in Flanders, since interest groups are members of the boards of management of external independent agencies. Because of this, they can influence the policy to be followed. In both Belgium and Flanders, reforms have been geared towards downsizing the ministerial cabinets, but without much success to date. The federal reforms currently underway are also aimed at redistributing the tasks between ministries and institutions, and improving reciprocal control systems.

There is little functional decentralisation in Poland. The relationship between parastatal agencies and ministries is therefore not really a topic for discussion.

### 2.4.3 Conclusion

In most countries, it is in theory clear who formulates policy and who implements it, but in practice there is still a great deal of uncertainty about this separation of tasks. There are significant differences in the extent to which this separation of tasks has been implemented (see Poland, Canada). There are countries that work with small policy departments and a multitude of executive organisations based on a long tradition of separation of tasks (Denmark, Finland), and there are countries which do not have such a specific tradition, but where making policy implementation more independent is a recent NPM phenomenon (UK, New Zealand). The Canadian case shows that reforms can also take the form of granting more autonomy within departmental structures. Setting up separate structures requires the accompanying management and coordination instruments to avoid a re-centralising countermovement (see the UK). De facto autonomy appears to be more important than formal rules, but clarity - for example in respect of ministerial responsibility - remains crucial.

The problem relating to the control of independent administrative organisations (ZBOs) in the Netherlands raises the question of whether other countries also have bodies that fall outside ministerial responsibility and whether problems have also arisen in this respect. Most of the countries have institutions that are relatively independent of the government. There are however differences in the extent to which these are used. This indirect political control raises a number of issues: the composition of the boards of management, political and administrative responsibility in crisis situations, and coordination matters.

NPM reforms create a dilemma because management autonomy and political control are often bad companions (see also paragraph 8). The system appears to work when everything is 'running smoothly', but unclear responsibilities and the possibility of shifting the blame constitute a risk in crisis situations.<sup>5</sup>

## 2.5 Political/administrative relationships

The relationships between politics and the civil service system are closely linked to the problem of political control. The degree of politicisation of the civil service system is an important aspect of the structure and organisation of the central government, particularly since changes have been made in this regard in various countries in recent years. Table 5 looks at the traditional model of the political/administrative relationships and the politicisation of the (top level of the) civil service system in the countries studied. The table also shows the direction in which these traditional models are being taken as a result of recent reforms.

### 2.5.1 Traditions in the area of political/administrative relationships

Following Page & Wright,<sup>6</sup> we have distinguished between three traditions in respect of relationships between ministers and senior civil servants. In the first tradition, the neutrality of civil servants is emphasised as the 'highest good'. In our study, this covers a number of countries with a political/administrative system based on the Westminster model, such as the UK, New Zealand and Canada. However, the Northern European model as applied in Denmark is also based on the political neutrality of a professional civil service corps. In this model, (senior) civil servants are expected to provide professional policy advice, but the party-political affiliation of the civil servants may not play any role in their appointment or promotion.

The French tradition bears a close resemblance to a politicised civil service system, but the interrelations between politics and administration are not based solely on an alliance with a specific political party. Senior appointments are subject to direct political influence, but the difference between 'political' appointments and appointments based on merit is often unclear. Political and administrative careers often criss-cross one another, because civil servants who want to reach the top of the civil service gain political experience as members of a 'ministerial cabinet' or by holding a political post. Politics and administration are also closely interwoven in Finland. Although appointments may be based on political affiliation, the belief that senior civil servants should be

<sup>5</sup> Van der Meer, F.M., (2004), Dutch government reform and the quest for political control, in: Peters B.G. and Pierre J. (eds.), *Politicization of the Civil Service in Comparative Perspective, The Quest for Control*, 206-226, p.223-225.

<sup>6</sup> Page, E. & Wright, V. (eds.) (1999). *Bureaucratic Elites in Western European States. A Comparative Analysis of Senior civil servants*, Oxford: Oxford University Press, p. 270-271.

appointed on the basis of their professionalism, and not their political affiliation, still prevails.

The third tradition is the direct opposite of the system of neutral civil servants. Both Belgium and Flanders, as well as Poland and Estonia, have a history of political appointments. The politicisation of the civil service system is seen as both a way of rewarding political support and a means of ensuring political control of public services. The 'spoils system' in the US, which is laid down in formal regulations, contrasts with the informal politicisation in a number of European countries. A change of power in the political arena also means staff changes in the top levels of the civil service system. The objective of such a system is however

the same as in Europe: to ensure support for the political rulers.

### 2.5.2 Shifts in political/administrative relationships

A political/administrative system may be geared towards ensuring the neutrality of civil servants, or relying on the party-political affiliation of civil servants. Both options are based on the same objective, namely the question of how politicians can ensure that they have political control of a civil service system that loyally advises on policy and implements it. In this study we are looking primarily at the extent to which recent reforms have had an impact on the traditional political/-administrative models. Page & Wright believe that

Country	Traditional model: position and role of civil service system	Recent evolution: position and role of civil service system
<b>Belgium</b>	Politicised civil service system	Attempt to upgrade the role of civil servants by restricting ministerial cabinets; senior civil servants now under contract
<b>Canada</b>	Westminster tradition (neutral civil service system)	No clear politicisation
<b>Denmark</b>	Neutral civil service system	No politicisation, but does have other instruments to increase political responsiveness (external advisors, senior civil servants under contract, informal coordination)
<b>Estonia</b>	Politicised civil service system	Politicisation strengthened by absence of stable system of senior civil servants; efforts to increase the neutrality of the civil service
<b>Finland</b>	Close link between politicians and senior civil servants	Holding on to reconciliation between political sensitivity and professionalism
<b>France</b>	Close link between politicians and senior civil servants	Strategic politicisation
<b>New Zealand</b>	Westminster tradition (neutral civil service system)	Use of external advisors, senior civil servants under contract, efforts to restore traditional neutrality of the civil service system via information
<b>Poland</b>	Politicised civil service system	Efforts to increase the neutrality of civil servants (appointments, ethical code)
<b>United States</b>	Formal 'spoils system'	Retention of 'spoils system'
<b>United Kingdom</b>	Westminster tradition (neutral civil service system)	Increased political responsiveness as a result of changed power relationship between politicians and civil servants (use of 'spin doctors', performance contracts);
<b>Flanders</b>	Politicised civil service system	Senior Civil Service set up to restore traditional values  Efforts to upgrade the role of civil servants via the restriction of ministerial cabinets; senior civil servants under contract; strengthening of political primacy

Table 5: Political/administrative relationships

the fear that neither the neutral system nor the politicised system guarantees political control, leads to shifts. They note that countries where the tradition of civil service neutrality carries a lot of weight are apparently undergoing a degree of politicisation, while in countries where the senior civil servants are traditionally highly politicised, there is pressure to restrict political appointments at the senior level.<sup>7</sup>

This trend has been confirmed in a number of countries in our study. Countries where the administrative system is based on the Westminster model are experiencing a politicisation of the civil service. Both in the UK and in New Zealand, politicians' distrust of the civil service system is driving the change.<sup>8</sup> As a result, more use is being made of politically appointed advisors and press officers ('spin doctors'). Laying down employment relationships on the basis of contracts also makes senior civil servants more dependent on political leaders. Civil servants therefore become more responsive to the political agenda of the relevant minister. At the same time, the senior levels of the organisation are being 'depoliticised' as a result of the increased attention being paid to management tasks. Senior civil servants are now managers in the first instance, and not policy advisors. Their advisory tasks are often outsourced to third parties.

In Denmark, the attentiveness of the public, the media and the parliament ensures the strict monitoring of a politically neutral civil service system. Although senior civil servants are still an important source of policy advice, the personal staff of ministers is expanding and more 'spin doctors' and consultants are being hired in. In addition, many senior civil servants are now employed on the basis of fixed term contracts. An informal coordination group has been set up to foster cooperation between politicians and civil servants. Both ministers and department heads form part of this group.

Since modernisation of the government goes hand in hand with changing political/administrative relationships, efforts are being made in a number of countries to generate a new enthusiasm for the traditional ethos of civil service neutrality and loyalty. In New Zealand, the NPM country

*par excellence*, an information campaign has been launched for civil servants about political neutrality, the relationship between civil servants and ministers, the relationship between civil servants and members of parliament and interaction with the public.

The Westminster tradition is under pressure in Canada as well, but politicisation appears to be turning out better than expected. In comparison to the other countries following the Westminster model, the prime minister has always exercised a high level of control, and since senior civil servants are very politically responsive, there is less of a need for political advisors.

Countries where the civil service system has traditionally been politicised are experiencing other problems. In Belgium and Flanders, efforts are being made to break through the tradition of political appointments at the senior civil service levels. Civil servants are also being given a larger role in policy development and advice, which has traditionally been the domain of the ministerial cabinets.<sup>9</sup> Downsizing the cabinets has not always been successful in practice. In addition, strengthening the primacy of politics has been a *leitmotiv* in the various reform programmes.

In Poland, politicisation is still regarded as a major problem because of the legacy of communism. More open competition when recruiting civil servants must put an end to this, in combination with strict rules about the political involvement of civil servants and an ethical code for civil servants.

In Estonia, which already has a politicised civil service system, the level of politicisation is increasing rather than decreasing. In formal terms, only the political advisors to the ministers are appointed on political grounds, but the majority of the senior appointments are politically motivated. The current unstable civil service system, with a high turnover of civil servants, gives politicians the opportunity to make more political appointments. Criticism by society and the media has led to a ban on civil servants occupying senior positions in political parties.

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<sup>7</sup> Page, E. & Wright, V. (eds.) (1999). *Bureaucratic Elites in Western European States. A Comparative Analysis of Senior civil servants*, Oxford: Oxford University Press, p. 275

<sup>8</sup> The recent analysis of Sir Kevin Tebbit, Permanent Secretary at the Ministry of Defence, that TV series such as 'Yes Minister' and 'Yes Prime Minister' have seriously damaged the image of civil servants, is interesting in this regard (<http://news.scotsman.com/latest.cfm?id=3679532>, 27 Oct. 2004).

<sup>9</sup> Page & Wright point out that the problem of political control also arises in these party-politicised systems, since "To hold a party card may be less a sign of commitment to a political cause and more a sign of the seriousness of one's career aspirations" (Page & Wright 1999: 276).

The US and Finland each have their own system, with the 'spoils system' and a close link between politicians and civil servants taking centre stage, respectively. Because of this, the issue of (de)politicising the civil service system has been less important in the recent reforms. In France, where politics and the civil service system are also closely interlinked, there is a trend towards strengthening the position of the ministerial cabinets vis-à-vis professional civil servants, at the same time as efforts are being made to break down the power of the cabinets.

### 2.5.3 Conclusion

The management-oriented reforms within the central government have in various countries led to greater management autonomy for senior civil servants. The relationship of power between politics and administration is also shifting in favour of the civil service system as a result of the increasing complexity of policy. In contrast, the use of contracts means that senior civil servants are becoming more dependent on political leaders. To regain 'the primacy of politics' and increase the political responsiveness of the civil service system, the civil service system is becoming more politicised, advisors from outside the civil service are being used and attempts are being made to strengthen the civil service ethos.

## 2.6 Coordination between policy areas

A final point in respect of the (re)structuring of the central government relates to interdepartmental coordination.

### 2.6.1 Do reforms lead to problems in terms of (horizontal) coordination?

Traditionally, there is a great deal of concern about inter-departmental coordination in New Zealand. The recent criticism of the NPM model is based on the conclusion that the reforms have been at the expense of policy integration and coordination. Fragmentation may not only cause coordination problems between policy areas, but also within policy domains as a result of functional decentralisation. There is also a lack of central (political) control in Finland. The absence of inter-ministerial coordination in Poland shows that coordination problems are not exclusively associated with NPM-oriented reforms, however.

### 2.6.2 Cultural, structural and instrumental coordination

There are three ways in which coordination can take place. Cultural coordination relates to the reciprocal harmonisation of policy via values, standards, objectives and expectations. Structural coordination occurs with the help of structural facilities such as working groups, committees or interdepartmental consultation structures. Instrumental coordination, finally, relates to the use of instruments geared towards standardisation, planning, budgeting, etc.<sup>10</sup>

Cultural coordination appears to be a basic condition for the integration of policy and administrative processes. In various countries, earlier reforms proved to be unfavourable for maintaining a common public ethos. This can be seen not only from the structural fragmentation of the civil service, but also from the loss of continuity at the top level of the public services. Attempts are being made to restore the common culture within the civil service by setting up a kind of 'corps' or a 'senior civil service' (SCS).

In France, the informal networks within the 'grands corps' traditionally play an important coordinating role. A corps of high level 'civil servants' also guarantees close yet informal integration in Poland. In Canada, measures are being taken to restore the culture and motivation within the civil service system, which had come under pressure as a result of cutbacks. Special attention is being paid to those in executive positions, because they play a crucial role in the coordination within and between policy sectors. Informal contacts, working lunches and seminars must create a social network among senior civil servants. After the failure of the Senior Civil Service, New Zealand is trying to develop an 'Executive Leadership Programme', involving approximately 300 senior civil servants. The British Senior Civil Service also has the task of strengthening cooperation between the various departments and upholding the traditional values of the British civil service system. However, the SCS remains an informal body without the formal power to make decisions. The Finnish night school, where informal coordination at ministerial level takes place, shows that informal coordination is not restricted to the civil service system. The social network of politicians and civil servants is also tightly-knit.

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<sup>10</sup> Bouckaert, G. e.a. (2000). *Van effectiviteit van coördinatie naar coördinatie van effectiviteit*, Bruges: Die Keure, p. 8-10

In Flanders, it is striking that the Better Administrative Policy reforms have led to the proposal to scrap a number of coordination institutions, particularly the matrix structure and the Board of Secretaries-General. There will be no inter-departmental coordination at the administrative level in future, only at the political level. Horizontal coordination will instead be informal and temporary in nature by means of projects. The Copernicus reform in Belgium has ensured the creation of new, formal coordination structures such as the inter-departmental policy council, in which ministers, cabinet heads, senior civil servants and external experts come together. In the UK, 'Cabinet Committees' play an important coordinating role at the political level. These consultative bodies, on which not only ministers and deputy ministers but also members of parliament have seats, unite individual ministerial responsibility with the collective responsibility of the full cabinet.

In Canada, both the departmental structures and the administrative centre around the Canadian prime minister are tightly integrated. The Review of the Centre project was launched in New Zealand to coordinate policy more effectively, and led to a number of recommendations for restoring horizontal coordination. It is striking that institutional intervention is required to coordinate the provision of services to citizens more effectively, such as stricter monitoring of crown entities and reducing the number of departments and crown entities. Another proposal relates to setting up special, temporary 'circuit breaker teams' to tackle persistent cooperation problems. The current Finnish government has set up four inter-departmental government programmes to promote horizontal coordination.

Finland, Estonia and France offer clear examples of instrumental coordination. Finland has performance contracts, 'frame budgeting' and e-government, in Estonia the chancellery uses an implementation register to monitor the implementation of policy and in France, budget coordination is carried out by the 'Direction du Budget' of the Ministry of Economic Affairs.

### 2.6.3 Europeanisation

The European integration process means that Member States have to coordinate their European policy within the central government and between the administrative levels. It is important to note that Europeanisation leads to shifting relationships of power within the Member States. These shifts occur not only between administrative levels, but also

within and between the political and civil service systems at the central level. For example, national governments lose power because policy areas that were previously their responsibility now fall under European regulations. Relationships may also shift within the government, for example because the head of government can influence European policy as a member of the European Council. Civil servants can use their expertise within a context of increased complexity and internationalisation.

### 2.6.4 Conclusion

The country studies discuss the mechanisms that are used to guarantee and restore horizontal policy coordination. In the same way as decentralisation leads to questions about vertical coordination (within policy areas), the fragmentation of the civil service system that accompanies NPM reforms may be at the expense of horizontal coordination. Fragmentation can after all lead to the risk of compartmentalising policy areas.

## 2.7 Driving forces behind the reforms

In addition to describing the reforms, we will also look at the background to the reforms instituted. It is interesting to see whether the reforms in the various countries studied are based on comparable problems and driving forces. What created the dissatisfaction that led to reorganisation and who converted the demand for change into real reforms?

### 2.7.1 Economic 'triggers'

The economic reality plays an important role in reforming the civil service system. The need to make cutbacks often translates into criticism of the management and the organisation of the public sector. Increased efficiency and the privatisation of government tasks are seen as possible solutions. The Canadian case illustrates the importance of the economic factor. While NPM-inspired reforms did not really catch on in the 1980s, the economic recession at the beginning of the 1990s acted as a catalyst for the reorganisation of the public sector. Civil servants' salaries were frozen and there was large-scale privatisation. When the economy picked up again in the second half of the 1990s, and budget surpluses appeared, political pressure to reform quickly subsided, however.

Paradoxically enough, an unfavourable economic situation can not only trigger modernisation but also impede it. An economic crisis and government deficiencies may prompt the development of drastic reform programmes, but can often also form a significant obstacle to the implementation of

reforms. Estonia shows that severe cutbacks in the civil service system make many ministries and other public bodies much less able to implement reforms.

### **2.7.2 Political control**

Political control appears to be a condition for the success of reforms. In the UK, the reforms from 1979 onwards have been driven in politico-ideological terms by the idea of Thatcher and her supporters that the civil service system had degenerated into a corporatist system. In New Zealand, the centre-left government has implemented radical management reforms since 1984, as a result of which New Zealand has become an international example of NPM. In Belgium and Flanders, politics is the driving force behind reforms, because the closed nature of 'old politics' and the need to strengthen the primacy of politics served as important reasons for reorganisation.

Where politics constitutes the main driving force behind reforms, the question arises of the extent to which a change in political power has an effect on the reform process. A number of examples show that continuity of change is possible despite changes in political power. In the UK, the assumption of power by Labour in 1997 brought a reform programme with new emphases (territorial decentralisation), but the major principles of reform as laid down by the Conservatives remained in force. Nevertheless, we have noted that introducing new areas of attention in addition to the existing reforms may lead to conflicting objectives. In the British case the move towards territorial decentralisation and the objective of achieving better internal coordination do not go well together. On assuming power at the beginning of the 1990s, New Zealand's National Party continued the reforms initiated by Labour. But when Labour took over again in 1999, this heralded a period of reconsideration of the reforms of the past 15 years. France, in contrast, does not have any all-encompassing modernisation programme. The successive governments each set their own priorities, with three key topics always making an appearance: decentralisation and devolution, modernisation and privatisation. Despite the lack of a grand modernisation framework, there is therefore continuity in change. Political changes do not always have a significant effect on reforms, for example where these relate to the modernisation of public services, whereas an issue like privatisation is a much more politically sensitive topic.

In the US, changes in political power pose less of an obstacle to the implementation of drastic reforms than the characteristics of the political system itself: the system of 'checks and balances' and the realistic chance of 'cohabitation' between the president and the parliament. Other examples show more discontinuity after changes in political power. In Belgium, the appointment of a new government meant significant interference with the federal modernisation programme. There has also been uncertainty in Flanders about the future of the Better Administrative Policy under the new coalition.

### **2.7.3 Civil service involvement: a central elite and/or decentralised initiatives**

The way in which politics and the civil service system are closely interwoven in Finland makes it unclear whether the management reforms were initiated from within the civil service system or by politicians. A small elite of senior civil servants and a few politicians appear to be leading the reforms jointly. Since Finland has a strong civil service tradition and weak coalition governments, senior civil servants, especially from the Ministry of Finance, can play a major role in developing and implementing the reforms.

In France, the changes are being driven by the politicians, together with, to a lesser extent, senior civil servants. The Ministries of Economic Affairs & Finance, of Public Services and of the Interior (responsible for decentralisation and devolution), and the powerful Grands Corps play an important role in the reforms. The French case also shows the cultural differences between the central "technocratic" political/administrative elite, and the new managers heading up the decentralised departments of the ministries or the heads of the subnational authorities, who are more geared towards 'supporting change'. This new separation within the civil service system is also seen as an explanation for the difficulties in implementing integrated, large-scale changes. This paints a picture of France as a rather undynamic government, whereas our country study leads us to suspect that - although there is no all-encompassing reform framework - the technical ministries and the decentralised bodies have initiated a large number of reform projects. This is in contrast to the traditional central civil service.

In Canada, the limited implementation of a number of reform initiatives can be attributed to the lack of political attention and support outside the civil service system. A great deal of attention is being paid, relatively speaking, to strengthening the civil service culture and the value of a professional civil

service ethos. Although the results of such culture-oriented reform are less visible than the results of structural interventions, this type of reform is no less valuable or influential.

#### **2.7.4 And the citizen?**

The role of the citizen in the reform process is very important from the democratic point of view. Reference is often made to citizens' declining trust in public services as a driving force for change, but the role of the citizen as a catalyst for change within the government is more often indirect than direct.

The democratic mandate granted by the British voters to the Conservatives (1979-1997) can be interpreted as long-term consent to the need for drastic reform of the public sector. The fact that the government made reform decisions without taking much account of public opinion, but could still rely on the support of the population, seems paradoxical. The government used the general dissatisfaction about the economic situation by translating this into dissatisfaction about public services.

In Denmark as well, where the neutrality of the civil service system plays an important role, the majority of the reforms consist of top-down initiatives, managed by the national political and public bodies themselves. Although the ultimate aim is to provide better services for citizens, the population itself cannot be seen as a significant driving force.

In Belgium and Flanders there have been a number of crises - including the Dutroux affair and a number of food crises - which have emphasised the need for modernisation. We have noted however that the reform projects are initiated at the political level, with civil servants also being involved subsequently. It is true that the large-scale Copernicus reform was legitimised by a referendum, but the direct involvement of citizens was limited here as well.

In the US, the traditional distrust of the federal civil service comes clearly to the fore. National politicians wave the image of a costly, inefficient government organisation in front of citizens. Criticism of the civil service system is a standard part of election campaigns, but does not always lead to drastic reforms. The scepticism showed by citizens and politicians can indeed harm any reform's chance of success. The attacks on 11 September 2001 brought about a change, however: anti-bureaucratic ideas were to some extent converted into a belief in the usefulness and necessity of a properly functioning bureaucracy

and have also led to specific reforms. This led to a number of atypical changes, such as a growth in public expenditure and the number of federal civil servants and uniting security policies under the umbrella of the Department of Homeland Security.

#### **2.7.5 The media**

Another important player is the media, whose approach is generally becoming increasingly aggressive. In addition to the high expectations of the population in respect of public services, the media launches sharp attacks on politicians when policies fail. This means that creating an efficient, effective and responsive government is high on the agenda of politicians.

#### **2.7.6 Driving forces specific to the country being studied**

A number of the countries studied have entirely country-specific initiatives for change. Poland is primarily geared towards dismantling the centralistic structures of communism and building up professionalism within the public sector. The prospect of membership of the EU prompted both Poland and Estonia, and also Finland in the first half of the 1990s, to modernise their governments.

In Belgium and Flanders, we must see the modernising of the government within the context of the state reforms. In Flanders, the state reforms have brought about more independence and more competencies. From the time of its creation in 1983, the Ministry of the Flemish Community has grown quickly. While the Flemings gladly led the way in the modernisation of the government within the Belgian context, the federal state reforms proved to be more of an impediment to federal reform. The attention that was paid to the state reforms turned out, up to the end of the 1990s, to be partly at the expense of the attention paid to the modernisation of the civil service system. The coexistence of different cultures (the Flemish and the Walloon cultures) has also turned out to be an obstacle to change at the federal level.

The latter cultural factor is also present in Canada, where the tense situation between French and English speakers has influenced the structure and functioning of the central government. As in Belgium, representativeness and bilingualism are of great importance, but the Canadian government is more successful in converting its concern about the loyalty of all its citizens into improving the services for citizens.

## 2.8 Have the intended effects been achieved?

### 2.8.1 Drastic or gradual change

The example of the reforms in the UK shows that drastic structural and/or cultural reform can go together with holding onto the existing frameworks of the administrative tradition. The reforms within the British public sector are presented as drastic and revolutionary, but at the same time the Westminster model continues to set the tone for the way in which both politicians and civil servants operate. Even though this model is still the formal touchstone, we can nevertheless see a not insignificant change in the direction of a more politicised civil service and the increasing use of political advisors.

The Finnish case also shows that an image of modern government can go together with a tradition of gradual change. The Finnish government has indeed consisted of small policy-making ministries and relatively autonomous executive agencies and local authorities from time immemorial, but a style of gradual change clearly does not have to stand in the way of a high degree of flexibility and variability.

### 2.8.2 And again: and the citizens?

The effects of the reforms for citizens cannot always be clearly indicated. Even if better services for citizens is the ultimate aim of reorganisation in various countries, the reforms themselves are usually targeted in the first instance at the institutional structure and the internal functioning of the government. Because of this, citizens only notice the reforms indirectly. It is often difficult to link the reforms directly to a clearly better policy. For example, there is a great contrast between the high level of satisfaction among British citizens about the privatisation measures in the 1980s and their opinions 20 years later about the consequences of these reforms for citizens (such as for public transport or the energy market).

Reforms have other unintended effects.

In paragraph 5 we discussed the dilemma between granting greater management and policy autonomy on the one hand and strengthening political control on the other. Structural adjustments geared towards the improved management of public services often turn out to go together with a lack of clarity about who is ultimately responsible when a policy fails.

### 2.8.3 Additional reforms

A final, evaluation-related question is whether the same basic principles that characterised the reforms in the various countries resurface again in the most recent reorganisation programmes. Are governments continuing along the same reform road, or not?

A number of unintended effects of the NPM modernisation recently became clear in various countries. After the functional decentralisation in the UK as part of the Next Steps Programme, a countermovement has now become visible. The most striking aspect of this is that the recentralisation is being justified using the same arguments as those given when the quasi-autonomous organisations were set up, from which it can be concluded that the structures have not lived up to expectations. Now, as then, the aim is to make policy more efficient and more responsive vis-à-vis citizens.

New Zealand has recently seen a significant counter-reaction to the NPM reforms. A series of serious incidents led to a great deal of social and political criticism of the loss of the 'public service ethos' and the fragmentation of the public sector. The most recent reforms are therefore geared towards dealing with a number of unintended effects of NPM, such as policy compartmentalisation.

There have been no radical breaks in the reform initiatives in Finland. This is partly because of the gradual nature of change. We can however state that the process of decentralisation and fragmentation has come to an end here as well, and that reform initiatives are now geared towards strengthening the strategic and coordination functions.

The examples of the UK, New Zealand and Finland put Canada, where NPM was never carried out to such a radical extent, in a favourable light. There is less of a need for repair operations and the gradual modernisation of the government, including making it more flexible, is continuing. All the same, successive modernisations have also responded to the problems raised by earlier reforms in this case as well. An example of this is the attention paid in the La Relève project to strengthening the 'civil service culture' and improving the motivation of civil servants, which was partly inspired by the negative effects of earlier cutback programmes.

Preface

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### **Clear objectives and broad acceptance**

External forces, such as the economic situation, are important catalysts for change. Nevertheless, there must be actors within the system who take responsibility for the reforms, if actual changes are to be made. Political control of change has proven to be a crucial factor for the success of a reform. This also highlights the risk of reforms coming to a halt after a change in political power. The chance that reforms will continue during successive governments is greater if clear objectives have been formulated, supported by a broad coalition of actors. This broad coalition must consist not only of politicians but also of civil servants, trade unions and other stakeholders.

Recommendation 1: Formulate clear objectives for the reforms and give ample attention and energy to building a broad coalition for change.

### **Political/administrative collaboration as a success factor**

In the majority of cases, the initiative for reform has come from politicians, and less often from the civil service system or citizens. Nevertheless both civil servants and citizens play an important role. In a limited number of countries, the reforms appear to be an initiative based on political/administrative collaboration. This may constitute an important success factor, not just in terms of the development of modernisation initiatives, but also for the implementation of these. Where reforms are not supported by civil servants, the actual modernisation of the civil service system quickly reaches its limits. The opposite is also true, however: initiatives by civil servants which do not have political support are hard to implement.

Recommendation 2: Regard political/administrative collaboration as a success factor for change. Build a coalition of people who support change that goes beyond both the political system and the civil service system.

### **The importance of both the input and outside side of reforms for citizens**

The aim of reforms is often to involve citizens more closely in policy, while citizens themselves prefer to play a more indirect role. Social dissatisfaction with public services is an important reason for reforms to be initiated at the political level, often spurred on by the eager reaction of the media to cases where the government sector is not functioning well. In general, improved services

for citizens is an important objective, but the population itself is not a driving force behind the reforms.

Recommendation 3: Although citizens seldom get directly involved in reforms, both the input and output sides of the reforms are of considerable importance for citizens. When developing reforms, keep the ultimate aim in mind: a responsive government that provides high-quality services for citizens.

### **Learning from international experience**

Some countries have to deal with very specific problems: in Belgium and Canada, different cultures have to be brought together within a federal unit, and Poland and Estonia have to make the transition from a communist system to a capitalist system, integrated into the European Union.

Recommendation 4: Despite a number of parallel contextual factors, each country has its own specific forces which give rise to reform and direct this reform. We can learn the necessary from international experiences, but no two countries are the same. Each country must therefore shape its own process of change.

### **Should everything be changed at once, if possible? Gradual change also works**

This study shows that drastic reforms are no guarantee of success. Gradual changes have proved to have an equal chance of success.

Recommendation 5: Governments that want to have a pro-change image may be tempted to launch comprehensive reform programmes. Gradual reforms may lead to just as significant changes to the political and/or civil service system in the long run. A small number of striking projects can also substantially strengthen the image / the legitimacy of the government in the short term. The effects of these projects must be well anchored, however.

### **Take the political-administrative context into account**

The administrative tradition of the various countries is of great importance. New Zealand has a drastic reform project to thank for its NPM image, but Finland's modern image is based more on gradual changes to a system that traditionally already had a number of NPM characteristics (such as the separation of policy and implementation, and decentralisation).

The assumption that countries with a majority government and a powerful head of government, and without an extensive system of administrative law are in a better position to carry out swift and drastic change, is supported by the implementation of reforms in the UK and New Zealand. Nevertheless, Canada has followed a more moderate reform process, even though its institutional background is similar to that in the UK and New Zealand. To turn this on its head, our study did not show any examples of politically fragmented systems (coalition systems) where radical reform was implemented. Belgium and Flanders have had reforms that started out as radical in nature and were then gradually adjusted and reined in.

Recommendation 6: The political/administrative context of a country is of great importance. Structures from other administrative models cannot be applied to another model as a matter of course. This does not however mean that a government can only learn from other countries with a similar political/administrative background. Taking into account the restrictions imposed by the context, we can also learn from examples which are at first glance further from our own practice.

#### **Searching for the right balance (dilemmas during a process of change)**

Cases in which reforms did not lead to the desired results are also instructive. It is often unclear to what extent the alteration of structures and procedures has noticeably improved services for citizens. Unintended effects may arise, such as the loss of political control, either to the private sector, which takes over a number of tasks previously carried out by the public sector, or to the civil service system, which gets more management and policy autonomy. New problems which arise as the modernisation is carried out require solutions. It says a lot that New Zealand, which was for years the textbook example in the area of NPM, has also had to carry out repair operations aimed at regaining (not only horizontal but also vertical) policy integration and coordination and restoring the 'public service ethos'.

Recommendation 7: Always look at reforms as a quest for the right balance. Change means dealing with dilemmas and having to cope with new problems. In many cases, black-and-white answers are not possible or appropriate.

On the one hand, the economic reality has forced governments to re-evaluate their role and internal functioning from the 1980s onwards. On the other, we have a second key point: democratic control and the political responsiveness of civil servants. Restoring or preserving the primacy of politics does not have to mean breaking down the power of the civil service system. The aim is to create a system of autonomy and responsibility in which each side strengthens the other.

A great deal of attention is being paid to restoring the 'public service ethos', after previous reforms emphasised 'new management' and cutbacks. Values such as flexibility, efficiency and effectiveness have been given more weight since the 1980s, but 'traditional' concepts such as the primacy of politics, responsibility relationships and control, coordination, integrity, and the loyalty and motivation of civil servants continue to be very important as well.

Recommendation 8: Dealing with dilemmas means looking for win-win situations: for example, increased management flexibility and increased political control. New, management-oriented values do not make the traditional values of the civil service system any less important.

#### **Evaluations and adjustment of reforms**

Recent reforms have not only been geared towards modernisation, but also repairing the effects of previous reforms. The most successful countries regularly evaluate their reforms and the newly founded organisation structures. New projects are then set up based on this evaluation.

Recommendation 9: There is a need for ongoing debate, based on a thorough evaluation of the reforms carried out. Making the (side) effects of reforms visible makes it possible to continue the reform process and, if necessary, to adjust the changes made.

Furthermore, a long-term process of change requires interim stabilisation. A series of reform initiatives following in quick succession can lead to individual initiatives being inadequately anchored, or to change fatigue, which puts the success of new projects at risk.

Recommendation 10: Stabilisation is required from time to time during a reform process. This serves to properly anchor the results of all the efforts made and to counter change fatigue.



Preface

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**Table: Overview of characteristics per country**

Country	State structure	Territorial decentralisation	Integration/ fragmentation of political and civil service systems	Functional decentralisation	Political/- administrative relationships
<b>Belgium</b>	Napoleonic/ Latin	Decentralised federal structure	Coalition - integrated civil service	Separation of tasks	Politicised civil service system; political cabinets
<b>Canada</b>	Anglo-Saxon/ Westminster	Decentralised federal structure	Majority government – integrated civil service	Limited separation of tasks	Westminster tradition (neutral civil service system)
<b>Denmark</b>	Hybrid	Highly decentralised unitary state	Coalition – fragmented civil service	Separation of tasks	Neutral civil service system
<b>Estonia</b>	Hybrid	Decentralised unitary state	Coalition – fragmented civil service	Separation of tasks	Politicised civil service system
<b>Finland</b>	Hybrid	Highly decentralised unitary state	Coalition – fragmented civil service	Separation of tasks	Close links between politicians and senior civil servants
<b>France</b>	Napoleonic/ Latin	Centralised unitary state	Coalition / mixed - integrated civil service	Separation of tasks	Close links between politicians and senior civil servants; political cabinets
<b>New Zealand</b>	Anglo-Saxon/ Westminster	Centralised unitary state	Majority government (up to 1996)/coalition (after 1996) – integrated civil service (up to 1988)/fragmented (after 1988)	Separation of tasks	Westminster tradition (neutral civil service system)
<b>Poland</b>	Continental Constitutional State	Highly decentralised (since 1999)	Coalition - integrated civil service	Little separation of tasks	Politicised civil service system
<b>United States</b>	Anglo-Saxon/ Washington	Highly decentralised federal structure	Majority government – integrated civil service	Separation of tasks	Formal ‘spoils system’
<b>United Kingdom</b>	Anglo-Saxon/ Westminster	Centralised unitary state	Majority government – integrated civil service	Separation of tasks	Westminster tradition (neutral civil service system)
<b>Flanders</b>	Hybrid	Decentralised federal structure	Coalition – integrated civil service	Separation of tasks	Politicised civil service system; political cabinets
<b>THE NETHERLANDS</b>	Hybrid	Decentralised unitary state	Coalition – fragmented civil service (integration at the top management level - Senior Civil Service)	Separation of tasks	Apolitical civil service system

## **Colophon**

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