
COMPARATIVE PUBLIC ADMINISTRATION

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1 INTRODUCTION COMPARATIVE PUBLIC ADMINISTRATION (POLLITT, 2011)

Week 1

Subject matter of the course

Introduction to CPA / overview of administrative systems in Europa

3 general objectives:

- Becoming familiar with comparative administrative science
- Learning the different administrative profiles in Europe
- Learning comparative administrative reforms (convergence or divergence?)

Diversity of comparisons:

- Comparing what? Bureaucracy, structures, rules, policy and results, ... (variables?)
- CPA = comparing across system borders (synchronously)
- At least two institutional units (nations, functional areas of administration, reform initiatives, ...) (UoA?)
- Aggregated data (large-N) versus cases (thick description) (Method)

A comparison of administrations can thus be targeted at the national/centralized or the subnational/local levels of administration and therefore arrive at different conclusions

Short history of CPA

1960-70:

- Functionality of bureaucracies (Merton, Crozier)
- Comparing 'country reports'
- Networks like EGPA established <http://www.iias-iisa.org/egpa/>

1990-2000:

- Renewed interest in CPA
- System reform wave (international)
- Better attempt at generalisation and middle-range theorizing (search for relevant statements about modus operandi different systems from comparative perspective)

Table 1.1 Types and examples of comparative public administration studies

Type of Comparative Study	Examples
Comprehensive analytical country comparisons of administrative systems/ reforms taking into account the reform process, administrative culture, institutions	Jann (1983); Lynn (2006); Wollmann (2008); Kuhlmann (2009a); Ongaro (2009); Pollitt and Bouckaert (2011); Kuhlmann et al. (2011)
Anthologies/edited books with country chapters on national administrative systems/reforms by different (teams of) authors	Kogan (1989); Gray et al. (1993); Kickert (1997, 2008); Chandler (2000); Wollmann (2003d); Kersting and Vetter (2003); Bäck et al. (2006); Döhler and Jann (2007); Wollmann and Marcou (2010)
Hypothesis-testing studies on the basis of statistical data for several countries	Davis et al. (1999); Schnapp (2004); Bastida and Berito (2007); Vandenabeele and van de Walle (2008)
Studies on the modes of operation of large reform models/ideologies (e.g., NPM) in different countries	Christensen and Laegreid (2001); Dunleavy et al. (2006); Verscheure and Barbieri (2009); Bouckaert et al. (2010)
Studies on the modes of operation of individual, specific reform instruments (e.g., agencies, benchmarking etc.) in different countries	Löffler and Vintar (2004); Pollitt et al. (2004); Wegener (2004); Hood and Lodge (2006); Andrews and De Vries (2007); Bouckaert and Halligan (2008); Bach et al. (2010)
Comparative studies of concepts (e.g., 'trust', 'public value') and language/ cognitive interpretations, and so on, on PA in different countries	Schultz and Harrison (1986); van de Walle et al. (2008); Rhodes and Wanna (2009); Rhodes et al. (2010); Smullen (2010)
Policy-/sector-specific administrative comparisons between countries (e.g., educational, environmental, etc. administration)	Kogan (1989); Woods (1993); Knill (2001); Moran and Pollitt; Arndt (2008); Bouckaert (2009)

→ See book 1.1.

CPA studies:

- Reforms in different countries
- Comparative studies of concepts such as trust
- Hypothesis testing statistical data
- Government ranking for different policy sectors

Difficulties in comparing public administrations:

- Difficult to form concept and theory (PA-research is in need of insights from several social science sub-disciplines).
- Travelling problem: can concepts and terms be transferred to different context (language, culture, ...)? E.g. 'corruption' may be different in countries
- How to generalize from empirical particularities of cases under study?
- Limited availability of data with which to make real comparisons

Importance of comparisons in PA:

- Still, important to compare, because national administrative system can only be understood if contrasted with other administrative models.
- National perspective on public administration alone not sufficient in times of internationalization and globalization.

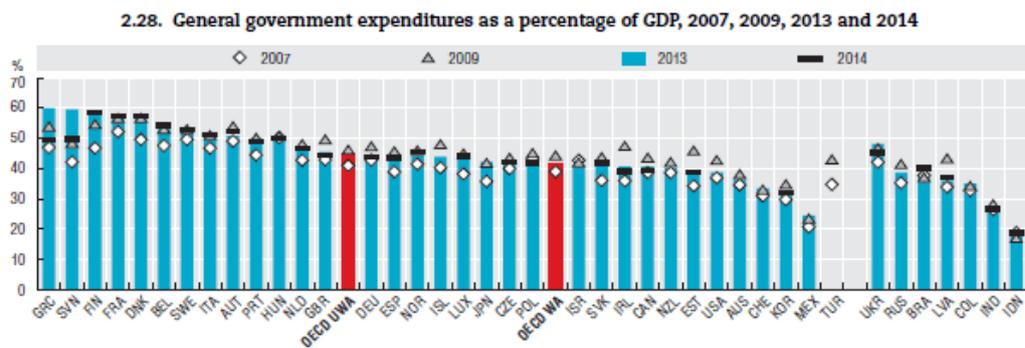
- In this course we want to present 'the broader picture'

E.g. government spending as % of GDP:

What is 'government spending'

- Cost for the governmental apparatus?
- Transfers in social security to individuals?
- Transfer of tasks money to private sector organisations performing public tasks?
- Subsidies to private sector organisation?
- Tax deduction?

So: what do we compare? And what is the meaning of this %?



Source: OECD National Accounts Statistics (database). Data for the other major economies of Brazil, India, Indonesia and Ukraine are from the IMF Economic Outlook (April 2015).

StatLink <http://dx.doi.org/10.1787/888933248323>

CHAPTER 2: THEORIES AND ANALYTICAL APPROACHES

2 TYPOLOGIES & MAIN VARIABLES OF CPA (CHAPTER 2 – 2.1.1)

2.1 TYPOLOGIES OF COMPARISON

In order to compare administrative systems beyond national borders, different typologies and analytical concepts have been proposed. These comparisons require a selection of comparison criteria.

Typologies and analytical concepts to compare upon: 2 comparison-related dimensions:

- Administrative tradition and culture that links the countries of a particular family
- Political-institutional features of the state structure and administrative organization (centralization/decentralization)
 - consensual vs majority systems (Lijphart) and reform (see next slides)
 - relation state – society (cooperation, bargaining, regulation)
 - state activity (e.g. Esping-Andersen's welfare states)

5 families or groups of countries are distinguished (based on institutional, administrative and legal culture related features):

1. Continental European Napoleonic
2. Continental European Federal
3. Scandinavian
4. Anglo-Saxon
5. Eastern European

“Legal tradition of a country has an influence on the dominant values in administrative action and the relation between politics, citizens and administration”.

With the regard to **the administrative traditions and cultures in Western Europe**, 2 clusters must be distinguished:

1. The classic Continental European rule-of-law (rechtsstaat)
2. The Anglo-Saxon Public Interest Culture

A summary of the most important distinguishing features of both are shown below:

Continental European Rule Of Law Culture	Anglo-Saxon Public Interest Culture
Separation/hierarchization of state and society (public/private legal sphere)	No hierarchization of public/private (no separation of public-private law)
The state as an integrating force of society; <i>intérêt général</i>	The state is of instrumental importance; government; stateless society
Comprehensive codification of legal rules (Roman tradition)	No comprehensive codification of legal rules (common law)
Administrative action as implementation of law by means of legal specification	Legislative acts with function of pol. programmes
Dominant values in administrative action: principle of legality, equal treatment, neutrality of interests	Dominant values in administrative action: pragmatism, flexibility, reconciliation of interests

See book p.11

Concerning the second comparison-related dimension, **the structure of the state and administration**, the degree of centralization or decentralization of public administration and the relationship between central/centralized and subnational/decentralized/local government are crucial. Three variants can be distinguished:

- federal (separation versus integrationist model): power is distributed between different levels of government
- unitary-centralized (power is situated at the central level)
- unitary-decentralized

Other classifications: **consensual vs majority systems** (Lijphart) and reform.

In comparative administrative reform research, the standard classification of countries as either **majority or consensual democracies**, is granted special explanatory power with regard to **public management reforms**. This has proven to be an important starting condition for NPM reforms in the different countries.

In which country or system is a public sector reform much more easy to reach? In the UK, because you have one party in the rule, so they don't have to take into account other parties. They don't have to bother about other levels of government, because the power is centralized.

Combining two variables (Lijphart)

	majoritarian	intermediate	consensual
centralized	New Zealand UK	France	Italy Netherlands
intermediate	Sweden		Finland
decentralized	Canada, USA	Belgium Germany	Switzerland

Other classifications: based on relation between **state – administration** (cooperation, bargaining, regulation) on the one hand and **society/citizens** on the other. This comparative perspective can be found in administrative culture research and in the new debate surrounding regulation cultures and in the new debate surrounding regulation cultures. Here, administrative traditions and systems are less in the focus than the real administrative action as a problem-solving and interaction process with the citizen at its centre. Again a distinction can be made between a **cooperative contact culture**, a **flexible bargaining** and a **formalized regulatory culture**.

Other classifications: differences between the countries with regard to the **scope and content of state activity**. This differentiation is important for a comparison of administrative systems because the tradition and structure of welfare state has a significant impact on the administrative activity in a particular country. Three ideal welfare types can be distinguished:

- **conservative** (e.g. Germany, Austria, France, Italy, Belgium): guarantee of social security, maintaining status differences and a lower effect of redistribution
- **social democratic** (e.g. Sweden, Denmark, Norway, Finland, Netherlands): universality, high effect of redistribution
- **liberal** (e.g. USA, United Kingdom, Switzerland): social security benefits, redistribution of wealth less important

Figure 4.1: Classification of welfare state regimes

Model	Liberal	Social-democratic	Conservative	Post-socialist
Type of protection	Residual; self-provision	Universal provision	Contribution- and status-oriented	Contribution- and status-oriented
Basis of eligibility	Need	Citizenship	Employment	Employment and indigence
Goal	Fighting poverty	Mitigation of inequality	Status preservation	Rudimentary protection
Decommodification	Low	High	Medium	Very low
Primary locus of welfare provision	Market	State	Family	Family
Social stratification	High	Low	Medium	Very high
Level of redistribution	Low	High	Low	Very low
Share of private expenditures on old age and health	High	Low	Low	Medium
Role of the state in structural change	Market activator	Employer	Compensator	Reformer, market activator
Example	United Kingdom	Sweden	Germany	Czech Republic

→ liberal: people can take for themselves, government not very responsible. Conservative means civil society.

2.2 MODELS OF PUBLIC ADMINISTRATION IN EUROPE (2.1.2)

There are **five models** based on the comparison-related criteria of a **vertical administrative structure** on the one hand, and the **administrative culture-based character** on the other.

2.2.1 THE CONTINENTAL EUROPEAN NAPOLEONIC MODEL

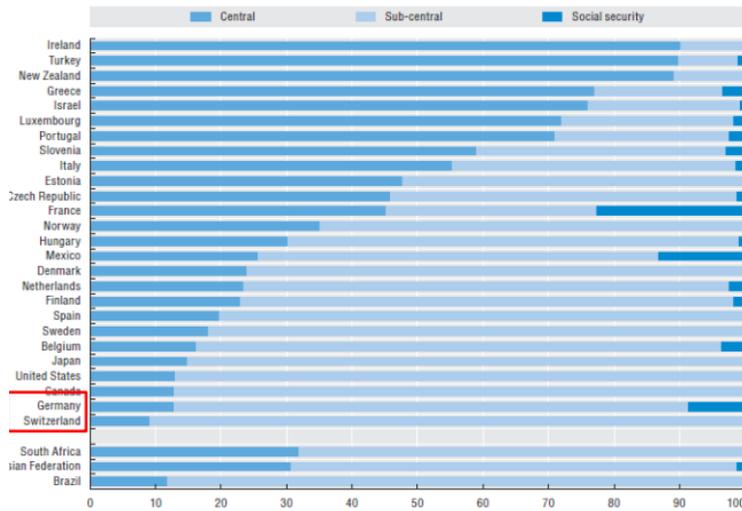
- **Southern** Europe (France, Italy, Spain, Greece, Portugal)
- **Roman-French** legal tradition (the importance of statutory law)
 - Principle of **legality**
 - This principle is reflected in a **codification of legal norms**
- Strong **centralized** government and powerful centralized **bureaucracy** (Napoleonic tradition)
- Subnational and local levels are functionally subordinate to central, so the principle of territorial administrative organization and institutional subsidiarity is **not well** developed
- **Administrative practice** is shaped by strong **politicization**, clientelistic relations and political party patronage in civil service (political allies are singled out for support, parties have a strong influence)

2.2.2 THE CONTINENTAL EUROPEAN FEDERAL MODEL

- **Mid** Europe (Germany, Austria, Switzerland)
- **Roman-German** legal tradition; similar to previous model because of:
 - Strong legalistic orientation of administration
 - Rule of law culture / codification of laws
- Leaner and **weaker** centralized government and bureaucracy
- **Strong** subnational **decentralized** level and local levels with great political-administrative importance (principle of subsidiarity) → crucial different with previous model
- **Territorial principle** (multi-competences at lower level)
- **Administrative practice** (differentiation within this group):
 - Ger, Aus: 'servants of the state' (seen as hierarchically subordinate, important position in society)
 - Swi: 'employees of the people' / less subordinate / direct democracy / greater local autonomy / stronger competitiveness on the subnational administrative levels

Decentralization: public servants (OECD 2013)

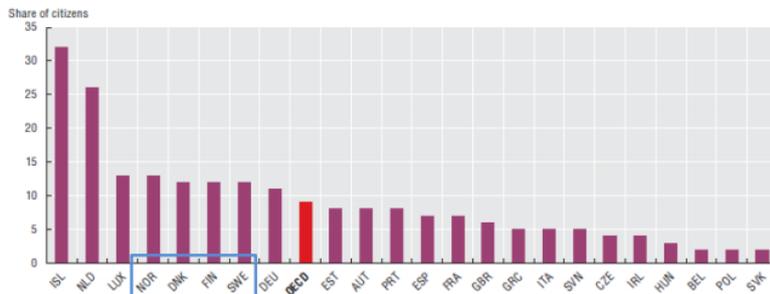
5.3. Distribution of general government employment across levels of government (2011)



2.2.3 SCANDINAVIAN MODEL

- **North Europe** (Sw, Den, Nor, Fin)
- **Roman-Scandinavian** legal tradition (cf. previous models)
- **Subsidiarity principle** (similarity with continental European model)
- **Decentralized** administrative structure with strong local governments
- High degree of autonomy of action of **local** authorities
- Administrative practice (difference with previous models):
 - **Openness** of recruiting
 - **Career system** in the public service
 - **Easy access** for citizens to administrative system (user democracy, freedom of info, participation, external transparency, citizen participation)

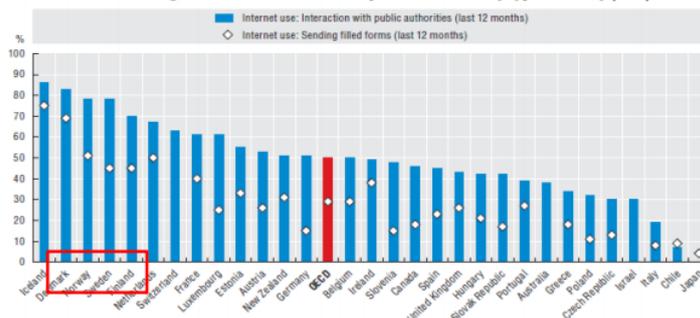
8.10. Percentage of individuals who have taken part in an online consultation or voting



Source:
OECD
2013

Source: Eurostat, Information Society Statistics (database).

9.6. Citizens using the Internet to interact with public authorities by type of activity (2012)



Source: OECD, ICT Database; and Eurostat, Information Society Statistics (database).

StatLink <http://dx.doi.org/10.1787/888932943039>

2.2.4 ANGLO-SAXON MODEL

- UK, Ireland, Malta
- Common law legal tradition; the law of the land is based on **judge made law** rather than on statute law; there's thus a dominance of the common law
- **Public interest** tradition or **civic tradition**: stateless society
- Government of the day is at the **centre**, no state as a 'value in itself'
- **No separation of public and private legal spheres** in countries with a tradition of public interest
- E.g. NPM and managerialism much more pronounced (smooth transfer of ideas between public and private spheres)
- Administrative practice:
 - Finding way to implement '**political programs**' (administration) enacted by **parliament** (contrast to legal provisions enacted by continental parliaments)
 - **Parliamentary sovereignty**: control over bureaucracy and **administration politically accountable** (no administrative courts e.g. contrast to continental systems)

MPA University of Liverpool

Programme Structure

This 12-month programme consists of six taught compulsory modules including Research Skills for Management and three elective modules, followed by a research project carried out over the summer period upon completion of semester two.

Compulsory Modules

- Introduction to Research
- Managing People
- Public Policy
- Public Finance
- Public Management
- Multi-level Governance & Administration
- Dissertation

Elective Modules

- e-Government
- Administration and Politics of the European Union
- Strategic Human Resource Management
- Project Management
- Risk and Crisis Management
- Understanding Social Exclusion

MPA Speyer (Germany)

Das Studium umfasst folgende Bausteine:

- Grundlagenmodul I: Verwaltungswissenschaft
- Grundlagenmodul II: Öffentliches Recht
- Grundlagenmodul III: Sozialwissenschaften
- Grundlagenmodul IV: Wirtschaftswissenschaften
- Grundlagenmodul V: Methoden des interdisziplinären Arbeitens
- Grundlagenmodul VI: Information, Kommunikation, Handlungskompetenz
- Praktikum
- Wahlpflichtmodul I: Regieren und Verwalten
- Wahlpflichtmodul II: Public Policy
- Wahlpflichtmodul III: Europäisierung und Internationalisierung der öffentlichen Verwaltung
- Wahlpflichtmodul IV: Organisation und Personal
- Wahlpflichtmodul V: Finanzierung öffentlicher Leistungen
- Wahlpflichtmodul VI: Wettbewerb und Regulierung in Infrastruktursektoren
- Master-Thesis

2.2.5 CENTRAL AND SOUTH EASTERN EUROPEAN MODEL

- Heritage of **Soviet Union**: **centralized** party rule, **no** separation of powers. → double subordination of state administration under a centralized party rule and the abolition of the separation of powers were emblematic of this organization model.
- **Subnational** administration acted as **local bodies and offices** of the state.
- **Partisanship** of members of administration (difference with continental European model) and **law nihilism** (rudimentary adherence to legally binding norms and procedures)
- After 1990: **Transformation** to democracies, but differences (due to pre-communist traditions):
 - **Eastern** countries like Hungary and Poland traditionally shaped by the **German** (Prussia, Austria) tradition.
 - **South East** (Bulgaria, Romania) traditionally under **Ottoman** or **Tsarist Russia** rule. After 1990 transformation determined by post-communist elites

5 models - summary

Table 2.2 Administrative profiles in Europe

Administrative Profile/Group of Countries	Administrative Tradition	Administrative Structure
Continental European Napoleonic (F, I, P, GR, E)	Rule-of-law (<i>Rechtsstaat</i>), legalism Southern European subgroup: clientelism, party patronage, politicization	Unitary-centralized; weak local government (decentralization in F, I, E since 1980s/1990s)
Continental European federal (D, A, CH)	Rule-of-law (<i>Rechtsstaat</i>), legalism Switzerland: weaker separation of state and society; weaker public service, legalism	Federal-decentralized; strong local government
Scandinavian (S, N, DK, FIN)	Rule-of-law (<i>Rechtsstaat</i>) culture, transparency/contact culture; accessibility of administration for citizenship	Unitary-decentralized; strong local government/civic self-determination
Anglo-Saxon (UK/England)	Public interest culture, pragmatism	Unitary-centralized; strong (since 1980s weakened) local government
Central Eastern European (H, PL, CZ)	Socialist cadre administration ('Stalinist' legacy); since the system change, re-establishment of pre-communist (rule-of-law) traditions	Unitary-decentralized; strong local government (recentralization since 2011 in H)
South Eastern European (BG, RO)		Unitary-centralized; weak local government

Note: See appendix 2 for country codes

2.3 COMPARATIVE LOCAL GOVERNMENT (2.1.3)

Important role for local governments in Europe (**local self-government** is now codified by the **EU Treaty of Lisbon**)

→ **important stabilizing** function: participation (citizens are directly involved in political decision-making), proximity to politicians. Trust in local governments is usually higher.

Comparative study of local government, 3 dimensions are distinguished:

- **Functional** profile: scope and salience of functional responsibilities that are assumed by local bodies from the vertical distribution of functions between local and central government, and financial autonomy
- **Territorial** profile: territorial structure and related territorial viability of local government (size)

- **Political** profile: structure local democracy (direct vs representative), relation council – executive authorities (monistic vs dual), electoral procedure of the head of the administration (direct vs indirect)

Very varied territorial organization

- Countries with **one** level of sub-national government
- Countries with **two** levels
- Countries with **three** levels

Disparities in size → Policy of mergers (North versus South)

	Country population	Number of local authorities			Average municipal population
		1st level	2nd level	3rd level	
<i>The British Isles</i>					
United Kingdom	61.6	434	35	3	142 015
Ireland	4.5	114			39 035
<i>The Rhinelandic States</i>					
Belgium	10.8	589	10	6	18 251
Netherlands	16.5	443	12		37 214
Luxembourg	0.5	116			4 254
Germany	82.0	12 312	323	16	6 660
Austria	8.4	2 357	9		3 545
Switzerland	7.7	2 740	26		2 811
<i>The Nordic States</i>					
Denmark	5.5	98	5		56 239
Finland	5.3	416	2		12 804
Sweden	9.3	290	20		31 918
Norway	4.8	430	18		11 161
<i>The Southern European States</i>					
France	64.4	36 683	100	26	1 754
Italy	60.0	8 101	103	20	7 412
Spain	45.8	8 111	50	17	5 650
Portugal	10.6	4251	308	2	2 518
Greece	11.3	1 034	50		10 890
Malta	0.4	68			6 082
Cyprus	0.8	524			1 521
<i>The New Democracies</i>					
Poland	38.1	2 478	314	16	15 390
Czech Republic	10.5	6 249	14		1 675
Hungary	10.0	3 175	19		3 159
Slovakia	5.4	2 891	8		1 872
Estonia	1.3	227			5 905

2.3.1 THE FUNCTIONAL PROFILE: DISTRIBUTION AND SCOPE OF RESPONSIBILITIES, FINANCIAL AUTONOMY

Vertically, the local governments systems can be differentiated first as to (1) whether state authorities and local self-governments **execute their responsibilities separately and largely independently** from one other or second whether (2) **the levels interact strongly leading to a mix of state and local responsibilities**.

1. First administrative type: **separationist** model (British administrative tradition, Scandin): fully fledged local governmental tasks → monistic task model / separation state and local government
2. Second administrative type: **fused system** / administrative integrated models (continental Europe):
 - Local self-government + assigned/delegated state tasks ('**Janus-faced character** of local government')
 - **State centred integrationist model**: state administration at local level (France – local offices of the state)→ the **state** administration carries out the self-government functions of the local government in addition to its own tasks.
 - **Local administration centred integrationist model**: local administration at local level (Germany)→ the **local** governments perform **dual functions in** carrying out their self-government tasks and the ones that the state has delegated to them.

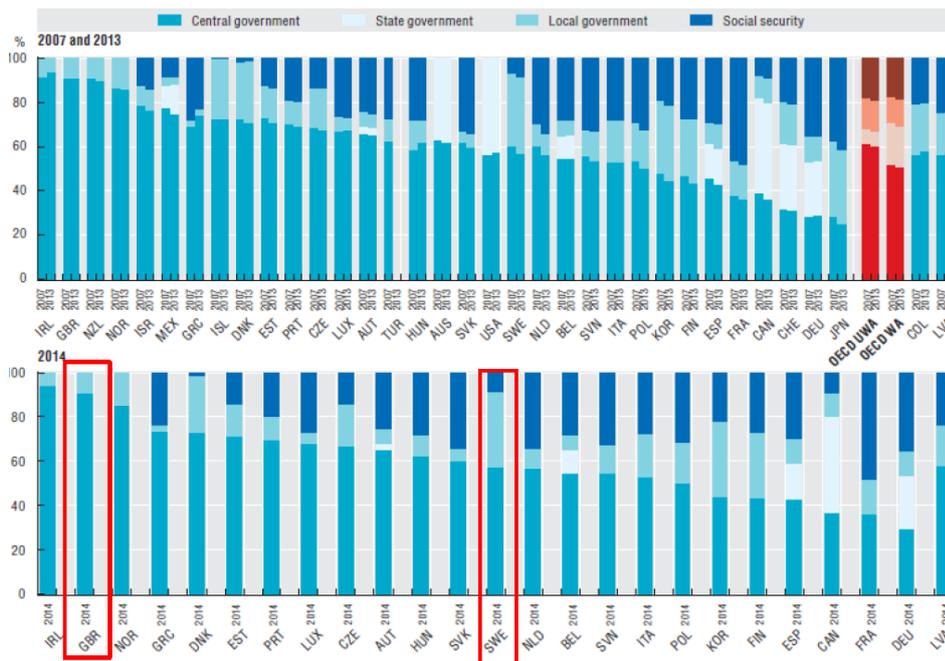
Table 2.3 Fiscal autonomy of municipalities in selected OECD countries

Country	Proportion of Own Taxes (Without Social Contributions) in Overall Municipal Revenue in % (2009)
Sweden	63,6
Switzerland	59,2
Slovak Republic	50,3
France	44,6
Spain	43,4
Norway	41,9
Czech Republic	41,2
Germany	39,6
Italy	37,4
Denmark	33,7
Portugal	33,6
Poland	30,9
Hungary	22,8
United Kingdom	12,9
Netherlands	8,3
Greece	6,6

Source: OECD (2011).

See Sweden, Germany and the UK. Strong and weak functional profiles

2.23. Distribution of general government revenues across levels of government, 2007, 2013 and 2014



Source: OECD National Accounts Statistics (database).

StatLink <http://dx.doi.org/10.1787/888933248279>

Functional profile (see previous slides)

- Functionally strong local governments (Scand, Germany, UK pre-Thatcher)
- Thatcher invoked 'ultra vires': local governments only have responsibility as far as parliament assigns it to them
- Continental and Scandinavia: 'Local governments are responsible for all local matters'
- Functionally weak local governments (Napoleonic countries – administrative deconcentration)

See book p.25

2.3.2 TERRITORIAL PROFILE: NORTHERN AND SOUTHERN EUROPEAN MODEL

Closely linked to functional profile. It's an important institutional condition for the **viability and operational capacity of local government**. – capacity building:

The North and South model of Page and Goldsmith (1987):

- Size
 - North: large-scale municipalities (management, service delivery)
 - South: small-scale local government structure (democracy, community)
- Functions or tasks
 - North: wide range
 - South: limited
- Discretion / autonomy
 - North: important
 - South: restricted
- Degree of access to central government
 - North: formally organised
 - South: informal and political interweaving between the levels of government → political localism, multiple office holding

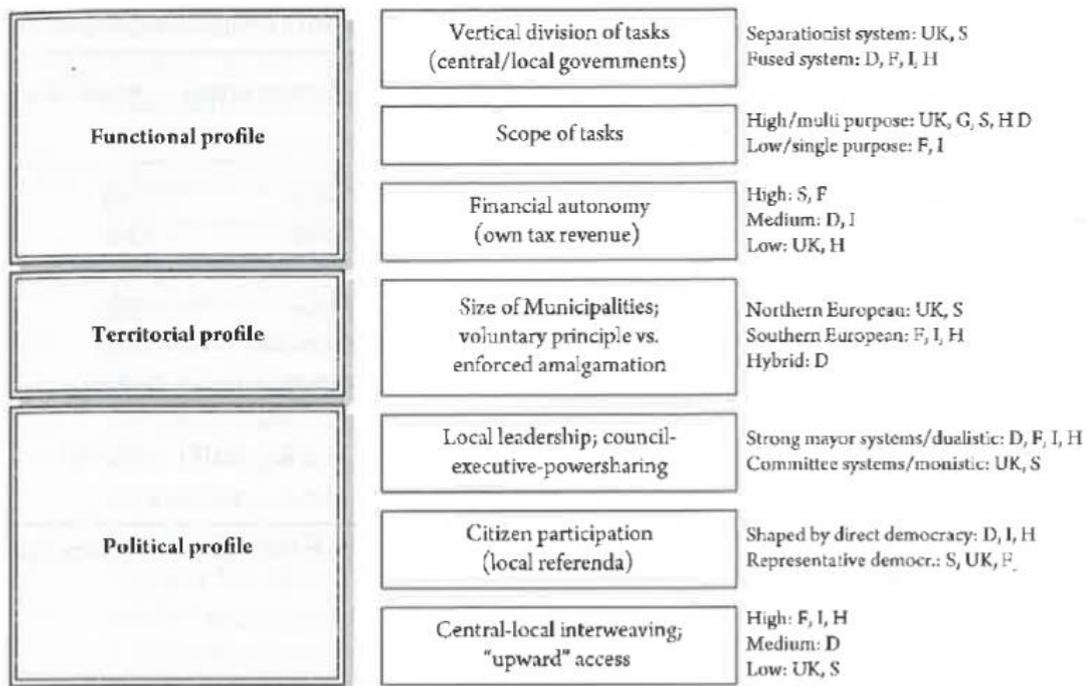
→ Southern model: small scale (Continental European Napoleonic tradition: Fr, Sp, It, Port, Gr); Northern model: large scale (Scandinavian, UK)

2.3.3 POLITICAL PROFILE: LOCAL DEMOCRACY AND LEADERSHIP

In order to specify the political profile of local government, the following should be highlighted:

1. **Representative** democracy (UK, Swe, Fr) vs **Direct** democracy elements such as binding local referenda (Ger, Swi)
2. **Monistic** (all decision-making powers with the local elected council; government by committee systems; UK, Sweden) vs **Dual** systems (powers divided between council and executive leader; strong mayor form of local democracy; Ger, It, Fr)
3. Major power of local governments can be observed in the access of local political actors to higher levels of the political-administrative system. This can result in the accumulation of mandates, patronage-based relationship, etc. Such access may lead to **central local interweaving** or a blending of levels, as is the case of France.(e.g. cumul des mandats, political careers logic)

This summarizes the main criteria for a comparison of local government systems:

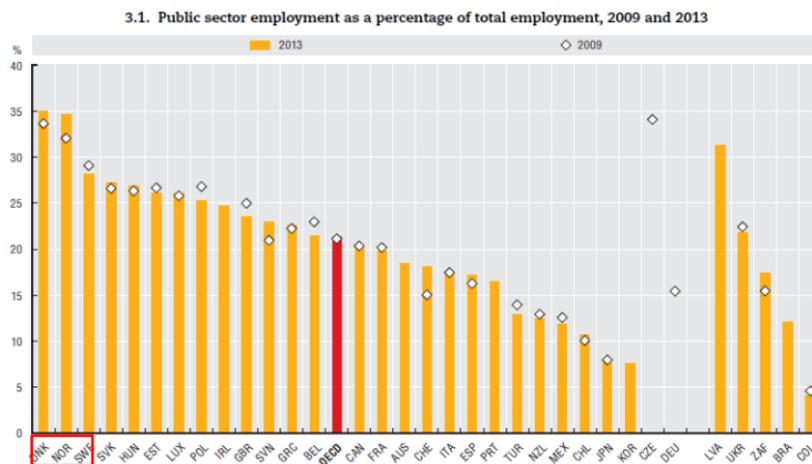


2.4 CIVIL SERVICE SYSTEMS (2.1.4)

2.4.1 CIVIL SERVICE SYSTEMS AND FORMAL POLITICIZATION OF PUBLIC ADMINISTRATION

First there is the quantitative criterion of **personnel numbers**.

Comparing public sector employment: big vs lean (OECD 2015)



→ Scandinavia very large civil service. The extended civil services of the Scandinavian countries (Norway: 29%), stands in contrast to the 'lean' civil services in Germany (10%), Austria and Switzerland. In France, the public service has, become one of the most numerically expanded and at the same time the most powerful in the world. The UK, Italy, Greece and Spain occupy the middle position.

Next to the first criterion there is also **the openness and closeness** of public service systems as a qualitative dimension for differentiation:

Open position based or open personnel systems (Anglo-Saxon civil service type & Scandinavia):

- Greater **permeability** between private and public employment sector
- **No** specific public sector law
- **Position** related recruitment
- **Open** access routes to public service
- **Contracts** rather than statutes
- More **performance based** promotion and pay

Closed career based systems or closed personnel systems (Continental European public service: Ger, Austria, France, Spain, Belgium):

- Principle of seniority
- Life-long appointment
- Career-related recruitment closed recruitment (career based systems)
- Separation between public and private spheres, and between public service law and general labour law
- Civil servant is appointed, often for life, by public law

See book p.30: the status of the civil servant differs between countries

Table 2.6 Comparison of the proportion of civil servants in European countries

Member State	Proportion of Civil Servants	Contract Staff
Czech Republic	0% on the state level, 38% on the regional and country level	
Sweden	1%	99%
Latvia	6%	94%
Poland	6%	94%
United Kingdom	10%	90%
Ireland	13%	87%
Italy	15%	85%
Hungary	25%	75%
Cyprus	28%	72%
Slovenia	34%	66%
Germany	37%	59% (4% soldiers)
Spain	59%	27% (14% other staff)
Finland	59%	27% (14% other staff)
Austria	61% (federal level)	36%
Lithuania	67%	28% (5% other staff)
Malta	67%	33%
France	73%	15% (12% other staff)
Greece	74%	26%
Belgium	75% (federal level)	25%
Luxembourg	77%	23%
Slovakia	85%	10% (5% other staff)
Estonia	90%	7% (3% other staff)
Netherlands	100%	Some contract staff
Portugal	15%	85%
Romania	7% (two civil servant groups)	93%

Another distinguishing criterion with respect to the personnel-related components of administrative systems is **the formal politicization**: this refers to the politically controlled appointment of administrative key positions up to the phenomenon of patronage of positions.

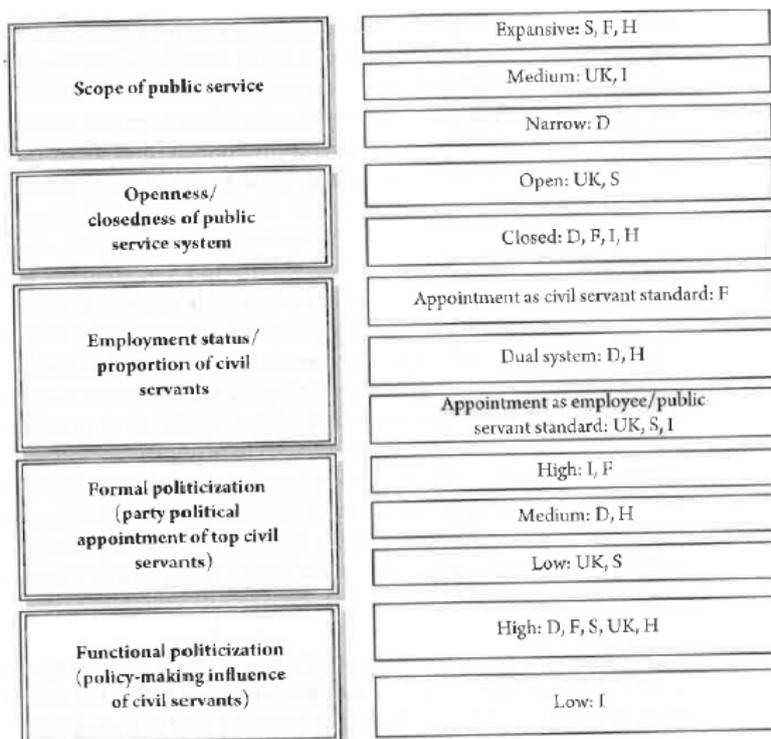
- **Apolitical** civil service: UK, Sweden (greater importance placed on experts, servants to the government of the day)
- **Political** civil service: USA (spoils system); characterized by the exchange of high-ranking governmental positions
- Southern Europe: **patronage** and party-political recruitment; extended practice of patronage in Belgium and France

2.4.2 POWER, INFLUENCE AND FUNCTIONAL POLITICIZATION OF PUBLIC ADMINISTRATION

→ the **influence of bureaucracies on political decision-making** is one of the classic questions raised by CPA. (influence of top civil servants on political decision-making).

Functional politicization: variant of the politicization of administration that eyes the ministerial bureaucrats who are politically responsive, anticipate political rationalities and weigh on political processes

- **‘Classic bureaucrats’** (technical and simple executive role, apolitical understanding of their role) versus **‘policy-makers’** (influence policy formation processes and positively view the political aspects of their duties (political role).
- Belgium (cabinets!) and Italy versus Germany, France, UK, ...



This figure summarizes the different features of analysis of comparative civil service systems

3 INSTITUTIONAL POLICIES AND ADMINISTRATIVE REFORMS

3.1 CONCEPTUALIZING INSTITUTIONAL THEORIES (2.2.1)

Administrative reform

= Institutional policies:

- Goals
- Objects and subjects of intervention
- Measures and activities
- Results and effects

= Attempt to change the administrative order ('polity') within which decisions are made and implemented

= About different forms and objectives (external and internal institutional policy)

! Loose coupling between talk, decision and action

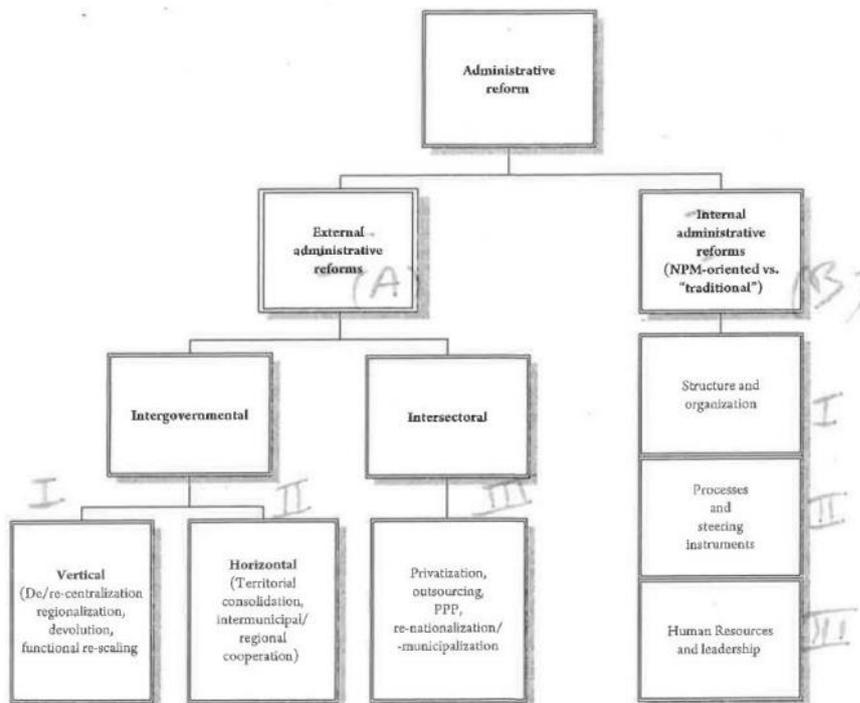
Not a regular policy, but a specific one because it deals with reforms.

The rather loose coupling between reform rhetoric (talk), action programme (decision) and actual changes (action) may well represent a functional and rational strategy in organizational reform.

Loose coupling between talk, decision and action: they are talking a lot about it, but there is a lack of decision-making and action.

3.2 TYPES OF ADMINISTRATIVE REFORM

Types of administrative reform



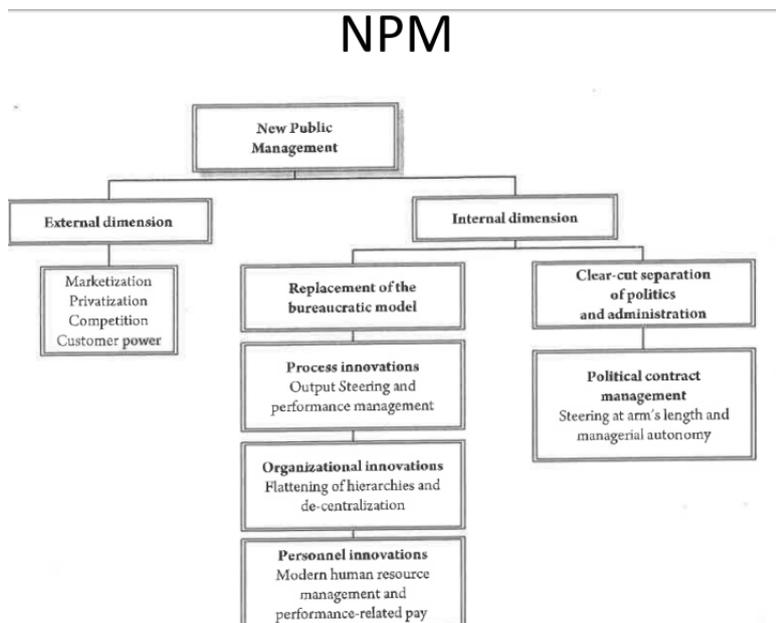
- **External administrative reforms (outward looking):** are aimed at changing functional and/or territorial jurisdictions, memberships rules and relations between organizations at different levels or sectors.
 - These reforms are intended to change the shape of the institutional order and to redefine institutional boundaries
 - **Vertical** intergovernmental (different layers): institutional changes in governmental multi-level systems
 - **Horizontal** intergovernmental (same layer): the redefinition of coordination and cooperation rules between different territorial bodies of a particular level
 - **Intersectoral** reforms (privatization, outsourcing, PPS, ...): reforms that relate to the relationship between sectors
- **Internal administrative reforms (inward looking)**
 - Changes in the distribution of responsibilities and resources within organizations and between internal administrative units as well as the reorganization of decision-making rules
 - Structure and organization
 - Processes and steering instruments
 - HRM and leadership

→ NPM

NPM focused on two essential objectives:

Firstly, NPM aimed at redefining and limiting the action radius of the state, strengthening market mechanisms, promoting competition and boosting the position of the citizen as customer (macro-dimension). Secondly, the internal structures, organizational principles and personnel profiles of public administration were to be restructured according to the micro-economic inspired model.

The bundle of measures can be considered the internal structural micro-dimension of NPM and results in the following model of NPM modernization:



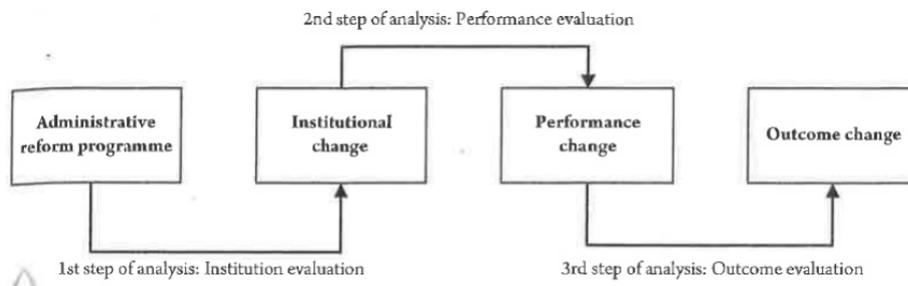
Source: Adopted from Kuhlmann (2009a, p. 45).

Figure 2.5 New Public Management as a reform model

3.3 EVALUATING ADMINISTRATIVE REFORM POLICIES

Given the 'loose coupling' ... important to pose the 'results of administrative reforms' question.

Effects on three levels:



→ very easy to describe a reform, but much more difficult to see if it leads to better results or not.

When you implement an administrative reform programme, you implement **institutional change**, for example the police reform after the case Dutroux. Hence to the **first** step of analysis. Far less empirical evidence exist with regard to the performance evaluation (**second** step: performance change); that is, concrete performance improvement such as procedural speed. The issue that is conceptually and empirically least developed is the investigation into outcome effects of administrative reform (**third** step: outcome change).

Difficult **conceptually** (see above), but also **methodologically** (below):

Table 1.2 Researching public management reforms

Stage	Description	Research?
Talk	More and more people are talking and writing about a particular idea (e.g. contracting out)	Quick and cheap. Monitoring what people are talking and writing about is fairly straightforward
Decision	The authorities (governments, public boards, etc.) publicly decide to adopt a particular reform	Again, quick and cheap. The public decisions of the authorities can usually be located quite quickly (on the Net, often without leaving one's desk)
Practice	Public sector organizations incorporate the reform into their daily operational practices	Probably requires expensive and time-consuming fieldwork. This needs both funding and access
Results	The results (outcomes) of the activities of public agencies change as a result of the reform	Final outcomes are frequently difficult (and expensive) to measure. Even more frequently there is an attribution problem, i.e. one cannot be sure how much of the measured change in outcomes can be attributed to the reform itself, as opposed to other factors

Developed from Pollitt, 2002.

But also limitations that result from **politico-administrative structures**:

- Federal Germany: extremely fragmented subject-area of reform (and evaluation)
- Unitary UK: centralized reform (and evaluation)

And the trade-offs between different objectives different stakeholders value:

Some trade offs (Pollitt & Bouckaert 2011)

1. Increase political control of the bureaucracy/free managers to manage/empower service consumers.
2. Give priority to making savings/improve public service quality.
3. Promote flexibility and innovation/increase citizen trust and therefore governmental legitimacy.
4. Motivate staff and promote cultural change/weaken tenure and downsize.
5. Reduce burden of internal scrutiny and associated paperwork/sharpen managerial accountability.
6. Develop more partnerships and contracting out/improve horizontal coordination ('joined-up government'; 'integrated service provision').
7. Increase effectiveness/sharpen managerial accountability.
8. Promote open government and transparency/protect privacy.

You as a politician can have more control, but your managers also need to have autonomy. And less money means that there will be a cost of public service quality → trade-offs you need to make.

In CPA need for suitable evaluation criteria. The political input-output model of the political administrative system is known from the classic approaches of policy analyses. From this model 2 dimensions can be distinguished: input and output legitimacy. Three dimensions of the politico-administrative system can be derived from this:

- **Input legitimacy:** participation, representation, democracy, democratic control, political responsibility, transparency;
- **Throughput legitimacy** (process; area of management and coordination): vertical and horizontal coordination, interaction, organization, interlocking and unbundling of administration;
- **Output/outcome (output legitimacy):** quality, efficacy, efficiency, productivity, ...

Table 2.7 Analytical dimensions and indicators for evaluating administrative reforms

Performance Criteria	Analytical Dimensions/Indicators
	<i>(1) Output legitimacy</i>
Resources, costs, outputs	Expenditure (personnel, time, finances) Savings realized; amount of services 'produced' input-output-ratio
Legal quality/achievement of policy-objectives	Compliance with quality/auditing standards Legal correctness; legal disputes Proximity to citizens/customer friendliness/service quality Efficacy, problem solving, target group relevance
	<i>(2) Coordination/throughput legitimacy</i>
Horizontal and vertical coordination	Cross-departmental coordination Inter-municipal cooperation Cross-level coordination; friction losses Control/intervention 'from above' Willingness to follow/subversion/resistance 'from below' Vertical/horizontal interlocking/unbundling tendencies
	<i>(3) Input legitimacy</i>
Democratic control	Participation of the council Citizen participation; user democracy External transparency
	<i>(4) Regional variance/disparities; differences in performance</i>

These three areas can be used to determine the extent to which specific reform measures lead either to increased disparities between different administrative units, OR else to harmonization/unitarization. More simply: it's an **evaluation matrix for administrative reforms**.

4 EXPLAINING ADMINISTRATIVE REFORMS: NEO-INSTITUTIONALIST REFORMS

The different approaches of neo-institutionalism offer the opportunity to **analyse administrative systems and reforms relating to their formation factor** (starting conditions) and their **impact mechanisms**. Common to all these approaches is the conviction that **institutions** contain a structural suggestion as to **acted behavior**.

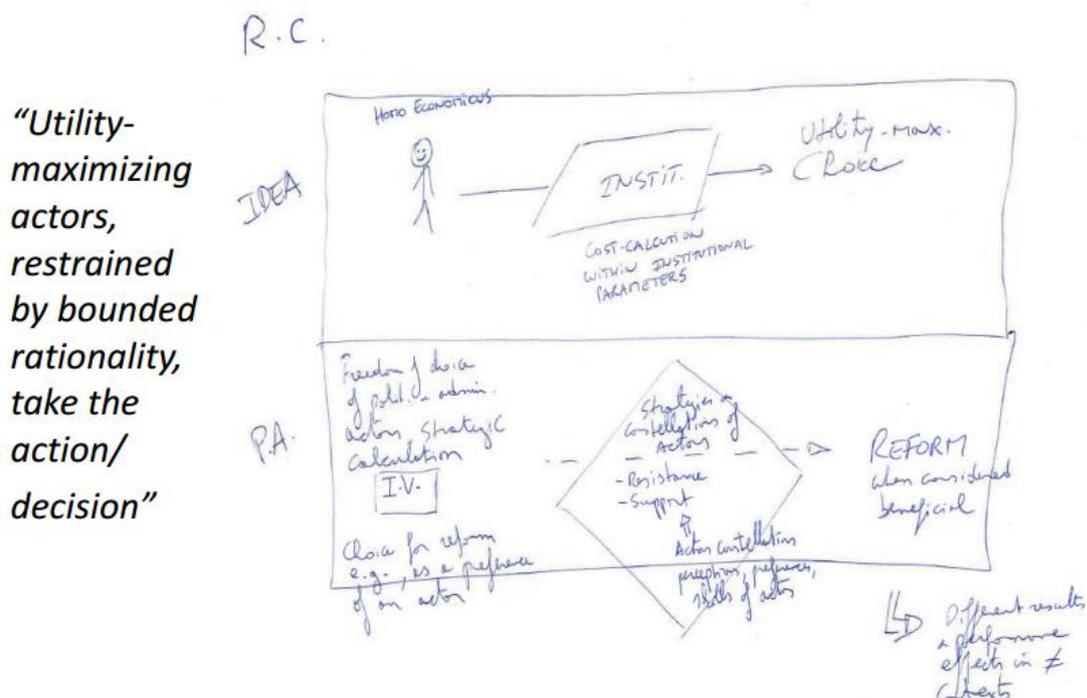
3 variants of neo-institutionalism

- Rational choice institutionalism
- Sociological institutionalism
- Historical institutionalism

→ Different assumptions to explain institutional change and actor behavior in institutional contexts.

There are 3 variants of neo-institutionalist approaches.

4.1 RATIONAL CHOICE OR ACTOR-CENTRED INSTITUTIONALISM



IDEA: Institutions are seen as limitations of rational choices. The starting point here is the consideration that rationally acting individuals **would not be capable of cooperation in the absence of an institutional framework**. Institutions offer a way out of the cooperation dilemma. The underlying assumption is that actor behavior is directed in principle at the **maximization of individual benefits**, based on a fixed repertoire of

preferences and building on a cost-benefit calculation. (you have an actor and you make choices that lead to your utility maximization, but it is bounded → In a constellation of others so you have to work in a democracy = idea)

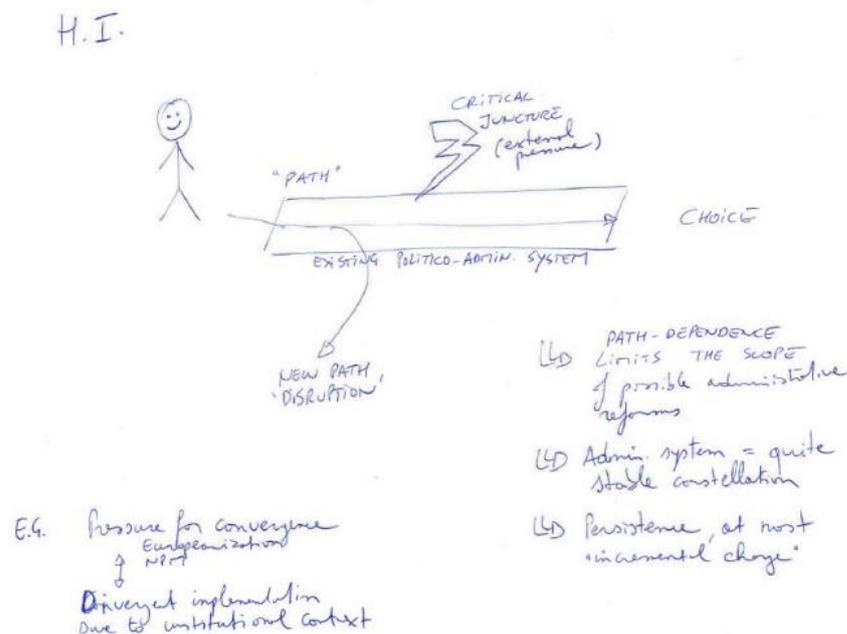
For CPA, this can be useful for several reasons:

1. The freedom of choice of political and administrative actors can be conceived of as an independent variable. This can refer to the initiation of institutional reform programmes as well as to the implementation of measures.
2. **The behavior of politico-administrative actors** is thus not determined solely or largely by the institutional contexts in which they operate or the cultural circumstances within which they are embedded. **Rather, it is largely dependent on their preferences and strategic calculations.** As such, they must be considered a **causal explanation of administrative reforms**

(strategic actors have a freedom of choice and they will be in the benefit = public administration)

4.2 HISTORICAL INSTITUTIONALISM

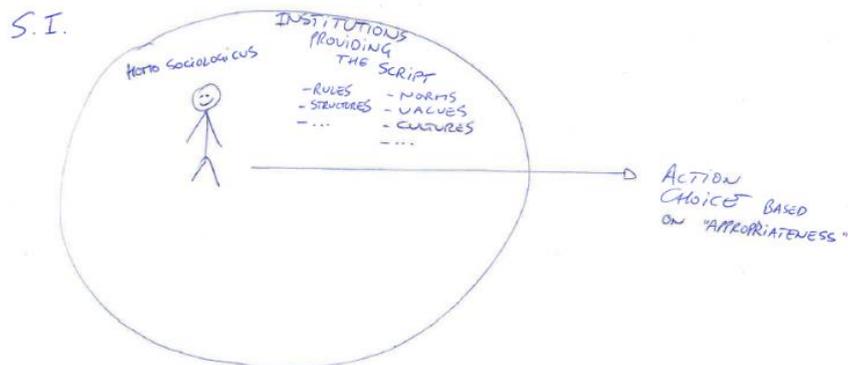
“Existing structures and past decisions and actions lead to persistent – ‘path dependent’ institutions”



IDEA: the concept is based on the assumption that **preferences and choices of actors are pre-structured by institutional corridors established for a long term**. This assumption of a path-dependent development clearly drops the focus on to the **historically shaped institutional forces**. These **limit** the scope of possibilities of administrative reforms and are the reason why institutions appear to be relatively persistent features of the historical landscape and one of the central factors pushing historical development along a set of paths. It also offers **conceptual possibilities for explaining transformation, reform and upheaval**. The corresponding model is the critical juncture → this crossroad or turning point arises during the course of the institutional path if and when significant and particularly external impulses, such as social or economic crisis occur. This can then result in the fact that they go from an old path to a new one being taken.

Historical approaches can also explain effects. Similar administrative interventions can bring about very different effects in the contexts of the individual countries, because of country specific historical path dependence. The reason for this lies in the fact that they **each encounter different institutional arrangements and practiced patterns of action**. These in turn can have either a **promoting or a blocking effect** on the envisaged reforms and the resulting changes in performance.

4.3 SOCIOLOGICAL INSTITUTIONALISM



“Actors act/decide based on cultures, norms, rules and cognitive scripts that are in the mind of the actor”

- ↳ Admin reforms have a formal/structural reality and a cultural reality
- ↳ “de-coupling” between new structures & existing cultures
- ↳ Risk of ‘rejection’ of reforms of change management

IDEA: in this approach, institutions are not conceived of as external limitations of rational choices, but rather as **cultural phenomena that provide cognitive scripts and normative frames**. The rational choice-inspired idea (logic of consequence) is **countered by the assumption that institutions also define a catalogue of rules of appropriate behavior in the sense of the logic of appropriateness**. The functioning of the institutions and their performance thus depend on **whether and to what extent formal-structural rules are culturally enacted and cognitively internalized**. The transfer of formal structures and rules from one institutional context to another contains cultural risk of rejection, if it is not accompanied by cognitive-cultural adjustment processes and internalization of new rules. These risks can lead to malfunctions and performance deficits.

Table 2.8 Neo-institutionalist explanations of administrative reforms

Theoretical Approach	Basic Assumptions/Hypothesis	Explanation of Adm. Reforms
Actor-centred/rational choice institutionalism	Institutions limit/enable strategic choices of bounded-rational actors; narrow notion of institution; focus on order-ensuring functions of institutions; logic of benefit maximization and logic of consequence	Reforms result from strategic action/cost-benefit calculations of political and administrative actors, type/structure/power position of advocacy coalitions as reform shaping
Institutional economics	Efficiency/economic optimum as a core criterion of institution building	Institutional reforms as processes of economic optimization; convergence of national administrative systems
Historical institutionalism	Institutional development shaped by historical path dependency; change incurs high costs and is only possible under extreme circumstances (shocks); broad notion of institution	Action corridor for reforms restricted by existing institutions; persistence (inertia) of historically entrenched institutions; comprehensive reform an exception
Sociological institutionalism	Institutions as cultural phenomena; cognitive-cultural anchoring; logic of appropriateness; focus on orientation-ensuring functions of institutions; broad notion of institution	Administrative change due to normative pressure; imitation/isomorphism; cultural risks of rejection of new formal institutions; possible culture-structure mismatch following administrative reform

Source: Authors' own summary.

4.4 CONVERGENCE, DIVERGENCE AND PERSISTENCE OF ADMINISTRATIVE SYSTEMS

In order to explain the convergence, divergence or persistence of national administrative systems, we use the following theoretical approaches:

The **convergence-hypothesis**: → if you reform other will follow

- Based on the assumption that the forces of globalization and internationalization will reach a high degree of external determinism
- National structures will lose more and more impact in the face of this determinism and will yield to an institutional, cognitive and normative alignment
- E.g. rational choice theory: **congruent decision-making** by utility maximizing leaders in the face of external challenges. They view decisions made by leading administrative officials as being determined by their advantage-maximizing and disadvantage-minimizing calculations.
- E.g. sociological institutionalism: **isomorphism**; an adaptation by learning up to an imitation of organizational models. This can occur as a result of force, imitation or normative pressure. It emphasizes the explanatory power of ideas, discourses, and concepts. They provide a guiding framework for their decision ('framing'). An example of this is NPM as promoted by OECD, World Bank, consultancy firms

The **divergence-hypothesis**:

- Theoretically linked to historically institutionalism
- **Determining** effect of existing national administrative and political structures, cultures and institutional factors (despite globalization forces for convergence) → these factors define 'path dependence' corridors for the further path of discourse and practice.

- But also de-coupling sociological institutionalism (rhetoric versus reality)

Differentiated analysis of convergence

- Discursive, Decisional, Practice and Results Convergence
- Again loose coupling: discursive convergence not necessarily leads to similar implementation, or similar results of reforms

→ *Topic of next classes: reform practices in comparative perspective*

→ *But first: model of reform (why reform?)*

According to Pollitt, a **differentiated** examination of convergence and divergence requires a closer look at the different phases of reform processes. He suggests **4 levels or phases** which prove to be useful for the **analytical examination purposes**:

1. **Discursive** convergence: concepts, guiding principles, discourses
2. **Decisional** convergence : reform decisions, adoption of reform programmes and measures
3. **Practice** convergence: actual implementation of measures, application of new instruments and structures
4. **Result** convergence: results and continuing effects of reform measures

Discursive convergence has not resulted in similar implementation measures and certainly not in convergent reform effects.

5 MODEL OF PUBLIC MANAGEMENT REFORM

Not in book.

5.1 REFORM DISCOURSE (CHAPTER 2 OF POLLITT AND BOUCKAERT)

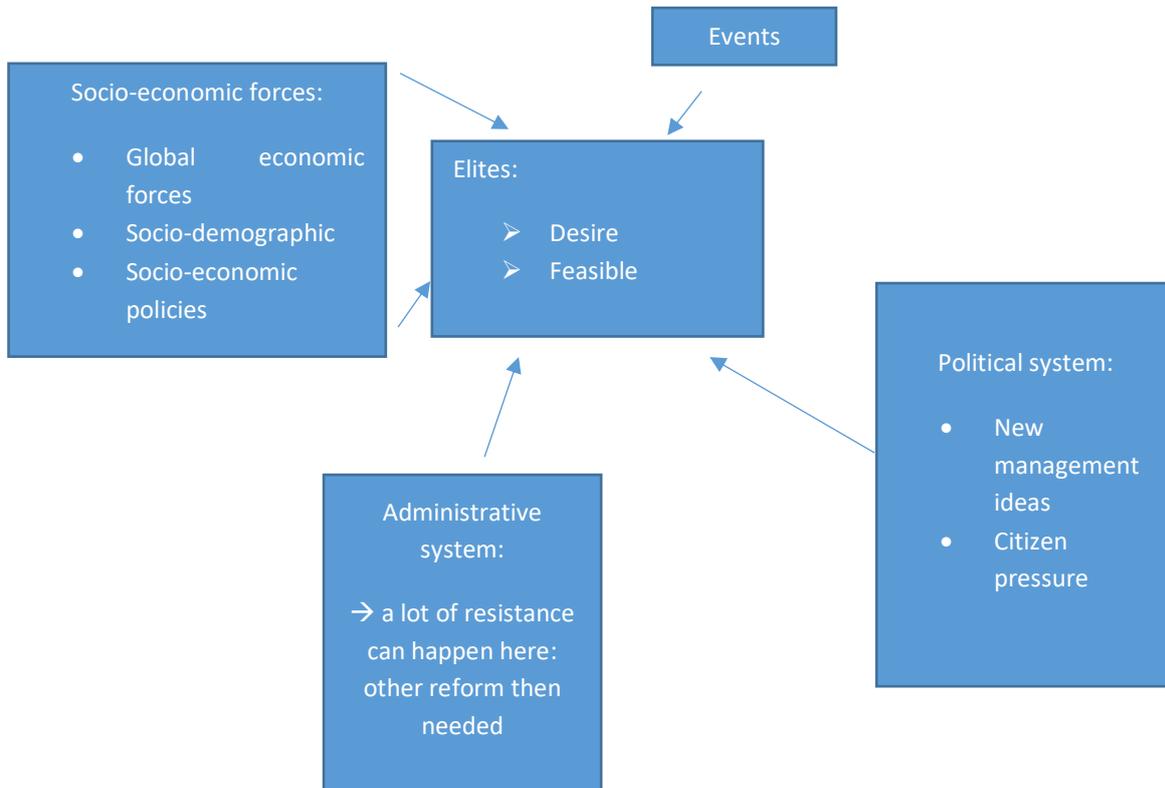
Public sector reform: a worldwide phenomenon

Since 1980's: reform hype that is international in scope, and attracted a lot of political salience

Why has this been the case? What forces drive the reformers?

Building a model of public sector reform with 5 forces at work

- Elites
- Socio-economic
- Political
- Events
- Administrative system



5.1.1 REFORM AND THE ROLE OF ELITES

Reform and elites: feasible vs. desirable

Republicans could force Obama to amend health legislation and financial sector reform

Motivated by a landslide victory in the mid-term elections in the United States, when they took the majority in the House of Representatives, Republican leaders have wasted no time letting the democrats and the president and Barack Obama that the days when a single party control power are counted and that the legislative process in Washington is to be complicit.



→ desire to reform the healthcare sector, but a lot of resistance so it didn't turn out like desired.

5.1.2 CONTEXT 1: SOCIO-ECONOMIC FORCES

- **Global economic forces**

- International trade, competition, globalization: national governments lose control over 'their' policies (taxing possibilities decrease, less regulations, ...)
- Pressure to reform public sector: spending, lighting bureaucracy, reshape social policies

- **Socio demographic change**

- Changes in people's life patterns: increased demand on state services, hence increased public expenditure
- Pressure to reform public sector: reducing overhead, privatization, demanding more efficiency of te system

- **Socio economic policies change**

- Raising minimum pension age
- Unemployment benefit reduced in time
- ...

- **Gloal economic forces**

- not a direct reason to reform: if your economy it is globalizing as a central government you have to make your country more competitive. → economic forms of globalization do seem to have been a major influence on institutional change, but one which has acted through a number of other, intervening variables.

- **Socio demographic change**

- pressure arising from changes in the pattern of life for millions of citizens in each of our countries.

- **Socio economic policies**

- may oscillate quite rapidly over time (social security savings)

5.1.3 POLITICAL SYSTEM

Structural elements making reform more or less straightforward (see previous weeks)

- Constitution (Ger vs UK)
- Political system (consensual vs adversarial)
- Nature of the executive (coalition vs majority)
- ...

Dynamic elements

- New management ideas (OECD, 'consultants')
- Pressure from citizens: not concrete ideas to reform, but desire for a 'well functioning' administration
- Party political ideas (picking up these ideas)

5.1.4 SPECIAL FACTOR: EVENTS

Represents the effect of chance events, such as scandals, natural or man-made disasters, accidents and unpredictable tragedies such as shootings or epidemics.

5.1.5 ADMINISTRATIVE SYSTEM

Are often difficult to change in more-than-incremental ways.

Structural elements

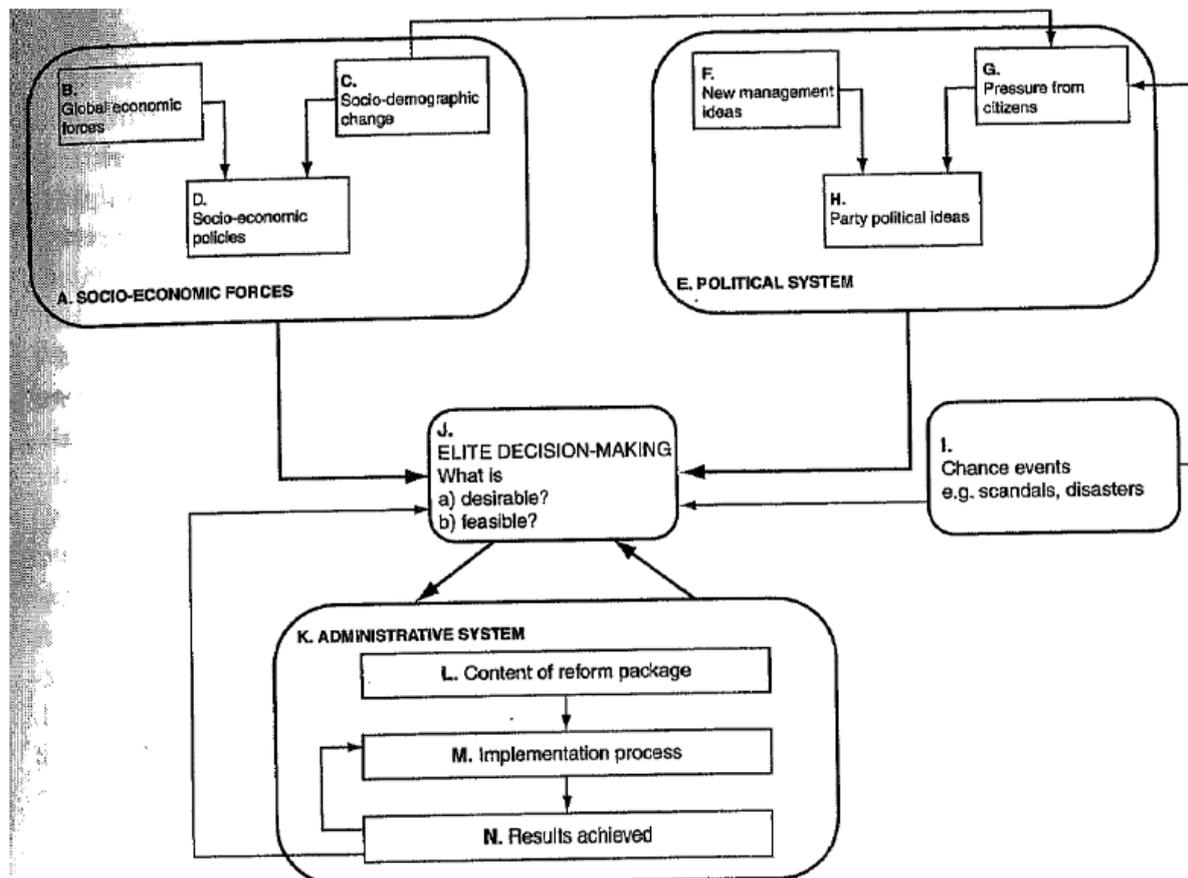
- Administrative cultures (see Hofstede, or public interest vs rechtsstaat)
- Administrative structures (decentralization: current level of decentralisation, relative power of subnational government, ...?)
- Rules and regulations (e.g. personnel)

Dynamics of systems

- Content of reform: product of interaction between the desirable and the feasible
- First the announcement (political)
- Then the chain of implementation in the machinery starts
- Eventual results of reform may be 'modified'

"How great ideas in Washington are dashed in Oakland"

→ process of implementation is particularly an important stage of the reform process.



5.1.6 DIFFERENT TOPOGRAPHIES (BOXES E AND K IN THE MODEL) - DIFFERENCES IN REFORM OR CHANGE?

- Decentralized and federal states: reforms are less broad in scope and less uniform in practice
- Unitary and majoritarian states: Deep structural reforms are easier
- Integrated civil service: ownership of reforms larger? E.g. Grands corps in France, but quid lower ranks in civil service?
- Political bonds with civil service: similar influence on reforms, but: changing civil service in a spoils system, quid continuity of reforms?
- Administrative culture (Hofstede, see next slides)

Table 3.4 Indicators of different cultural aspects in different countries

	Power Distance		Uncertainty Avoidance		Individualism/Collectivism		Masculinity/Femininity		Long- /Short-Term Orientation	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Australia	36	41	51	37	90	2	61	16	31	22-4
Belgium	65	20	94	5-6	75	8	54	22	38	18
Canada	39	39	48	41-2	80	4-5	52	24	23	30
Finland	33	46	59	31-2	63	17	26	47	41	14
France	68	15-16	86	10-15	71	10-11	43	35-6	39	17
Germany	35	42-4	65	29	67	15	66	9-10	31	22-4
Italy	50	34	75	23	76	7	70	4-5	34	19
Netherlands	38	40	53	35	80	4-5	14	51	44	11-12
New Zealand	22	50	49	39-40	79	6	58	17	30	25-6
Sweden	31	47-8	29	49-50	71	10-11	5	53	33	20
UK	35	42-4	35	47-8	89	3	66	9-10	25	28-9
US	40	38	46	43	91	1	62	15	29	27

Rank 1= highest rank

Source: G. Hofstede, *Culture's Consequences* (2001), Thousand Oaks, Sage Publications, p. 500.

Hypotheses to think about ...

MUCH REFORM IF ...	COUNTRIES
Common Law – Public interest culture	UK
Low power distance and uncertainty avoidance	New Zealand, UK, Sweden, Finland, Netherlands
High masculinity	UK, US, New Zealand, Italy
Centralization	New Zealand, UK, France, Netherlands
Majoritarian system	NZ, UK, Spain, Sweden, ...
Adversarial system	US, UK, Sweden, Spain
Strong PM and central ministries	New Zealand, UK

→ dynamic elements are important for the desirability

→ structural elements are fixed and feasible

CHAPTER 3: MODELS AND TRADITIONS OF PUBLIC ADMINISTRATION IN EUROPE: COUNTRY PROFILES

2 Comparing 3 families/countries

France (Napoleonic continental)

Germany (Federal continental)

United Kingdom (Anglo-Saxon)

4 Variables:

- Basic features: type of govt and features of democracy
- State structures and administrative system
- Sub-national public administration
- Nature of civil service

1 BASIC FEATURES OF GOVERNMENT AND NATURE OF EXECUTIVE (FIRST VARIABLE)

You have different kinds of coalitions

4 types

- Single party, minimal-winning (1 party more than 50%)
- Minimal-winning coalition (2 or more parties more than 50%)
- Minority cabinets (govt less than 50%) By in Nederland: Mark Rutten neen
- Oversized executives ('grand coalitions')

More consultative and consensus oriented, less adversarial moving down the list

United Kingdom



<https://www.youtube.com/watch?v=D4IRR4CFwIQ>

Parliamentary democracy, it has been invented there. The parliament has all the power in the UK. If the government shifts from one party to another, it's mostly the opposition leader who becomes the prime minister.

- Unitary state; parliamentary model
- Prototype of a parliamentary system
- Prime minister = head of government
- Monarch = head of state
- Power concentration in the parliament
- Majority rule, competitive democracy = the winner takes it all.
- No written Constitution, Common Law
- Separation of central state and local government level ('dual polity')
- Regional and local authorities may carry out only such tasks that have been expressly assigned to them by parliamentary law ('*ultra vires* rule')

Prime minister is very powerful because he relies on his majority in his parliament.

The prime minister can settle a lot by a simple majority. He or she employs the cabinet. These employees are very loyal. Elective dictatorship

- Prototype of a modern parliamentary democracy, in which the parliamentary majority and its government, and the parliamentary opposition, stand against each other.
- Any constitutional issue can be settled by simple parliamentary majority and parliament is the centre of power.
- Prime minister particularly powerful due to the cabinet structure and his personal patronage potential, for example by appointing party members to government office. This strong position is also clear with the elective dictatorship, as there are hardly effective counterweights and power-limiting institutions (such as federal structures or autonomous territorial bodies).
- Prime example of a competitive or majority democracy

France



<https://www.youtube.com/watch?v=XbYLinvaTH8>

- Continental European Napoleonic model
- Basic features of government
 - Semi-presidential system
 - Dominant position of the directly elected president (domaine réservé)
 - Division of executive powers between president and prime-minister
 - Government is dependent on the parliament
 - Mixed system = combining elements of the 'competitive democracy' (gauche-droite polarization) and the 'consensus democracy' (compromise between 2 heads of state)
- Cohabitation: Head of state and head of government belong to different political parties, 'obligation to compromise'

- Directly elected state president; he possesses a range of powers, partly with sole authority (the so-called domain reséservé), and partly in interaction with the prime minister
- Weak position of the parliament; appointment of the prime minister by the state president
- France is characterized as a mixed system, with both elements of the competitive democracy, and the consensus democracy.



Germany



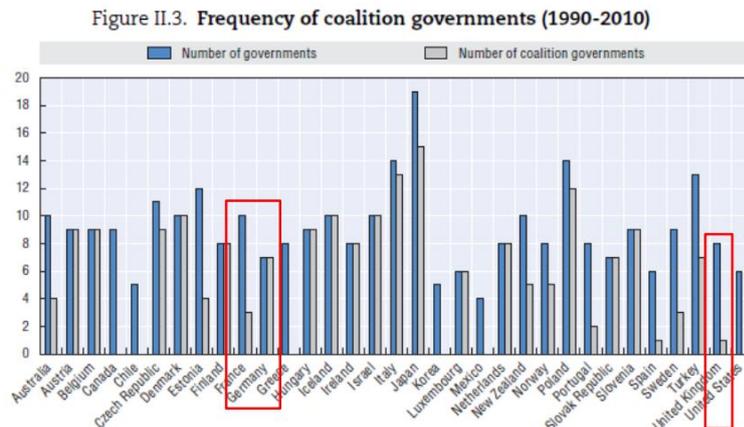
<https://www.youtube.com/watch?v=LLXEOzucqvk>

- Federal Republic
- Parliamentary system
- Continental European rule-of-law culture ('Rechtsstaat')
- Strong position of the head of government (Federal Chancellor), 'chancellor democracy'
- Mixed system: both competitive (party competition) and consensus democracy-based (federal state structure) elements



- Parliamentary system is characterized by a sort of de facto conflation of government and parliamentary majority
- Chancellor democracy = the head of the government
- The monocratic chancellor principle, which includes the power to set policy guidelines, is intended to promote the consistency of the federal government and its capacity to act.
- Competitive democracy elements: the strong position and high organizational degree of the political parties, the dominance of party competition
- Consensus democracy elements: the federal state structure

Basic features of govt: Coalition governments



Germany had 7 coalition governments.

The French system is minimal winning and in Germany there is coalition government 2/3 parties.

France	Germany	UK
Powerful position directly elected president (hegemony)	Strong position chancellor -set policy -form government Strength chancellor depends on coalition constellation	Strong prime minister 'elective dictatorship': -loyal parliament -cabinet structure (ministers appointed in the party)
Weak position parliament		Strong parliament: sovereignty
Mixed system - Competitive democracy °absolute majority voting °in cases of no cohabitation - Consensus democracy °in cases of cohabitation	Mixed system: - Competitive: strong party competition, strong political parties - Consensus: federal system with horizontal and vertical interweaving of politics	Competitive or majority democracy 'winner takes it all'

- France: competitive because first there are 6 candidates in the first round and in the second round there are only 2 left. → cohabitation: there was cohabitation between the president from the one party and the prime minister is from the other party.
- Germany: there is more consensus than in France
- UK: strong parliament sovereignty responsible for the simple majority

2 STATE STRUCTURE AND ADMINISTRATIVE SYSTEM (SECOND VARIABLE)

Important dimension: Vertical dispersion of power (sharing authority between levels of government): centralized versus decentralized

- Unitary state, and centralized (New Zealand, UK,...)
- Unitary state, and decentralized (Nordic countries)
 - To agencies (e.g. Sweden)
 - To local governments (lower tiers of government)
- Federal states (Australia, Canada, USA, Germany):

Federal state: there's a division of power: between national or federal government and the state government

Administrative structure

France: typical example of unitary state. The state is very important in France, it's regulating society. Paris is important and is represented all over the country with offices. This is why we call it deconcentration.



- Unitary state
- Centralized administrative system
- Guiding principles: unity and indivisibility of the Republic ('une et indivisible')
- Strong emphasis on 'state': public interest and large state interference in society
- Strong emphasis on citizenship
- Cumul des mandats: interweaving between administrative and political levels (see next slide) more than 50% members of the parliament also have a mandate in the local government.

- The guiding principles of unity and indivisibility of the Republic and the state's sovereignty, both internally and externally, has had a lasting effect on the development of institutions.
- The task of the state is to define the public interest, and to provide comprehensive regulation of social and economic behavior, as well as to pursue economic activities itself.
- Large proportion of employees are in the public sector and the state quota is one of the highest in Europe
- To this day, a general administrative vertical structure of the central state has persisted.
- The central state has numerous **deconcentrated authorities** spread across the entire country.
- Tamed Jacobinism: the Jacobinist centralized state exhibits a range of decentralized elements. Due to the **accumulation of mandates**, by which local mayors can also be members of upper-level representative bodies, the **mayors have wielded a strong influence at upper administrative and political levels.**

Germany

typical example of federalism

Bundesrat: has to approve a lot of federal legislation. There are powerful Länder are represented there.



- Highly decentralized system
- Two-layer federal system: federal government & 16 states ('Länder')
- Strong position of Länder (implementing most federal programmes)
- Autonomous Länder to 'organize their administration' very powerful tool, in Vlaanderen we have the Gemeentedecreet which states what the local governments should do
- Semi-sovereign state

- Länder governments/executives, have a significant influence on federal legislation based on their veto powers in the Federal Council; at the same time their own legislative competencies are becoming increasingly curtailed → this is because of the use of the concurrent legislative competence of the federal government.
- Lander and local governments have a strong position because they are in charge of implementing most of federal legislation and federal programmes
- Highly decentralized administrative system in which administrative functions are carried out on the subnational levels, particularly by local authorities.

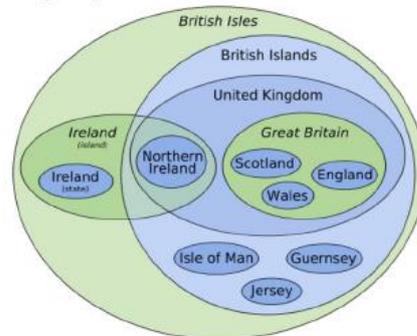


Administrative structure

between central governments and lower levels of governments

- No vertical dispersion of powers: unitary and centralized state
- Central government Westminster
- Under Blair: quasi-federalization:
 - England with 9 regions
 - Scotland
 - Wales
 - Northern Ireland

The Lazy Dog (@TheLazyDog) · 10 mrt. 2013
I don't know why people get confused, it's very simple...



- Parliament = the only legitimate source of the exercise of power. Decentralized institutions may be overridden at any time by a parliamentary majority of one vote
- Devolution policy is a challenge = the increasing transfer of sovereign rights to the parliamentary assemblies of non-English nations (Scotland, Ireland and Wales); such transfers have increasingly taken place since Tony Blair came to power in 1997 and have paved the way for an asymmetric devolution or quasi-federalization
- Administrative structure has decentralized elements. The central government in Westminster has been traditionally concerned with governing (high politics). By contrast, territorial bodies, such as counties and cities, were assigned to conduct all public tasks and the bulk of low politics. → vertical separational system: this separation of central state and local government had also been called 'dual polity'.

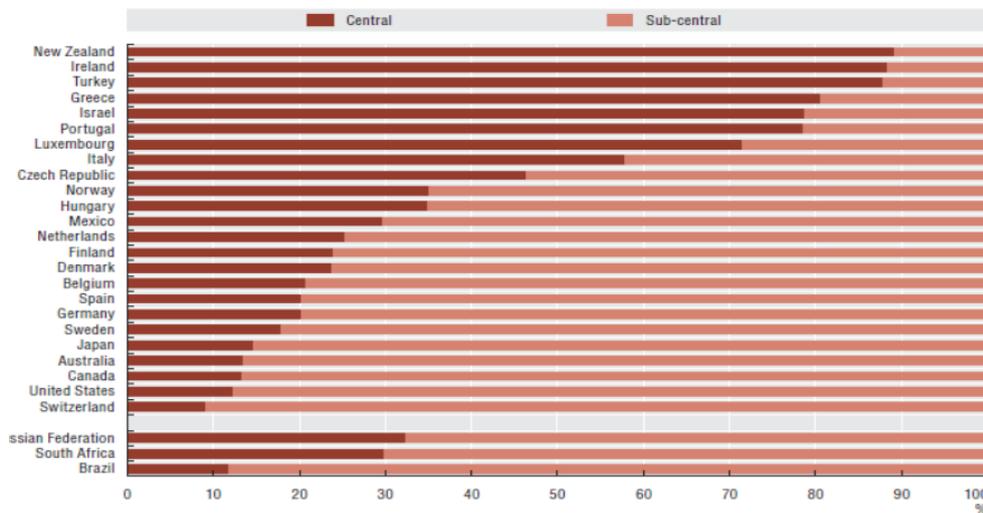
State structures: Indicators of decentralization

- Central government shares in total budget spending
- Central government share in total taxation
- Number of public servants at different governmental layers

How can we measure decentralization?

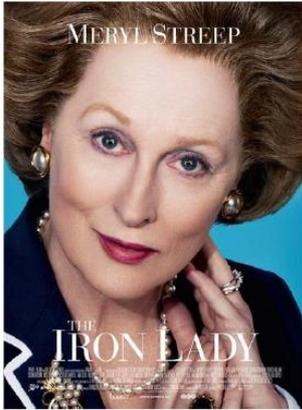
State structures: Decentralization by number of public servants

22.1 Distribution of general government employment between the central and sub-central levels of government (2008)



Germany; only 20% of the civil servants are employed at the central level. The most are employed at sub-central levels?

Question: Does the state structure affect governmental change/reform?



In what kind of structures would public sector reform (like NPM) be easier to achieve?

And why?

Margaret Thatcher

Answer: Impact on management reform

- In decentralized and federal states: reforms are less broad in scope and less uniform in practice
 - Germany: attitude of the different Länder towards management reform (see also next slide)
 - Also in Belgium: Flanders more NPM-like, compared to Wallonia
 - Compare with the unitary government of Thatcher (UK)
- More piecemeal changes in decentralized states?

France	Germany	UK
Unitary state	Much vertical fragmentation	No vertical separation of powers
State defines public interest, regulates social and economic behavior	Federal: strong länder Highly decentralized	Since Blair quasi federal system
Executive centralism (vertical structure of the central state): préfet nominated by central government	Länder many competences such as personnel regulations of the local government	Decentralized administrative system -High politics Westminster -Low politics counties and cities (dual polity)
Some decentralized elements (tamed Jacobinism): - Cumul des mandats - Leads to institutional status quo at the subnational levels	Role of Bundesrat (council of Länder) in federal lawmaking (see next slide)	Since 1945 much centralization (reason for NPM): -1980: 45% GDP / 21% workforce -Whitehall monolithic apparatus -Local govt monopoly in social and health (cf. Scandinavia)

- **France:** has a ready to invest economy + there are a lot of centralized elements in the local governments.
- **Germany:** the Länder has a lot of competencies on themselves = not really honest.
- **UK:** there is a nuance on the no vertical separation of power, namely the fact that more and more powers have been devolved.

→ if you have a strong executive and centralization, it is easy to do reforms.

Path Cleared for German Federalism Reform

After years of debate, Germany's federal and state governments have agreed on plans to reform their individual responsibilities, thus paving the way for a more transparent and efficient means of government.



Good news for Angela Merkel

Thursday's agreement between state premiers, government ministers and the leaders of the two coalition partners is seen as something of a coup for Angela Merkel, who has given the federalism reform top priority on her grand coalition agenda.

At the heart of the reforms, the biggest constitutional change since 1949, is a redistribution of power aimed at preventing paralysis in the process of passing new legislation. As it stands, two thirds of all legislative bills have to be approved by both houses of parliament, and while that is not a problem for the grand

coalition, it often led to law-making difficulties for the previous government of former Chancellor Gerhard Schröder.

The upper house of parliament, the Bundesrat, frequently adopted an obstructive role, which it had the power to do. Under the new reforms, more than 60 percent of new legislation will be eligible to be passed without endorsement from the upper house, greatly speeding up Germany's law-making procedures.

Swapping power

The reform will see the 16 federal states give up some of their voting rights in the Bundesrat. In return, they will be granted greater responsibility in other fields, such as environmental issues, educational policies and salaries for civil servants. But some politicians have already expressed a resistance to having big policy areas, such as education, taken out of federal hands.



Bavarian Premier Edmund Stoiber

The state premier for Bavaria, Edmund Stoiber, however, echoed the majority voice following Thursday's session. He said he was "very satisfied" with the outcome, which he said means Germany will be able to be quicker and more flexible in its decision-making.

Example question for exam: we get this article and then you should describe it

3 PUBLIC ADMINISTRATION AT SUBNATIONAL LEVELS AND LOCAL SELF-GOVERNMENT

Explanation territorial, functional and political profile (see slides, revision)

France:

Lower level PA

There are local communities in France with only 2 inhabitants.

The mayor in France is very powerful, they're the boss of the local administration, president of the local council and they also act as an external representative.



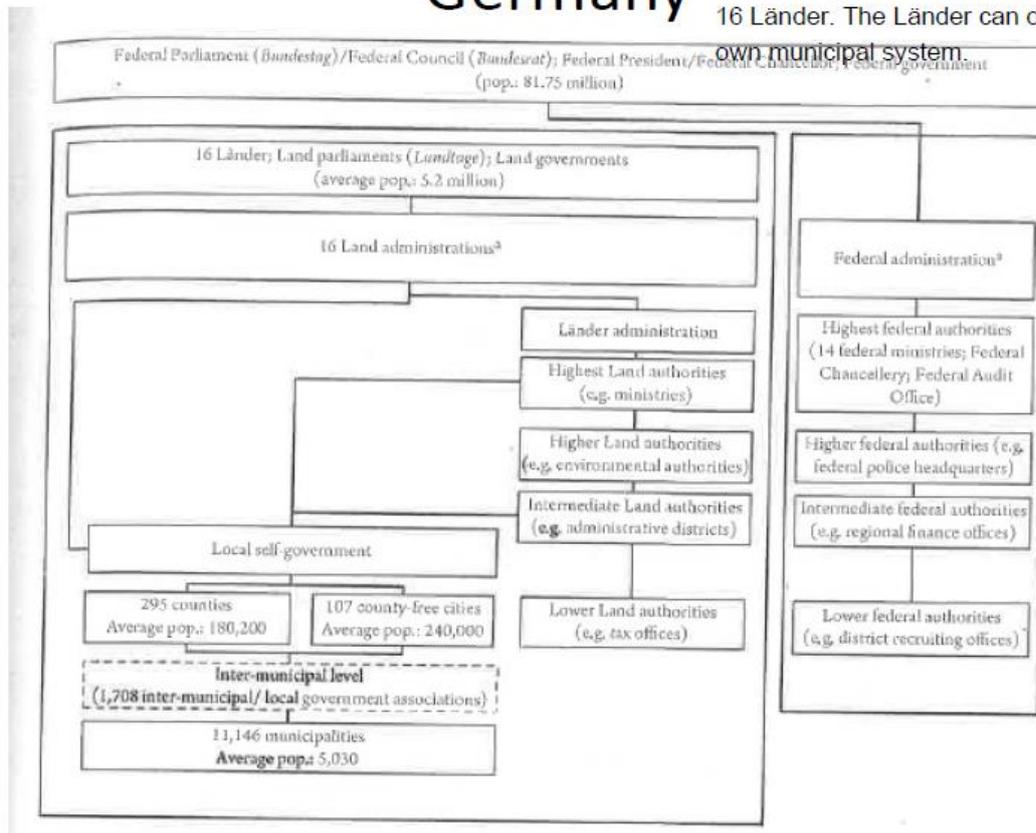
- Territories: 18 regions, 101 départements (out of which 5 overseas); 36.569 municipalities
- Vertical organization: préfet is nominated by central government



- According to the **general competence clause**, the municipal council is responsible for all matters concerning the local community.
- Three-tier local government structure includes regions, departments and municipalities:
 - Regions have an elected regional council and an council-elected executive. It's administrative profile is limited.
 - Departments: territorially homogeneous and cover very extensive areas
 - Municipalities: enormous territorial fragmentation and small-scale structure (municipal patchwork) → roughly 36 600 municipalities, that's why France can be assigned as a Southern European type.
- **State-centred integrationist model**: deconcentrated public administration, they acted as a bundling authority (state and local)
- Administrative model is a **fused system**: state and municipal local self-government tasks were not separate, but instead organizationally bundled
- Relatively high participation in local elections, and also stable (around 70%)

Germany

In Germany there's a federal system with 16 Länder. The Länder can organize there own municipal system.

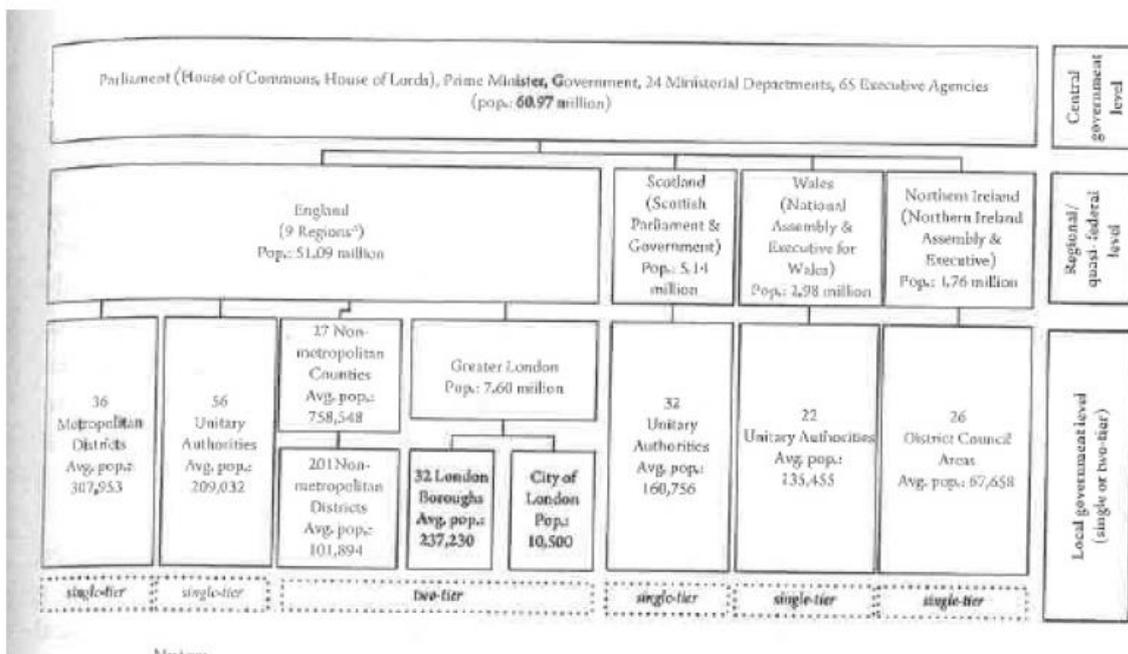


- Decentralized organization of the administrative system: intergovernmental distribution of competencies and strong local self-government = German federalism
- Länder carry out federal, as well as Land legislation, as 'their own' matter.
- Autonomy Länder to organize their administrative structure (2- and 3- tier Länder) → large variations among them
 - Three-tier: central (highest Land authority), meso (administrative district authorities) and lower level (lower Land authorities)
 - Two-tier: without the meso level
- Multi-functional local government model: it's rooted in the scope of local tasks and in the underlying 'General competence clause' of the Federal Constitution → strong Länder

- Most federal and Land regulation implemented by municipalities and counties, Länder tend to delegate it.
- Fused system or a local administration-centred integrationist model: municipalities do not only perform their own local government tasks (own sphere of activity), but also tasks that have been delegated to them by the state (sphere of delegated tasks), that is, by the Land or by the federal level.
- Municipal companies
- Directly elected mayors (also possibility of recalling a mayor by way of referendum) VS council-elected mayors → this is dependent on Lander
- County administrations are now directly elected too
- The legal possibility to hold a binding local referenda was added to the municipal charters. The frequency of the referenda is low.

UK

In the UK the mayor is not powerful, it's just a manager of the local service.



- **Ultra vires** (>< 'general competence clause' regarding the self-government task model): the possibility that tasks, once assigned to decentralized institutions, can be withdrawn from them at any time by means of simple parliamentary law. → now 'new localism': granted local authorities a general power of competence. The goal was to strengthen local self-government.
- Political regionalization ('**disconnected union**': the UK has developed into a disconnected union with a highly centralized centre and an asymmetrically decentralized periphery with Scotland, Ireland and Wales)
- Two-tier system (London + counties & districts) versus single-tier system (unitary authorities combine country and districts functions)
- Dual polity (separationist): unitary task concept (>< continental European, fused system). The separationist system has been crumbling: the traditionally strong multi-functional local governments were hollowed out of numerous competences, under Margaret Thatcher.
- Local self-government: 'government' here also includes political decisions and the control of elected bodies such as local councils over the respective tasks → strong state-centred supervision+ implementation
- Strong councils (control mayors); they are directly responsible for the execution and control of the local administration
- Weak local political profile due to a weak mayor, no community identity, dual polity

France	Germany	UK
General competence clause	General comp clause Strong lander	Ultra vires rule Now 'new localism' (general power of competence)
3 tiers (regions / dept / municipalities)	Autonomy lander to organize their administration (2- and 3-tier lander)	Political regionalization ('disconnected union')
Small scale municip: intermunicipal cooper	Most federal and land regulation implemented by municipalities	Two tier (London + counties & districts) versus single tier system (unitary authorities – metropolitan districts)
Fused system municipalities	Fused system municipalities	Dual polity (separationist)
Functional privatization	Municipal companies	Local self government: decisions + implementation
Strong mayors: administration, council president + external relations	Strong directly elected mayors vs council elected mayors (dependent on land)	Strong councils (control mayors)
Difficult to abolish cumul des mandats (Hollande)	Binding local referenda	Weak local political profile (weak mayor, no community identity, dual polity)

- **France:** general competence clause → a local community can issue regulations on every subject they want. Municipalities implement things from national government + their own policy.
- **Germany:** Municipalities implement things from national government + their own policy. 2 or 3 tiers means that 2 sublevels or 3 sublevels under the lander.

4 CIVIL SERVICE SYSTEM

How is the civil service system organized?

Civil service



- French state = largest employer of the country (22 % of overall employment)
- Closed personnel system
- Public law service statute (le statut)
- Grand corps, selective recruitment
- Mainly seniority based promotion
- Ecole Nationale d'Administration (ENA), Strasbourg
- Institute Régional d'Administrations, five regional locations



- The largest employer in the country: French state employs more than half of the overall public sector personnel
- France is also characterized by the separation and hierarchical organization of public and private legal spheres and employment sectors.
- Legal relationships are regulated in a public-law service statute (le statut) → uniform employment status prevails
- Grands Corps: the prestigious status of senior civil servants; holding top positions in the whole range of public sector institutions
- Due to the Corps system and elitist training courses, recruitment is based on rigid selection procedures that are strongly selective and elitist, especially with top civil servants. → closed personnel system
- Special training courses: they are separate from the ones available to local services
- ENA: postgraduate training for senior civil service. IRA: training for lower-level executives

Civil service



Only 10% of the overall employment works in the public sector, this is not much.

- Small public sector (10 % of overall employment)
- Two-track system in the public sector: civil servants ('Beamte') and public employees ('Angestellte')
- Public service = closed system; > career switching between the public and the private sector is difficult and rare if you choose for the public sector, you stay in the public
- But: large semi-public (or semi-private?) layer of third sector organisations

Beamte: real civil servants with special statute
 Angestellte: they have not the special statute

- 10% civil servants
- Duality of status rights: civil servants (traditional principles, public law, lifelong appointment, ban on strikes) and public employees (private law and contract, they have the right to strike, 59%).
- Sovereign functions should be only carried out by civil servants (37%)
- Closed system: access for lateral entrants, career switching and personnel-related transitions between public and private sectors are difficult and rare
- Lander have autonomy to regulate careers and employment of their civil servants (Federalism Reform 2006) → growing disparity between Lander (in terms of salaries and employment conditions e.g.)
- Training of the administrative elite takes place in a decentralized manner under the autonomy of the Lander, which have their own training centres.

Civil service



'Beamten' don't exist in the UK; the system is open, people can leave the public sector and can decide to come back

- No specific public service law or statute
- Open public service; now no explicit distinction between employment in the private and public sector
- Employment relations free to bargaining and contractual negotiations between parties
- Recruitment via open competition: ^{recruitment is based on competences.} competences
- Generalists/managers (as opposed to the 'lawyers' in Rechtsstaat countries)
- Party-political neutrality: servants to the government of the day (loyalty of Whitehall) you have to be loyal to the government, not to specific ministers.

France/Germany civil servants have a law background, in the UK they are more generalists and managers.

- No public service law: in UK employment relations of public employees are generally subject to free collective bargaining and contractual negotiations between parties
- No strict career track grouping
- Civil service (central) vs public service (local) – **tradition of duality**: the civil service includes only the administrative staff on a central state level. In contrast, local government employees, including teachers, are not part of the civil service, but are public service employees. → the 2 levels (central government and local government) must be viewed as separate, both conceptually and with regard to employment relations
- The local public service made up by far the greatest public employment sector, while civil service (in central government) only accounted 17%

France	Germany	UK
Public law service statute	Employment under public law for civil servants	No public service law
	Closed system	No strict career grouping
French state largest employer in France	Lander have autonomy to regulate careers and employment of their civil servants (Federalism Reform 2006)	Civil service (central) vs public service (local) - duality
	Disparity between lander (in terms of salaries e.g.)	Party political neutrality – servants to the government of the day
		Policy advice
Grands corps		Whitehall civil service elite (Oxbridge)
Special training courses		Generalists

5 THE CONTINENTAL EUROPEAN NAPOLEONIC MODEL

5.1 FRANCE

- Basic features of government
 - Semi-presidential system
 - A lot of power for the directly elected president → a range of powers with sole authority but also powers in interaction with the prime minister
 - cohabitation: same color for president as for the parliament majority
 - system of majority parliamentarianism, but constitutionally weak position
 - it is mixed democratic system with both competitive and consensus democracy (depends on the fact if there is cohabitation or not)

- State structure and administrative system
 - Unitary state
 - The task of the state is to define the public interest and following this logic and mandate to provide comprehensive regulation of social and economic behavior as well as to pursue economic activities itself.
 - Executive centralism: vertical structure of the central stat, a structure that reaches from Paris to local levels and whose backbone in the territory is the prefect nominated by the central government.
 - Also numerous deconcentrated authorities
 - A range of decentralized elements: accumulation of mandates → defenders of the institutional and territorial status quo at the subnational level

6 THE CONTINENTAL EUROPEAN FEDERAL MODEL: GERMANY

- Basic features of government
 - Belongs to the type of parliamentary systems that, despite a formal horizontal separation of powers, are characterized by a sort of de facto conflation of government and parliamentary majority.
 - The head of government (=chancellor democracy) has a lot of power → set policy guidelines and form the government but depends on the political circumstances (the coalition constellation and the position of his or her party)
 - Both competitive and consensus democracy: Competitive: strong party competition, strong political parties - Consensus: federal system with horizontal and vertical interweaving of politics.

- State structure and administrative system
 - Semi-sovereign state: the lander/executives have a significant influence on federal legislation based on the veto powers + they are in charge of the implementation of most federal legislation.
 - Germany is characterized by a highly decentralized administrative system in which administrative functions are predominantly carried out on the subnational levels, particularly by the local authorities.
 - Lander many competences such as personnel regulations of the local government

7 THE ANGLO-SAXON MODEL: UNITED KINGDOM

- Basic features of government
 - According to the any constitutional issue can be settled by simple parliamentary majority and parliament is the centre of power. This means a clear privilege of the executive, in particular the prime minister.
 - Comp
 - etitive or majority democracy: winner takes it all
 - Strong prime minister 'elective dictatorship': -loyal parliament -cabinet structure (ministers appointed in the party)
 - Strong parliament: sovereignty

- State structure and administrative structure
 - Vertical separation of power not permitted
 - Since Blair quasi federal system
 - Decentralized administrative system -High politics Westminster -Low politics counties and cities (dual polity)
 - Since 1945 much centralization (reason for NPM:
 - ✓ 1980: 45% GDP / 21% workforce
 - ✓ Whitehall monolithic apparatus
 - ✓ local govt monopoly in social and health (cf. Scandinavia)

8 CROSS-COUNTRY COMPARISON

How to compare quantitatively:

- Scope/'Leanness' of public administration
- Administrative structure according to levels

- Functional profile of administration

8.1 SIZE AND DEVELOPMENT OF THE PUBLIC SECTOR

Summary of this class. See book p.98

Table 3.1 Traditional state and administrative profiles in Europe

Country	Type of Government and Democracy	State Structure/ Administrative System	Subnational/ Decentralized Administration	Civil/Public Service
France	Semi-presidential; hybrid	Unitary; centralized-Napoleonic; rule-of-law culture (Roman-French)	Functionally weak, fused system, politically strong, Southern European territorial type	Career-based system/closed
Italy	Parliamentary; hybrid	Unitary; centralized-Napoleonic; rule-of-law culture (Roman-French)	Functionally weak, fused system, politically strong, Southern European territorial type	Career-based system/closed (until 1990s)
Germany	Parliamentary; hybrid	Federal, decentralized/subsidiary; rule-of-law culture (Roman-German)	Functionally strong, fused system, politically strong, hybrid territorial type	Career-based system/closed
Sweden	Parliamentary; consensus-based democracy	Unitary; decentralized; rule-of-law culture (Roman-Scandinavian)	Functionally strong, separationist system, politically strong, Northern European territorial type	Position-based system/open
UK	Parliamentary/ majoritarian	Unitary; centralized, public interest-culture (Common Law)	Functionally strong, separationist system, politically weak, Northern European territorial type	Position-based system/open
Hungary*	Parliamentary/ hybrid	Unitary; decentralized; rule-of-law culture (Roman-German/ Austrian)	Functionally strong, fused system, politically strong, Southern European territorial type	Career-based system/closed

Two indicators for leanness: public expenditure quota and the public employment quota.

1. Public expenditure quota

- Between 1995 and 2009 decrease in most countries (except)
- Strong versus small decrease
- Since 2000 general increase (post NPM?)
- In 2009 three groups: high – middle – low

Table 3.2 Public expenditure quotas by international comparison (%)

Country	1985	1995	2000	2009
Denmark	–	59.22	53.68	58.42
Finland	46.35	61.46	48.29	56.25
France	51.78	54.44	51.64	55.99
Sweden	–	65.10	55.09	55.16
Belgium	58.43	52.14	49.14	54.22
Greece	–	45.71	46.69	53.63
Austria	53.06	56.33	52.13	52.32
Italy	49.84	52.51	46.18	51.87
United Kingdom	45.92	43.90	39.05	51.64
Netherlands	57.26	56.45	44.20	51.40
Hungary	–	55.59	46.76	50.46
Ireland	–	41.12	31.27	48.90
Portugal	–	43.41	41.13	48.17
Germany	–	54.77	45.11	47.50
Norway	–	50.94	42.30	46.32
Czech Republic	–	54.47	41.82	45.93
Spain	–	44.44	39.12	45.80
Poland	–	47.71	41.08	44.40
Canada	48.3	48.48	41.11	44.05
USA	36.85	37.13	33.88	42.18
New Zealand	56.03 ^b	41.56	38.32	41.91 ^a
Slovak Republic	–	48.64	52.14	41.51
Australia	39.54	37.42	35.52	35.30 ^a
Switzerland	–	35.00	35.10	33.74
OECD Average	–	–	41.94	46.24

2. Public employment quota

- Group with increasing versus group with decreasing quota
- Three groups: extended – medium – small public service

Table 3.3 Public employment quotas in international comparison (%)

Country	1995	2008
Norway	31,2	29,3
Sweden	29,8	26,2
Finland	21,0	22,9
France	21,6	21,9
Hungary	–	19,5
United Kingdom	14,2	17,4
Belgium	16,9	17,1
Canada	17,9	16,5
Ireland	15,9	14,8
USA	15,4	14,6
Italy	14,2	14,3
Czech Republic	12,8	12,8
Spain	11,5	12,3
Portugal	13,0	12,1
Netherlands	13,1	12,0
Austria	11,8	11,4
Turkey	9,1	11,0
Slovak Republic	8,9	10,7
Poland	–	9,7
Switzerland	7,2	9,7
Germany	12,2	9,6
Greece	–	7,9
OECD-32	–	15,0

Table 3.4 Overall public employment by country comparison 2000–08

Country	2000	2005	2008	Difference	Difference
Germany	6 534 000	5 797 000	5 840 000	-694 000	-10.6
France	6 563 000	6 683 000	6 781 000 ^b	+218 000	+3.3
Italy	3 640 600	3 635 500	3 611 000	-29 600	-0.8
Sweden ^d	1 208 900	1 239 800	1 267 400 ^c	+58 500	+4.8
Hungary	837 700	874 400	822 300	-15 400	-1.8
UK	5 616 000 ^a	6 107 000	5 995 000	+379 000	+6.7

Notes:

8.2 ADMINISTRATIVE STRUCTURE AND LEVELS OF GOVERNMENT

The share of personnel employed by the central state in relation to the other administrative levels can serve as an indicator. 3 levels can be distinguished:

1. Federal level or quasi-federal level
2. Local level
3. The inter-municipal units

Number of personnel per level

-UK 17% state level (low, given centralized nature! But: many tasks that are discharged to lower levels still under state control)

-France 50% state level

-Germany federal 12%, Lander 50% (decentralization)

Table 3.5 Public employment by levels of government (%)

Country	Central/Federal Level			Regional/Länder Level			Local Level			Specific Sectors ^a		
	1985	1994	2005	1985	1994	2005	1985	1994	2005	1985	1994	2005
G	9.9	11.6	12.0	55.6	51.0	53.0	34.5	38.1	35.0	-	-	-
F	54.9	48.7	51.0	-	-	-	27.1	30.7	30.0	18.0	20.6	19.0
UK	21.9	21.4	16.8	-	-	-	55.0	53.0	56.0	17.6	20.8	26.0
S	-	17.3	17.0	-	-	-	-	84.7	83.0	-	-	-
I	-	63.0	54.7	-	-	3.8	-	14.0	13.6	17.0	19.0	27.9
H	-	35.0	35.5	-	-	-	-	65.0	65.0	-	-	-

Note: a. For UK: National Health Service; for France: hôpitaux publics; for Italy: aziende sanitarie locali and ospedali universitari.

Also mirrored in the distribution of **public expenditure according to administrative levels:**

Public expenditure per level

Table 3.7 Public expenditure by administrative levels (2005)

Comparison Criteria	Germany			France			Italy			Sweden		UK	Hungary	
	Municipalities	Counties	Länder	Communes	Départements	Régions	Comuni	Province	Regioni	Kommuner	Landsting kommuner	Single-tier authorities/unitaries + two-tier districts, boroughs	Municipalities	Counties
Per capita expenditure in €1000	1,5	0,3	3,2	1,2	0,8	0,3	1,0	0,2	2,3	4,9	2,4	3,9	0,8	0,3
Percentage of the level in overall public expenditure	11,7	2,4	24,6	8,2	5,4	1,9	8,8	1,6	19,6	27,1	13,5	29,5	18,5	5,1
Percentage of subnational expenditure in overall public expenditure	38,7			15,5			30,2			40,6		29,5	23,6	

Sources: Dexia (2008), Wolmann (2010, p. 245).

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8.3 FUNCTIONS AND COMPETENCIES

In order to identify and compare the importance of different types of tasks in public administration, two indicators are used: the **distribution of public personnel** and the **distribution of public expenditure according to areas of activity**.

Distribution of public expenditure per area of competence:

- Social services like **education**: UK (and Scand) local govt, France central government, Germany third sector

Table 3.8 Public expenditure by task areas and levels in percentage of GDP (2008)

Task Area	Germany			France		Italy		Sweden		UK		Hungary		OECD-29	
	Federal state	Länder	Municipalities	Central state	Sub-national										
General public administration	30.7	26.2	15.9	30.0	18.9	33.5	14.1	25.7	11.7	15.4	6.3	29.1	16.5	24.6	16.2
Defence	7.8	0.0	0.0	8.1	0.0	5.2	0.0	5.1	0.0	5.9	0.1	2.8	0.0	6.4	0.1
Public order and safety	1.1	9.0	4.5	4.4	2.9	6.1	1.5	4.0	0.9	4.4	9.5	6.2	1.4	4.9	2.9
Economic affairs	9.5	10.3	11.4	13.5	12.3	6.6	14.1	10.1	5.9	9.5	9.4	16.7	8.0	14.1	13.6
Environmental protection	0.2	0.5	5.2	0.4	6.8	0.8	4.8	0.5	0.9	0.9	4.2	1.6	3.7	0.8	6.4
Housing and community facilities	1.3	2.1	5.9	1.4	15.3	1.1	4.2	0.4	2.7	1.2	6.8	0.3	7.6	0.9	6.5
Health	0.0	1.6	1.7	0.9	1.1	13.3	45.2	4.5	26.9	17.3	0.0	6.7	15.2	9.0	8.5
Leisure, sports, culture, and religion	0.3	1.6	6.0	2.0	10.1	1.5	3.1	1.2	3.6	1.3	4.0	3.0	5.1	1.8	7.7
Education	1.2	25.4	17.0	19.3	16.5	13.0	8.3	6.3	21.4	12.1	32.0	11.0	29.4	11.0	22.7
Social security	47.9	23.4	32.6	20.0	16.1	19.0	4.7	42.4	26.2	32.0	27.7	22.7	13.1	26.4	15.5

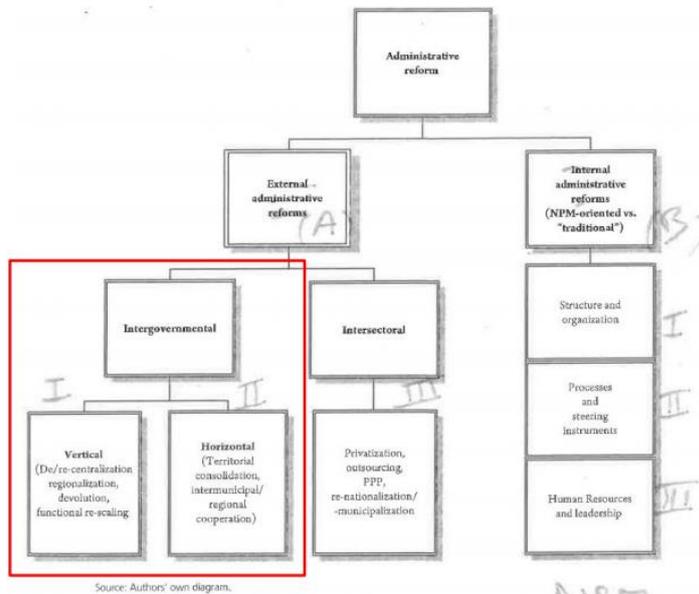
Source: OECD (2011) and authors' own summary.

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CHAPTER 4: ADMINISTRATIVE REFORMS FROM A COMPARATIVE PERSPECTIVE

1 INTERGOVERNMENTAL REFORMS: DECENTRALIZATION, REGIONALIZATION AND FEDERALIZATION

Types of administrative reform



1.1 CONCEPTS AND DEFINITIONS

When powers are transferred to a regional, intermediate or meso-level located between central and municipal/local level, one can speak of:

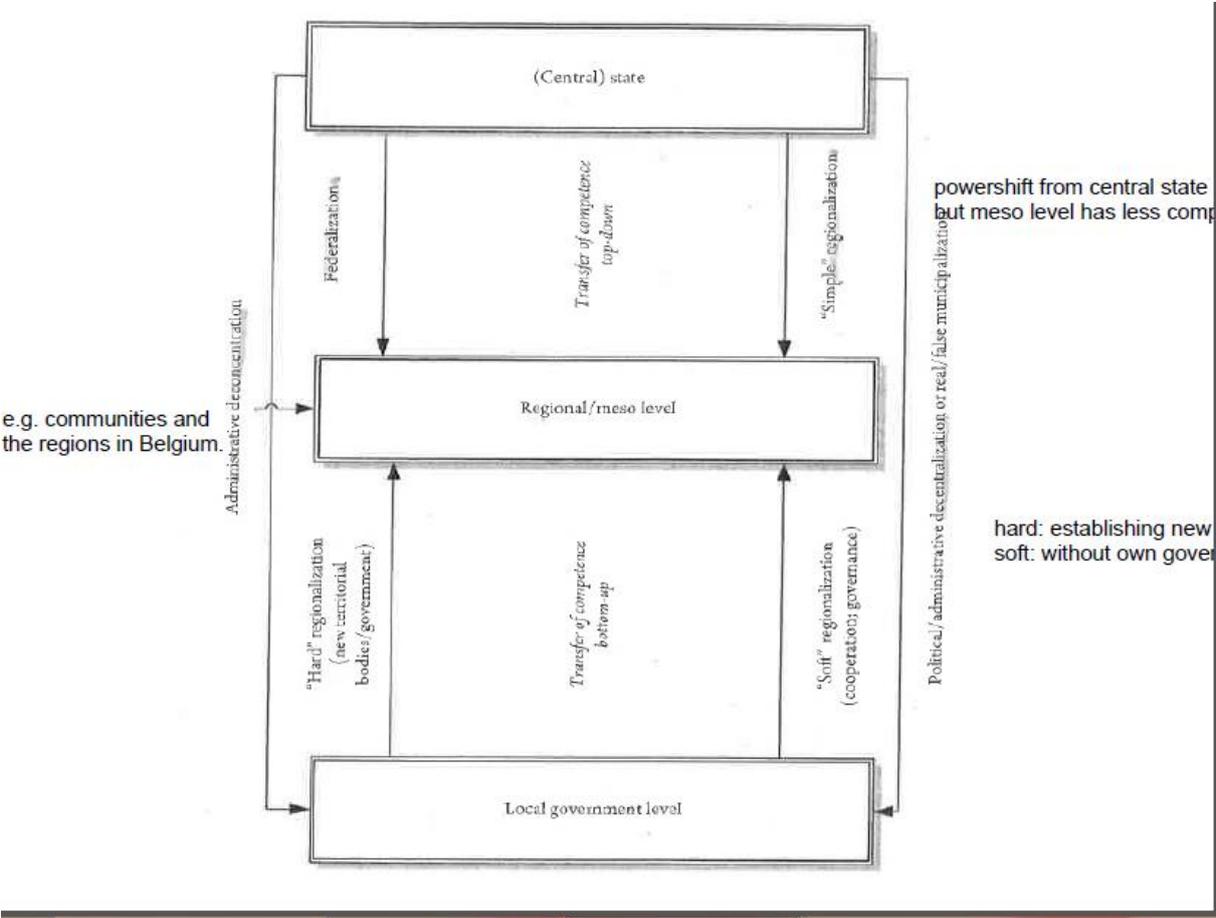
- **Federalization:**
 - if and when the recipient of the transferred functions possess a democratically elected representation
 - and to which autonomous legislative/norm-setting and policy-making powers are assigned
- **(Simple) regionalization:**
 - If the intermediate/meso-level is not accorded autonomous legislative and policy-making responsibilities
 - Hard and soft formation of regions:
 - **Hard:** new regional territorial entities, while abolishing related previous structures (e.g. old counties)
 - **Soft:** the creation of flexible, largely mono-functional regional cooperative forms, they do not have the status of territorial bodies

This can be done bottom-up (e.g. from county to regions, centralizing effect) or top-down (e.g. from state authority to region, decentralizing effect).

Decentralization (political decentralization or real municipalization, and administrative decentralization or false municipalization), communalization and administrative deconcentration: see book p. 120

Federalization	Regionalization
Transfer to autonomous lower meso-level: -democratically elected -own legislative and policy making powers	Transfer to lower meso-level without own legislative and policy making powers 'Simple regionalization' to existing regions
	New regions (bottom up): -hard: new territorial bodies -soft: no new bodies, only functional (fig. 4.4 next slide)
Belgium Spain UK (fig. 4.5)	France Germany (fig. 4.5)

! important to know the difference between concepts.



Book p.121: variants of state and administrative reform in a multi-level system.

1.2 FEDERALIZATION, QUASI-FEDERALIZATION, REGIONALIZATION

1.2.1 (QUASI-)FEDERALIZATION

Belgium

- Initially centralized Napoleonic state organization
- In order to cope with the growing tensions between the Walloon and Flemish population groups, a federalization of the country was initiated step by step
- Gradual federalization codified in the constitutional reform of 1993: 3 regions and 3 language communities
- The regions hold very broad legislative powers

UK

- Asymmetric devolution in the UK
- Quasi federalization
- There are reasons to call it asymmetrical: only 13% of the total UK population lives in Scotland and Wales, while the majority lives in England, and between Scotland and Wales (quasi-federalized regions) there are significant legal and other administrative differences

Other countries: Spain, Italy (see table 4.5 with federalization and regionalization in Europe)

1.2.2 'SIMPLE' REGIONALIZATION AND CREATION OF REGIONAL COUNTIES

France

- Transferring of state functions and responsibilities to the subnational level → regionalization
- Constitution: general competence clause with a dose of subsidiarity

Germany

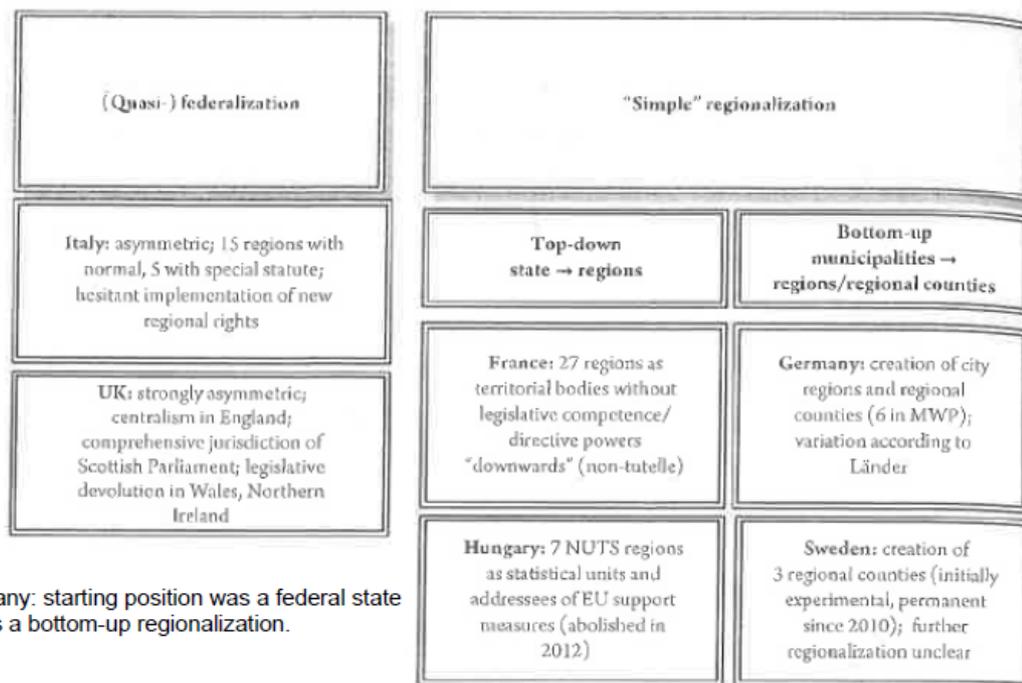
- New regionalization movement within the existing federal administrative structure
- Creation of city regions and regional counties; variation according to Länder.

Other countries: Sweden

1.2.3 PRELIMINARY CONCLUSION AND COMPARISON

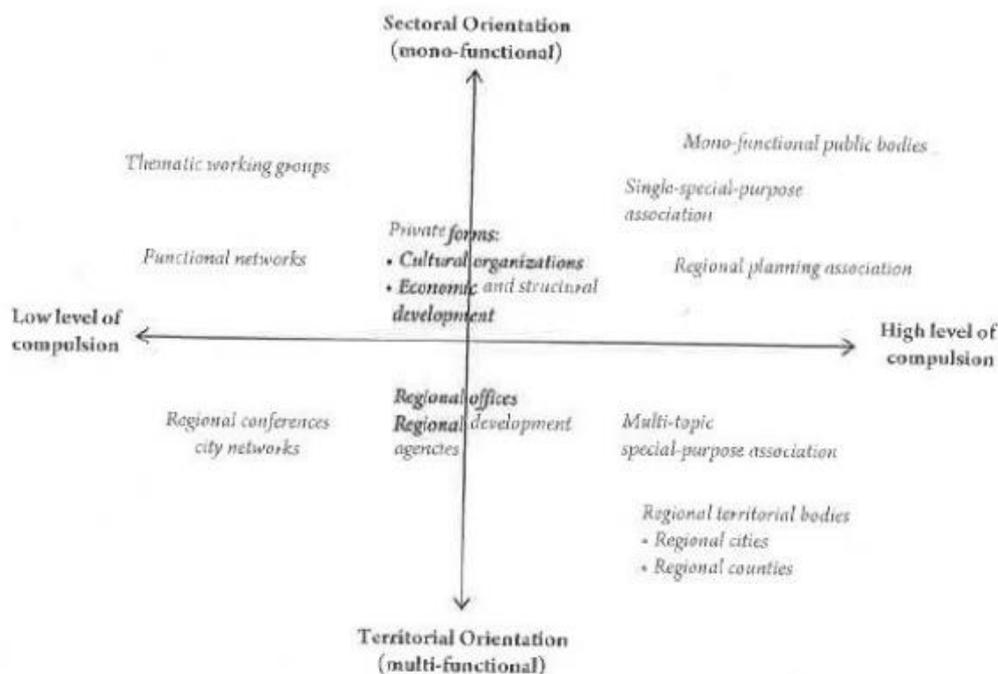
- Federalization models were adopted by Napoleonic countries and the UK and the simple regionalization option was adopted in the Central Eastern European and Scandinavian countries.
- Simple regionalization exists in numerous facets, as can be seen in figure 4.4 (variants of hard and soft simple regionalization).
- The powers are either distributed top down or bottom up. The latter is generally associated with the introduction of new regional territorial units (hard), mostly in the form of local government.

countries: Spain, UK, Belgium. They were initially very unitary and central organized. In the UK, they can decide by simple majority, and they can also immediately take it back again. Different, it's not that easy. That's because the federalization is 'quasi' in the UK.



Book p.132: federalization and regionalization in Europe

- asymmetric: not equally strong divided
- variation: Länder has autonomy to organize the local level



Book p.131: variants of hard and soft simple regionalization

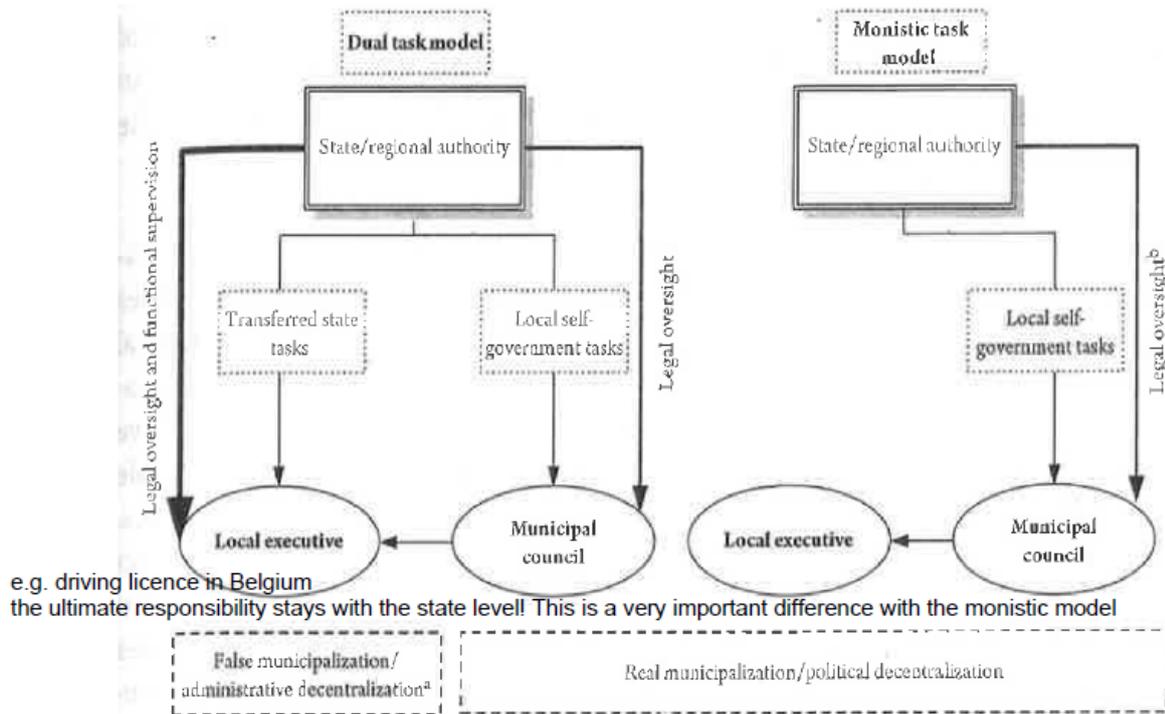
1.3 DECENTRALIZATION AND DECONCENTRATION

Decentralization refers to the devolution of responsibilities from the (central or national) state administrative level, to the local self-government level. This reform strategy wants to strengthen the territorial organization (multi-purpose model). It's based on the multi-functionality principle.

Administrative deconcentration is an administrative concept and notion referring to the transfer of state functions, including budgetary and in some cases human resources, from central state institutions (ministries, authorities) to subnational and local (deconcentrated) state or semi-state administrative units. It's based on the principle of mono-functionality. The deconcentrated administrative units and their respective tasks remain under political control and responsibility of the state.

Decentralization	Deconcentration
Transfer to local self-government level (pro's and con's table 4.3) <small>Deconcentration: this is mainly administrative, state offices are located at the local level. The state is still responsible, but the offices are on the lower level.</small>	Administrative: -State tasks performed by state offices located at the local level
Political: legislative and policy making powers Administrative: state tasks carried out by local govt	
See fig. 4.6 (monistic vs. dualistic) Sweden (monistic political decentralisation) Germany (special case table 4.4 see next slide)	

Monistic: the state authority will transfer all the power to the lower community; "from now on it's your responsibility". The local government is the one and only who is responsible for this transferred authority.



Notes:

- a. Tends towards 'administrative deconcentration'.
- b. The 'local self-government task according to instructions' as known in the monistic model is subject to state functional supervision and legal oversight.

Within the **monistic** model, all functions that are assigned to the municipalities are real local self-government tasks for which the elected local council is responsible. By contrast, in the **dualistic** tasks, the municipalities have two types of tasks:

1. For one, there are real local self-government functions that are particularly derived from the traditional general competence clause. For these functions, the elected local council is responsible, as in the monistic task model.
2. Second, the municipalities can be assigned the task of carrying out functions that are assigned (delegate) to them by state.

The responsibility for the **delegated** functions lies with the local government's executive (mayor), and not with the elected local council → this is **false** municipalization or **administrative** decentralization.

The **monistic** task model implies '**real**' municipalization or **political** decentralization;

Table 4.3 Advantages and disadvantages of decentralization

For every advantage, you can also think about a disadvantage.

Subsidiarity principle:
putting the power as close
as possible to
the citizens

Diversification

Effect Dimension	Advantages	Disadvantages
Effectiveness	Proximity to users/local knowledge; accuracy (Oates, 1972; Mill, 1991) Innovation/experimentation capacity	Insufficient specialization/functional power (Segal, 1997) Legality deficits due to local politicization of administrative action (Pettit, 2004)
Efficiency	Competition between small units increases efficiency (Tiebout, 1956; Oates, 1972) Savings through economies of scope	Decreasing economies of scale (Wagener, 1969; Alesina and Spolarole, 2003) Expenditure expansion at the cost of the central state (Rodden, 2002)
Horizontal coordination	Improved cross-functional coordination (multi-purpose benefits; Wollmann, 2006) Weakening of 'Fachbruderschaften' (confraternities)	Greater conflict intensity due to permanent cross-functional coordination processes Insufficient territorial coordination in undersized territorial units
Vertical coordination	Policy stability by local veto players (Tsebelis, 2002) Vertical balance of power; counterweight to central power (Weingast, 1995)	'Blame shifting' by the central state Lack of congruence between revenue and spending responsibility (connectedness) Coordination deficits between administrative levels
Democratic control/participation	Greater participation; 'public spirit' (Dahl and Tufte, 1973) Transparency, accountability of decisions	Susceptibility to corruption (Bardhan and Mookherjee, 2006) Loss of transparency in 'false' municipalization
Uniformity/equality	Local/regional variance enables more flexible offers Adaptability to local problem situations and preferences	Greater performance differences Equality of living conditions under threat Legal uncertainty due to different application of law

Source: Following Grohs et al. (2012, p. 127, with further references).

Book p. 135: advantages and disadvantages of decentralization.

Germany: false municipalization: the länder (region) devolve tasks to the local level, every länder uses its own decentralization principles.

UK: very centralized state as a starting point. Thatcher: hollowing out the local level by taking the powers back to the national level to have more control. Later on they gave some of the competences back to the communities, to strengthen

Table 4.4 Variants of administrative structure reform in German Länder

Administrative Decentralization (Example: BW)	Administrative Deconcentration (Example: LS)	Regionalization (Example: MWP)
Comprehensive false municipalization	Moderate municipalization	Transfer of <i>Länder</i> state tasks to regional self-administrations
Drastic streamlining of sectoral state administration	Expansion of single-purpose <i>Land</i> authorities	Establishment of regional counties (MWP: 12 → 6)
Strengthening of the multi-functional county level as 'lower <i>Land</i> authorities'	Abolition of meso-level state authorities	Regionalization of state coordination function
Strengthening of meso-level state authorities	Hardly any upgrading of multi-functional self-administration	Reduction of sectoral state administration (in the two-tier model)

Note: BW = Baden-Württemberg; LS = Lower Saxony; MWP = Mecklenburg-Western Pomerania,

Source: Authors' own compilation.

Book p.141: variants of administrative structure reform in German Länder.

1.4 CROSS-COUNTRY COMPARISON: CONVERGENCE, DIVERGENCE, PERSISTENCE AND EXPLANATORY FACTORS

Convergence

- Trend towards decentralization/regionalization towards the meso level
- Trend towards a stronger local self-govt (traditionally the Northern model)

Divergence

- Taking a closer look, differences in 'kind of'
- UK: strong disempowerment of local govt
- France: simple regionalisation instead of federalisation
- Sweden: stronger (political and monistic) decentralization vs. weaker German (administrative) decentralisation

Explanations

- Isomorphic trends it seems (sociological institutionalism) – 'copying' and doing what seems 'appropriate', or even 'coercive' (EU of the regions)
- Rationality: maximizing institutional benefit and optimizing: EU supra-national centralization vs national decentralization
- Actor constellations! Plea for political self-determination (e.g. Flanders, Catalunya, Scotland, ...)
- Or (e.g. France) interwovenness of local and national politics (cumul des mandats)
- History (e.g. Sweden) with tradition of strong and monistic local government

1.4.1 CONVERGENCE

With regard to decentralization policy below the meso-level, that is, in the local space, a **convergence of European administrative systems towards a multi-functional, politically responsible and institutionally ensured local self-government level** can be observed. → North-Middle European country group, including Sweden, UK and Germany. There's a trend towards a functional and political strengthening of local self-government in Europe.

1.4.2 PERSISTENCE/DIVERGENCE

Looking closely, one must **differentiate** and modify the assumption of convergence. There are diverging cases among the observed general trends.

The **UK**, for example, illustrates an exceptional European case in view of the far-reaching disempowerment of its local authorities, and of the ensuing departure from the model of functionally strong, local self-government.

France: simple regionalization of its meso-level. Its regionalization policy is clearly different from the (quasi-) federal variant in other countries, where fully-fledged norm-setting powers are assigned to the regions.

The political form of decentralization within the monistic task model in **Sweden**, is different from the largely administrative decentralization of false municipalization in **Germany**, within the traditional dualistic task model.

1.4.3 EXPLANATORY FACTORS

Sociological institutionalism

The convergence in decentralization policies can be seen as a result of institutional imitation (isomorphism). Countries have 'copied' reforms undertaken by other countries, because these have proven successful or at least influential elsewhere. The national actors have thus followed a logic of appropriateness.

Coercive isomorphism is exemplified by the EU policy: significant impulses have come from the EU to establish regions.

Economic institutionalism

National actors in Europe react to similar external challenges with similar institutional strategies, as these hold the promise of maximizing institutional benefit and creating an approximation to an (economic) optimum. Europeanization and globalization can be named as factors that create external pressure on national administrative systems.

The interest constellations of the relevant factors

The influence of political and administrative actor constellations and of individual actors on administrative processes. Example: Germany

2 TERRITORIAL EXTERNAL ADMINISTRATIVE REFORMS

2.1 CONCEPTS AND DEFINITIONS

Up-scaling: was a basic guideline of the territorial reforms carried out in England/UK, Sweden and also in some German Länder. → **Northern** European reform model; they implement far-reaching territorial reforms

In contrast stands the **Southern** European reform model: these countries use strategies with the aim at ensuring the operative viability of the even very small-scale municipalities, by establishing inter-municipal bodies → French and Italy

Counties	Municipalities	North 'upscaling'	South 'transscaling'
Below central or meso levels	Below central or meso level	UK Sweden Denmark	France Italy
Upper level of local government	Lower level of local government	Amalgamation into large local govt	Still fragmented
-provinces -provincies -kreise -counties -...	-gemeenten -communes -boroughs -districts -...	Strong local govt	Voluntary amalgamation Intercommunal cooperation

Table 4.6 Territorial reform patterns in Europe

Northern European Reform Variant: Up-scaling	Southern European Reform Variant: Trans-scaling
UK, S, DK, German <i>Länder</i> (NR-W, HE) Increase in scale; amalgamation	F, I, many CEE- <i>Länder</i> ; German <i>Länder</i> (Rh-P, SH) Fragmented municipal structure retained; further fragmentation
UK: Avg. pop.: metrop. districts: 310 000; non-metrop. districts: 100 000; counties: 760 000 Efficiency; administrative-economic improvement	F: 37 000 communes; avg. pop. 1700 Background: local government task implementation by state administration (Napoleonic countries) Voluntariness: amalgamations only with local government consent
Background: functionally strong local government systems; often social democratic spirit; rationale zeitgeist/planning euphoria Implementation ultimately by means of binding legislation	Massive local resistance against territorial reform
Subordination of local self-government to parl. decision-making powers	Inter-municipal formations as a substitute (<i>intercommunalité</i> ; associated municipalities; administrative cooperation)

2.2 NORTHERN EUROPEAN REFORM PATTERNS: TERRITORIAL AMALGAMATION, ENLARGEMENT IN SCALE, ADMINISTRATIVE EFFICIENCY

UK: 'sizeism' and reform political breathless

- Instrumental grip of the central government on the local level can be explained by 2 factors:
 - Principle of parliamentary sovereignty
 - Central government has long since been guided by an almost obsessive predominance, to produce efficiency
- Sizeism: district/borough councils were territorially merged through a drastic reduction from 1250 to 333, while at the same time raising their population size to an average of 170000 habitants → size far beyond any comparison and parallel in Europe
- The many institutional shifts and ruptures that the local government structures in England have endured, have been criticized, in that 'breathless has been the pace of change over the past 30 years'.

Northern example: Sweden: territorial anchoring of the local welfare state

- Number of municipalities reduces since world war 2
- Local communities local agents to deliver services welfare state
- National level power to issue local government reforms without approval
- The territorial organization of Sweden's 20 counties each, with an average of 42.000 inhabitants, has remained unaffected by this territorial reform.

Table 4.7 Population figures of Swedish municipalities (2007)

Population	Number of Municipalities	Proportion in %
Less than 10 000	72	24,8
10 001–20 000	101	34,8
20 001–30 000	36	12,4
30 001–40 000	28	9,7
40 001–60 000	19	6,6
More than 60 000	34	11,7
Total	290	100,0

2.3 SOUTHERN EUROPEAN REFORM MODEL: INTER-MUNICIPAL COOPERATION AND TRANS-SCALING

Southern example: France: intermunicipal revolution as a pragmatic path towards territorial consolidation

- **Small** local communities: 37 000 municipalities, with average of 1600 habitants
- 1971: attempt to **voluntary** amalgamation **failed** (!) → the French government tried but never succeeded
- Instead over time, a complex system of **intermunicipal cooperation** is established (see next slide – EPCI's) – voluntary
- 1999: attempt to streamline in three types of inter-municipal formations (CU – urban associations, CA - agglomerations, CC - intercommunales)
 - CU: this form was marked in particular by providing the associations with taxation rights of their own, while still retaining their member municipalities. → 16 in France most important urban/metropolitan areas.

Table 4.8 Development of inter-municipal cooperation in France 1993–2011*

Form of Cooperation (EPCI)	1993	2000	2003	2011
<i>Development of EPCI with taxing authority</i>				
Communautés urbaines (CU)	9	12	14	16
Communautés d'agglomération (CA) ^b	–	50	143	191
Communautés de Communes (CC) ^c	193	1533	2195	2387
Syndicats d'agglomération nouvelle (SAN)	9	9	8	5
Districts ^d	252	241	–	–
Communautés de villes (CV) ^e	3	–	–	–
Total number of EPCI with taxing authority	466	1845	2360	2599
<i>Development of the 'extent of coverage'</i>				
Proportion of local governments in EPCI in the total number of local governments in %	13,8	58,0	80,9	95,5
Proportion of the population in EPCI in the total number of the population in %	26,7	61,3	81,1	89,9

Notes:

a. Not included: forms of cooperation with allocation funding from the individual local governments (*syndicats à vocation unique* – SIVU; *syndicats à vocation multiple* – SIVOM, *syndicats mixtes*); total number for 1999: 18 504.

b. Introduced by the Loi Chevènement in 1999.

c. Introduced by the act of 1992.

d. Transformation into CU, CA or CC envisaged (Loi Chevènement 1999)

e. Reintroduced by the act of 1992; transformation into CU, CA or CC envisaged (Loi Chevènement 1999).

Sources: Kuhlmann (2009a, p. 92); further: Direction Générale des Collectivités Locales – DESL 2004, 2011; authors' own summary.

Weaknesses of the system:

- It complicates the subnational network of action. → difficult to oversee this
- No direct election of decision-making bodies of the EPCI's (inter-municipal formations) → this is a serious political and democratic deficit

Reform Act 2010 (Sarkozy): far-reaching changes in France's subnational institutional system

- Partly direct election of the members of the representative bodies of the EPCI's → only for member municipalities that have more than 3500 habitants. Fewer habitants → indirect election
- Establishment of Métropoles (largest cities and surrounding municipalities) with tasks of communities, departments and regions (functional integration of three levels). Another 4 inter-municipal formations with more than 50 000 inhabitants were identified as Métropoles. → almost all metropolitan areas in France will be organized as métropoles.
- Métropoles will be established as a constellation of member cities and municipalities, not as new autonomous territorial bodies
- It provides for a simplified procedure for the amalgamation of municipalities to create 'new municipalities'. The voluntary principle is retained.

But implementation uncertain since new government in 2012 (Hollande)

2.4 REFORM HYBRID: GERMANY BETWEEN TERRITORIAL AMALGAMATION AND INTER-MUNICIPAL COOPERATION

Reform hybrid: Germany

- Some Lander 'southern', other Lander 'northern' model → reason: each Länder has the autonomy of to organize local government, they can decide their own territorial reform policy – cf. Belgium
- Nord Rhein – Westfalen e.g.: amalgamations (Northern European reform)
- Schleswig Holstein e.g.: intermunicipal cooperation (Southern European reform)
- Most Lander (e.g. Bavaria): both (mixed) Southern and Northern
 - This implies, on the one hand, a more restrained reduction of the number of municipalities through territorial consolidation, resulting in a population size of around 8000 inhabitants
 - On the other hand, inter-municipal formations have been set up as a dual structure, to support their associated smaller municipalities.

Table 4.9 Municipal structures in Germany

Land	Number of Municipalities		Change 1990–2010		Avg. Population 2010 ^a	Number of IMF ^b 2010	Proportion of IMF ^b – Member-Municipalities 2010 in %
	1990	2010	Change Abs.	In %			
Brandenburg	1 739	419	–1 320	–76	6 052	53	64,7
Meckl.-Vorp.	1 149	814	–335	–29	2 064	78	95,0
Saxony	1 626	485	–1 141	–70	8 701	99	51,7
Sax.-Anhalt	1 270	345	–925	–73	6 991	45	73,9
Thuringia	1 699	951	–748	–44	2 407	121	87,1
New Länder	7 483	3 014	–4 469	–60	3 517	424	81,5

Land	Number of Municipalities 2010	Avg. Population 2010 ^a	Number of IMF ^b 2010	Proportion of IMF ^b – Member-Municipalities 2010 in %
BW	1 102	9 755	270	82,6
Bavaria	2 056	6 089	313	48,1
Hesse	426	14 256	–	0,0
Lower Sax.	1 024	7 785	137	71,8
NRW	396	45 447	–	0,0
Rhinel.-Pal.	2 306	1 755	163	97,9
Saarland	52	19 942	–	0,0
Schl.-Holst.	1 116	2 542	87	92,6
Old Länder	8 478	13 446	970	49,1

Note:

→ NRW: very big and none of this communities participated in intercommunals (northern land)

→ Schl-Hol: very small, almost everyone participate in the intercommunals (southern land)

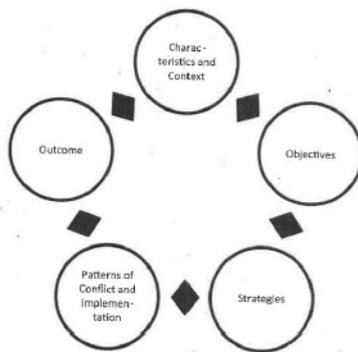
2.5 A COMPARATIVE ANALYSIS OF AMALGAMATION REFORMS IN SELECTED EUROPEAN COUNTRIES (STEINER ET AL. 2016)

Introduction

- Amalgamation reforms as a trend
 - Improve service delivery
 - Financial reasons (e.g. Greece 2010)
- Scarce comparative evidence
- In this chapter: comparative overview based on expert survey (15 countries):
 - Strategies
 - Implementation
 - Outcomes

- Premission: bigger municipal governments would be able to improve service delivery and better financial results.
- They wanted to find some empirical evidence about the amalgamation trend, which was then scarce.

Framework for analysis



- Character of not yet amalgamated municipalities
- Context and **objectives**
- **Strategy** and implementation
- **Conflicts**
- Eventual **outcome**

(this chapter)

- What did they want to do and why?
- How did they do it?
- Did you see resistance in the municipality?
- What was the result of this reform?

Objectives

- Efficiency in resources (HR, financial)
- Output: improved services and correctness decisions
- Intended room for manoeuvre of municipalities
 - Local autonomy (vis-a-vis central govt)
 - Local democracy and identity

Economies of scale , stronger position of municipalities, hindered democracy?

- Local autonomy can be increased, because a larger government is a stronger government
- Does it hinder democracy? Politicians become more distant from their citizens

Strategies

- Bottom-up (2016, financial incentives) versus top-down (1976)
- Comprehensive versus incremental
- Mixed: “carrot and stick”
- Fragmentation: ‘reversed’ amalgamation

Table 2.2 Typology of amalgamation strategies

<i>Amalgamation strategy</i>	<i>Countries</i>
Top-down strategy (comprehensive)	Denmark, Finland, Greece, Iceland, the Netherlands
Top-down strategy (incremental)	Spain, Norway
Mixed strategy	Belgium, Germany (some Länder), Switzerland (some cantons)
Bottom-up strategy	Switzerland (some cantons)
No amalgamation strategy	Germany (some Länder), Italy, Portugal, Sweden, Switzerland (some cantons)
Fragmentation strategy	Poland, Slovenia

- We tried both in Belgium
- One big wave VS step by step
- Bottom up and top down can go together
- Bigger local communities becoming smaller ones. Reason is simple: they were fed up with the communist system of federal ruling, so they wanted local identity and democracy, translated in a decentralized system

Conflict & implementation

- Resistance with top-down and comprehensive strategy?
- Less conflict when bottom-up and incremental?
- Scepticism when objective is ‘efficiency’? ‘Democracy and identity’ threatened?
- During implementation: resistance from employees? (technocracy vs politics)

Outcome

- = consequence of chosen strategy, patterns of conflict and how conflicts are dealt with
- = sometimes consequence of external factors: recession and decreased tax income

Number of municipalities

Table 2.1 Development of the number of municipalities during the past 40 years^a

Country	1973	1993	2013	Change 1973–2013 in%	Mean population
<i>Northern Europe</i>					
Norway	443	439	428	-3.4	11,802
Finland	483	455	320	-33.7	16,151
Sweden	464	286	290	-37.5	33,240
Denmark	275	275	98	-64.4	56,943
Iceland	224	196	74	-67.0	4,447
<i>Western Europe</i>					
Switzerland ^b	3,095	3,015	2,396	-22.6	3,163
Germany	15,009	16,043	11,197	-25.4	6,742
The Netherlands ^c	913	636	408	-55.3	41,000
Belgium	2,359	589	589	-75.0	18,593
<i>Southern Europe</i>					
Slovenia ^d	–	147	212	+44.2	10,000
Portugal	304	305	308	+1.3	34,293
Spain	–	8,088	8,117	+0.8	5,815
Italy ^e	8,056	8,100	8,092	+0.4	7,550
Greece	6,061	5,921	325	-94.6	33,653
<i>Eastern Europe</i>					
Poland	2,366	2,462	2,480	+4.8	15,600
<i>Total (mean)</i>	<i>3,081</i>	<i>3,130</i>	<i>2,336</i>	<i>-29.3</i>	<i>19,933</i>

^aComposition of geographical regions according to the United Nations Statistics Division

- In a majority of countries, we see a decrease in the number of local governments

Objectives

Table 2.3 Objectives

Objectives	Countries		
	No importance ^a	Medium importance	High importance
<i>Improving input</i>			
Efficiency (economies of scale, economies of scope)			Belgium, Denmark, Finland, Germany, Greece, Iceland, Italy, the Netherlands, Norway, Sweden, Switzerland
More specialized staff	Denmark, Italy	Belgium, Finland, Iceland, Greece, Switzerland	
<i>Improving output</i>			
Improving service quality		Denmark	Belgium, Finland, Germany, Greece, Iceland, Italy, the Netherlands, Norway, Sweden, Switzerland
<i>Improving room for maneuvering</i>			
Evolution/ Delegation of powers	Denmark	Iceland, Italy, Switzerland	Belgium, Finland, Germany, Greece, the Netherlands, Norway, Sweden
Democratization/ Participation/ Accountability	Denmark, Germany, Iceland, the Netherlands, Sweden, Switzerland	Belgium, Italy	Greece, Norway

^aThe experts assessed the various items on a scale from 1 (not important) to 5 (important). We have clustered the answers 1 and 2 as "No Importance," 3 as "Medium Importance," and 4 and 5 as "High Importance."

This is according to the experts.

Problems during implementation

Table 2.5 Problems during the amalgamation process

Implementation problems	Countries		
	No importance	Medium importance	High importance
Strong opposition of politicians	Sweden	Italy, Switzerland	Belgium, Finland, Germany, Greece, Iceland, the Netherlands, Norway
Public choice theory			Greece, Italy, the Netherlands, Norway, Switzerland
Strong opposition of employees	Belgium, Finland, Germany, Iceland, Sweden		Greece, Italy, the Netherlands, Norway, Switzerland
Insufficient resources for reform implementation	Belgium, Norway, Sweden	Finland, Germany, Iceland, Switzerland	Greece, Italy, the Netherlands
No time to prepare the implementation	Belgium, Italy, Sweden, Switzerland	Finland, Germany, Greece	Iceland, the Netherlands
Other reform projects at the same time	Belgium, Greece, Iceland, Norway, Sweden, Switzerland	Germany, Italy	Finland, the Netherlands
Unclear/Inconsistent reform objectives	Belgium, Greece, Iceland, the Netherlands, Norway, Sweden, Switzerland	Germany, Italy	Finland

- They have personal interest: they might lose their position

- They lose some voter support in their area. If the area becomes larger, they relatively lose popularity

Outcomes

Table 2.6 Outcome of amalgamations

Outcome	Countries		
	No importance	Medium importance	High importance
<i>Improving input</i> Cost savings		Finland, Italy, Sweden, Switzerland	Belgium, Germany, Greece, Iceland
<i>Improved output</i> Improved professional quality	Italy		Belgium, Finland, Germany, Greece, Iceland, Sweden, Switzerland
Improved legal correctness	Finland, Germany, Italy, Switzerland	Iceland, Sweden	Belgium, Greece
Improved citizen orientation	Finland, Germany, Sweden	Belgium, Greece, Iceland, Italy, Switzerland	
More equal treatment of citizens	Sweden	Finland, Germany, Greece, Italy, Switzerland	Belgium, Iceland
<i>Room for maneuvering</i> Strengthened local autonomy		Belgium, Finland, Germany, Iceland	Greece, Italy, the Netherlands, Sweden, Switzerland
Increased influence of the superordinate tier of government	Iceland, Italy, Sweden, Switzerland	Belgium, Finland, Germany, Greece, the Netherlands	
Strengthened local mayors/executives		Finland, Iceland, Italy, Switzerland	Belgium, Germany, Greece, the Netherlands, Sweden
Strengthened local citizenship	Finland, Germany, Iceland, the Netherlands, Sweden	Greece, Italy, Switzerland	Belgium

- Trade off with local democracy and local citizenship is the main line
- We see a trade-off: better service at the cost of democracy and identity

Correlation strategy-outcome

(Spearman's rho)

<i>Objectives</i>	<i>Strategies</i>	
No significant correlation		
<i>Strategies</i>	<i>Patterns of conflict</i>	
Reform initiative (1 = bottom-up; 5 = top-down)	Reform accepted by the public (1 = not at all; 5 = widely accepted)	-0.635*
Scope of reforms (1 = incremental; 5 = comprehensive)	Rich-Poor (1 = not important at all; 5 = very important)	-0.779**
Convincing/Gaining support (1 = incentives/inclusion; 5 = threats/exclusion)	Left-Right (1 = not important at all; 5 = very important)	0.776**
<i>Strategies</i>	<i>Outcome</i>	
Reform initiative (1 = bottom-up; 5 = top-down)	Improved citizen orientation (1 = not at all; 5 = very important)	-0.760*
Scope of reforms (1 = incremental; 5 = comprehensive)	Improved legal correctness (1 = not at all; 5 = very important)	0.883**
Voluntariness of reform (1 = yes; 5 = no)	Strengthened local mayors/executives (1 = not at all; 5 = very important)	0.778*
<i>Patterns of conflict</i>	<i>Outcome</i>	
Technocracy-Politics (1 = not important at all; 5 = very important)	Explicit reform goals achieved (1 = not at all; 5 = very important)	-0.709*
Small-Large (1 = not important at all; 5 = very important)	Cost savings (1 = not at all; 5 = very important)	0.808*
Central-Local (1 = not important at all; 5 = very important)	Strengthened local mayors/executives (1 = not at all; 5 = very important)	0.742*

We observe 3 things:

1. In country with top down reform, it lead to less citizen orientation. Possible explanation: citizens are easier to convince if it comes from their own local government
2. If the reform is comprehensive, then it improves legal. Legal experts are guiding the central government when this happens in one sweep
3. If it's mandatory, local executive politicians are stronger. This might be because they can rely on the mandatory power: they have to do it.

2.6 CROSS-COUNTRY COMPARISON: CONVERGENCE, DIVERGENCE, PERSISTENCE AND EXPLANATORY FACTORS

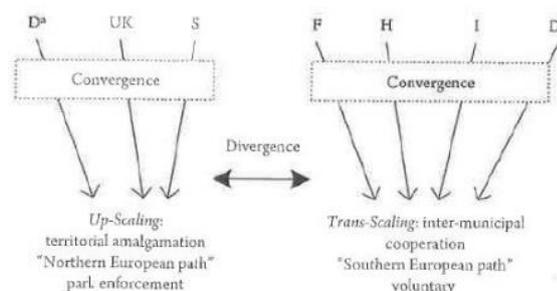
2.6.1 CONVERGENCE, DIVERGENCE, PERSISTENCE

Convergence

- Within clusters (North: amalgamation e.g. / South: intermunicipal coop)

Divergence

- Territorial structure (very large vs. very small local communities) – see table 4.10



- With regard to territorial and population size, the municipalities still show large differences.
- **Thus the territorial structure does not signal convergence but, on the contrary, reveals persistent differences and divergence.** However, **within** certain country clusters, cross-country trends (convergence) can be recognized.
- **Northern** group (Denmark, UK, Sweden): demonstrates convergence among each other, insofar as in some cases large-scale amalgamation of existing small local governments has been effected, resulting in larger municipalities (up-scaling)
- **Southern** group (France, Italy): demonstrates convergence because no territorial reforms on the local level have been realized by way of amalgamation, but with inter-municipal formations.

→ image: divergence between 2 systems (reform plans) and convergence within clusters.

Municipalities	Avg. Population of Municipalities	Avg. Area of Municipalities in km ²	% of Municipalities with <5000 inhabitants	Number of Municipalities with >100 000 inhabitants
Czech Rep.	1 640	13	96	5
Cyprus	1 660	18	95	0
France	1 720	15	95	37
Slovakia	1 870	17	95	3
Hungary	3 170	29	91	9
Austria	3 510	36	91	5
Luxembourg	4 080	22	81	0
Latvia	4 340	123	91	2
Spain	5 430	62	85	58
Estonia	5 930	199	80	2
Malta	5 970	5	54	0
Germany	6 690	29	77	81
Romania	6 800	75	35	27
Italy	7 270	37	71	43
Slovenia	9 560	97	48	2
Greece	10 750	128	53	8
Finland	12 660	813	52	6
Poland	15 390	126	25	39
Belgium	17 910	52	14	8
Bulgaria	29 090	420	11	11
Sweden	31 310	1 552	4	13
Portugal	34 380	299	20	23
Netherlands	36 890	94	2	25
Ireland	37 310	612	37	15
Denmark	55 480	440	3	6
Lithuania	56 570	1 088	2	3
UK	139 480	562	Non-relevant	68
EU-27	5 410	47	82 ^a	500

Book p.168: territorial structures of

municipalities in Europe

2.6.2 EXPLANATORY FACTORS

Table 4.11 Theoretical explanations for territorial reforms

Factor	Explanation	Neo-institutional Theoretical Approach
Fiscal, economic demographic pressures	Striving for functional optimization; rational/efficient problem-solving	Economic institutionalism E.g. Eastern Lander: external pressure to make small municipalities 'survive', politicians rationally take action
(Party-)political preferences/raising institutional-political profile/shows of strength	Policy-/vote-seeking; party differences; actor constellations; veto players	Actor-centred institutionalism
Reform convictions: efficiency/productivity versus creation of local identity	Prevalence of discourse ideologies, framing	Sociological (discursive) institutionalism E.g. South: culture of voluntary, local-central interweaving, local identity strong
Reform traditions: parliament enforcement versus voluntary principle	Historic-cultural anchoring of decision-making styles	Historical institutionalism E.g. North: strong central parliaments to enforce amalgamations

→ the dynamics of the territorial development that in the **Northern** European countries was directed at the 'enlargement in scale' of the local government units, was essentially driven by the fact that in these countries the **parliaments have, constitutionally and politically, the power to enforce a local government territorial structure envisaged through binding legislation**, with reference to the overriding 'common good', even in the face of rejection or resistance by the affected municipalities.

→ by contrast, the continuity and persistence of the local government territorial structure in the **Southern** European countries, can be largely accounted for by the **path-dependent constitutional, political and political-**

cultural assumption that territorial changes, by the way of amalgamating existing municipalities, can be achieved only with **the consent of the affected local government units and their population**. (Voluntary principle)

→ a rupture or even a deviation from a path-dependent institutional trajectory occurs if and when the relevant actors feel prompted to perform a political or institutional act of strength, for instance in a situation that they deem to be a deep crisis of the existing territorial or organizational structures. This kind of situation can be triggered by external pressures (e.g. economic or fiscal crisis).

Summary: what can be the explanation for the Northern type:

- One is rational choice: in most of these countries, the parliaments can force the local to do what they want
- Also rational might be that politicians want good service delivery to get votes
- Sociological: Northern are big welfare states with democratic tradition. Strong, big amalgamated governments are important for this

Southern

- Local politicians are the defenders of the status quo on national level. Their consent is needed. Local identity is important.
- Something needs to happen (a critical juncture) in order to make these countries leave their path. The fall of the wall is an example of this

2.7 DISCUSSION: ARTICLE 1 AND 2 (BAKER ET AL, DE CEUNINCK ET AL)

- Research topic / research questions? Kind of reform?
- Scope and method?
- Research results?
- Discussion: Administrative traditions & models? Context of reform? Theories for explaining reform?

→ article of Baker et al is about the vertical and article about De Ceuninck is about the horizontal.

2.7.1 ARTICLE 1: CITIZEN SUPPORT FOR INCREASING RESPONSIBILITIES OF LOCAL GOVERNMENT IN EUROPEAN COUNTRIES: A COMPARATIVE ANALYSIS (BAKER ET AL)

Possible exam question: what was the criticism on the methodology of this article?

2.7.1.1 RESEARCH TOPIC

The paper tries to find out if the transfer of responsibility from the central to the local government is significant and desired.

Start with subsidiarity: lowest level closed to the citizen have to provide services. 2 questions:

- How much responsibilities does local governments have?
- Do citizen support the increasing responsibilities?

2.7.1.2 METHOD

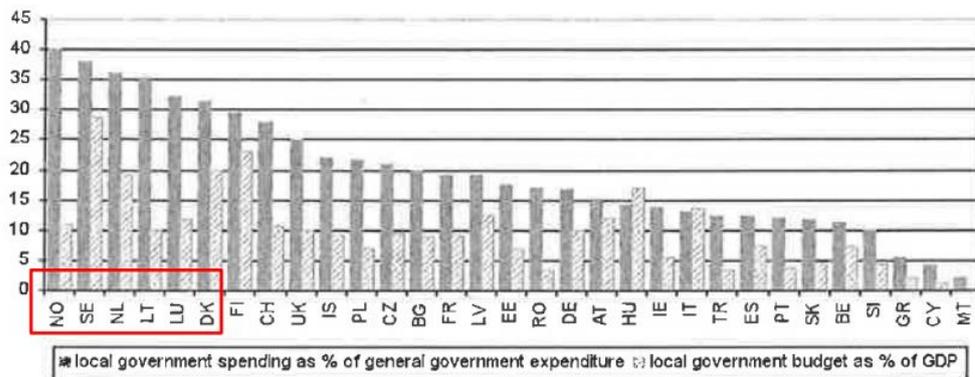
- First measure level decentralization by using fiscal and financial data, 3 measures:
 - absolute GDP
 - relative GDP
 - local taxes
- Also for perceptions they used European value studies: link between perceptions and decentralization assumption is a negative link! → more power a good thing? No relationship between expenditure and more power

Conclusion

- Page and Goldsmith = too robust → there is hardly no relationship between decentralization and the need for decentralization. Methodologically weak paper: 3 ways of measuring and 3 different conclusions (shows perfectly how difficult it is to do a comparative analysis).

2.7.1.3 DESCRIPTIVE RESULTS

Figure 1: Local government spending as a percentage of GDP and as a percentage of general government expenditure

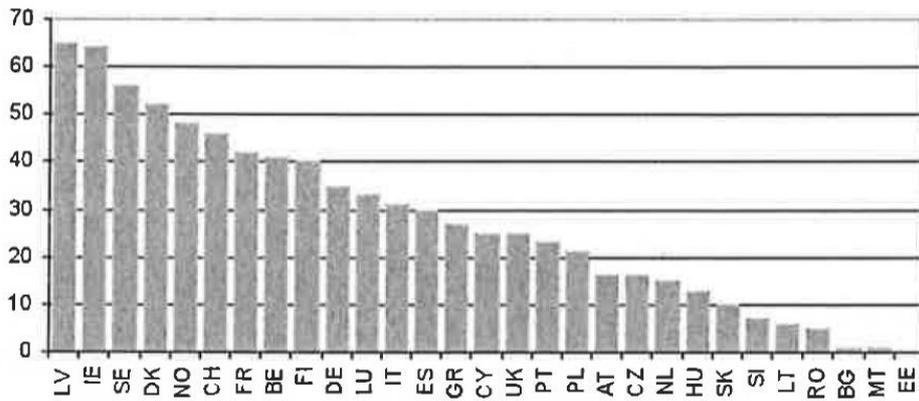


(2 measures)

This is the absolute way: the extent how much money they spent. There is also a relative way which means comparing. The local government spending as % of general government expenditure is relative and the local government as % of GDP is the absolute manner.

→ Northern countries spent more than southern = support Page and Goldsmith

Figure 2: Weight of local taxes in local budget



(3th measure)

Here is the relationship of Page and Goldsmith less prominent

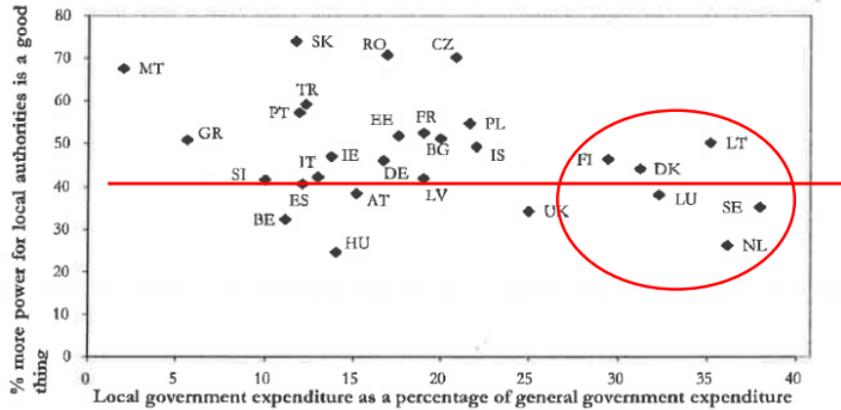
Table 1: More power to local authorities is a good thing?

		Good	Don't mind	Bad	NA/DK	N
MT	Malta	67.5	15.2	17.3	0.0	1,001
CZ	Czech Republic	63.9	16.5	10.9	8.7	1,908
SK	Slovakia	59.7	16.2	5.0	19.1	1,326
RO	Romania	59.6	12.3	12.5	15.6	1,146
TR	Turkey*	56.7	18.7	20.6	4.0	1,206
PT	Portugal	52.9	29.0	10.5	7.6	1,000
FR	France	48.7	30.6	13.9	6.8	1,615
GR	Greece	48.7	38.9	8.1	4.3	1,142
PL	Poland	46.7	27.1	11.7	14.5	1,094
RU	Russian Fed.	44.9	25.6	12.7	16.8	2,500
EE	Estonia	44.0	27.5	13.3	15.2	1,005
IE	Ireland	43.5	26.2	22.7	7.6	1,012
IS	Iceland	43.3	29.4	15.2	12.1	968
FI	Finland	42.8	22.7	27.0	7.5	1,038
UA	Ukraine	42.8	20.5	11.8	24.9	1,207
DE	Germany	41.6	26.8	22.0	9.7	2,036
	Northern Ireland	41.3	27.1	17.2	14.4	1,000
HR	Croatia	40.0	18.5	28.4	13.0	1,004
LT	Lithuania	40.0	32.4	7.6	20.0	1,017
BG	Bulgaria	39.1	27.1	10.2	23.6	1,000
IT	Italy	38.5	37.4	15.6	8.6	2,000
SI	Slovenia	38.5	28.6	25.4	7.5	1,006
DK	Denmark	37.3	16.1	31.6	15.0	1,023
ES	Spain*	35.6	28.2	24.4	11.8	1,200
LV	Latvia	34.9	22.1	26.5	16.5	1,013
AT	Austria	34.2	24.6	30.7	10.4	1,522
GB	Great Britain	34.2	28.9	27.8	9.2	994
LU	Luxembourg	33.1	26.0	28.1	12.8	1,212
SE	Sweden	32.1	20.5	38.7	8.7	1,013
VE	Belgium	29.6	31.9	30.5	8.1	1,911
BY	Belarus	27.2	36.5	20.4	15.9	1,000
NL	Netherlands	25.6	21.9	50.8	1.7	1,001
HU	Hungary	22.7	22.3	47.4	7.6	1,000

You see a lot of differences

2.7.1.4 EXPLANATORY RESULTS

Figure 3: Local government expenditure (relative to GGE) and preferences for more power



There is no relationship: if we would take out communist countries we would have still less correlation. East-European: very centralized and want decentralization (historical institutionalism).

Figure 4: Local government expenditure (relative to GDP) and preferences for more power

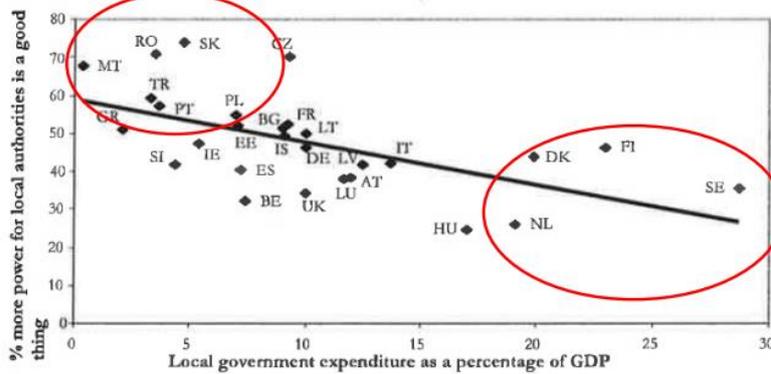
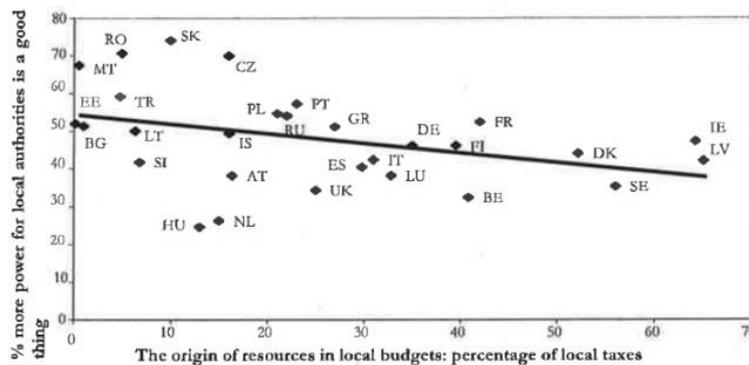


Figure 5: Weight of local taxes in the local government budget and preferences for more power



2.7.2 ARTICLE 2: MUNICIPAL AMALGAMATIONS IN THE LOW COUNTRIES: SAME PROBLEMS, DIFFERENT SOLUTIONS (DE CEUNINCK ET AL)

2.7.2.1 RESEARCH TOPIC

Amalgamations in the Netherlands and in Belgium → analyze the process and the motivation: differences and similarities. They compare these two countries because they have the most similar and most different to design (= were the same country).

The central question in this article is why there was a different approach in the two countries.

The reforms in this article are territorial (structural).

Conclusion:

- The Netherlands: incremental, bottom-up
- Belgium: in one time, top-down

Table 1. Amalgamations in Europe

	Total number of municipalities		Change (%)	Average population 2007
	1950	2007		
Belgium	2669	589	-78	17 898
Denmark	1391	98	-93	55 582
Finland	547	416	-24	12 685
France	38 000	36 783	-3	1636
Germany	24 156	12 340	-49	6681
Greece	5959	1033	-83	11 225
Italy	7781	8101	+4	7035
Luxembourg	126	116	-8	3961
Netherlands	1015	443	-56	37 000
Norway	744	431	-42	10 861
Portugal	303	308	+2	35 491
Spain	9214	8111	-12	5512
Sweden	2281	290	-87	31 037
UK	2061	433	-79	140 000

Most of the data were collected from Council of Europe (2008a); data on the UK are from Game (2009).

→ in many countries amalgamations (local communities decreased), except from France and Spain → proof for North-South reasoning but only Belgium is an exception on this rule.

2.7.2.2 METHOD

Method

- 2 countries: BE and NL (most similar/most different)
- Similarities: 3 layers of govt, Rijnland countries, consensual democracies
- Differences: federalization and ‘policy styles’:
 - BE: southern: functional centralism and political localism (‘community’)
 - NL: northern: more autonomy and more discretion in determining local revenue (‘service deliverer’)
- Process (see next slide):
 - BE: large amalgamation wave in 1976 – still intermunicipal cooperation
 - NL: incremental amalgamation – replacing intermunicipal cooperation

Table 2. Historic overview of the Belgian and Dutch municipalities

Number of municipalities					
Belgium			Netherlands		
Year	Number		Year	Number	
1830	2498		1851	1209	
1850	2528		1880	1126	
1900	2617		1900	1120	
1928	2675		1928	1079	
1960	2663		1960	994	
1971	2379		1970	913	
1977	596		1990	672	
2009	589		2009	441	

Belgium (2004)			Netherlands (2006)		
Size of population	Number	Percentage	Size of population	Number	Percentage
< 1000	2	0.3	< 5000	9	2
1000–5000	86	14.6	5000–20 000	203	44.3
5000–10 000	165	28	20 000–50 000	181	39.5
10 000–50 000	309	52.5	50 000–100 000	40	8.7
50 000–100 000	19	3.2	100 000–250 000	21	4.6
100 000–500 000	8	1.4	> 250 000	4	0.9
Total	589	100	Total	459	100

Motivation: there is not much difference: more efficiency. In Belgium the central function → people came swimming but didn't pay.

In Belgium: the government decided in one time (very top-down), during the implementation there was a lot of influence by the local communities.

- Idea: elite
- Implementation: also local government

In the Netherlands: much slower (more bottom-up) → striking point approach: you have to proof the scaling-up is necessary.

Why differences in process? Culture of the country is different (bottom-up in NL):

- In the Netherlands: the public delivery is done by the local government → if the public service is not good anymore = amalgamations
- In Belgium: if they are not happy anymore, possibility to do different from other southern countries:
 - Window of opportunity (political will)
 - Pressure from the environment

2.7.2.3 RESULTS

Results

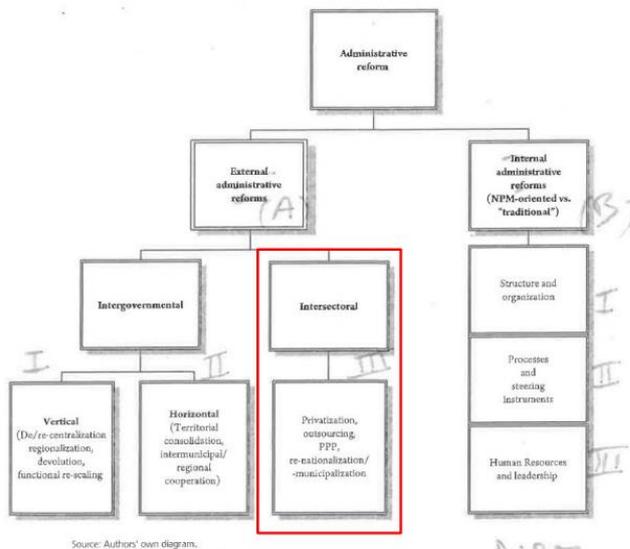
BELGIUM	NETHERLANDS
Big wave in 1976	Incremental process
Motivations: <ul style="list-style-type: none"> - Municipalities not adapted to changing environment - More cooperation needed between cities and surrounding municipalities - Capacity problems - Making municipalities financially healthy again 	Justifications: <ul style="list-style-type: none"> - Lack of space in times of urbanisation and industrialisation - Efficiency and effectiveness - Scale and skills
Process: <ul style="list-style-type: none"> - Central political consensus - Local resistance Not logical reform given 'Southern' tradition	But: <ul style="list-style-type: none"> More scepticism about the outcomes of amalgamations Sticking point approach: problem of scale needed to be proven before amalgamation Small municipalities not necessarily lack governing power

Comparison (explanations)

Belgium (compare with Flemish policy today! New!)		Netherlands
Revolution	≠	Ad hoc and incremental
Motivation	=	Motivation
Few debate with local communities Top down	≠	Much debate with(in) local comm
Explanation <ul style="list-style-type: none"> - Path dependence to South model broken! - Purposive factor: political will of all major parties - 'Rational' response to environmental pressure - Still no decentralisation to fused communities (in line with southern tradition) - (Resistance: cumul des mandats!) 		Explanation <ul style="list-style-type: none"> - Path dependence to North model: if better for efficient service delivery, then amalgamate - Resistance explained by some levels of communitarianism - May explain incrementalism: continuously adapting boundaries when big amalgamation wave fails

3 REFORMING PUBLIC ADMINISTRATION BETWEEN STATE AND MARKET: PRIVATIZATION AND REMUNICIPALIZATION

Types of administrative reform



3.1 CONCEPTS AND DEFINITIONS

= 'intersectoral external administrative reforms' → readjusting the relation between state/administration market and civil society.

- Historically = cycles

- 1960-70: expansion of state activity and the development of the modern **welfare state**, (government responsible for a lot of things) resulting in the growth of public tasks and administrative functions → this was evidenced by the rising public expenditure and public employment quotas.
- 1980: **NPM** driven reform (in Anglo-Saxon world): reducing and restricting the action radius of state and local government administrations to 'core' tasks, and adjusting the expansion of public tasks and expenditure through privatization, outsourcing and delegation. Major reform drivers were the economic crisis and the political elections.
- 2010: since international financial crisis, there was a lot of critic on the liberalization and privatization. This calls for a reregulation of the market by the state and even for a re-nationalization or re-municipalization of privatized functions and activities.

Table 3.2 Public expenditure quotas by international comparison (%)

Country	1985	1995	2000	2009
Denmark	-	59.22	53.68	58.42
Finland	46.35	61.46	48.29	56.25
France	51.78	54.44	51.64	55.99
Sweden	-	65.10	55.09	55.16
Belgium	58.43	52.14	49.14	54.22
Greece	-	45.71	46.69	53.63
Austria	53.06	56.33	52.13	52.32
Italy	49.84	52.51	46.18	51.87
United Kingdom	45.92	43.90	39.05	51.64
Netherlands	57.26	56.45	44.20	51.40
Hungary	-	55.59	46.76	50.46
Ireland	-	41.12	31.27	48.90
Portugal	-	43.41	41.13	48.17
Germany	-	54.77	45.11	47.50
Norway	-	50.94	42.30	46.32
Czech Republic	-	54.47	41.82	45.93
Spain	-	44.44	39.12	45.80
Poland	-	47.71	41.08	44.40
Canada	48.3	48.48	41.11	44.05
USA	36.85	37.13	33.88	42.18
New Zealand	56.03 ^a	41.56	38.32	41.91 ^a
Slovak Republic	-	48.64	52.14	41.51
Australia	39.54	37.42	35.52	35.30 ^a
Switzerland	-	35.00	35.10	33.74
OECD Average	-	-	41.94	46.24

→ general: big decrease of public sector spending! Reason: outsourcing to the private sector. Not in book.

Privatization – NPM driven

NPM in Anglo-Saxon world (UK, USA)

Drivers (see model Pollitt & Bouckaert):

- Economic crisis
- Theoretical justifications
- Party-political ideas



Privatization in UK:

<https://www.youtube.com/watch?v=40NVkfbMo4>

- The economic crisis put stress on the government and from the party-political ideas say that the government is the problem and not the idea.
- Movie: no incentive to be efficient because tax payers paid → solution: market! Also a lot of people who had no future. Today is the situation much more consensus. (Thatcher = privatization)

Privatization – also EU-driven (1990s)

1990's: EU policies market liberalization ('common market' article 3 EU Treaty 'Maastricht')

-Services of general public interest like energy, water, public transport

-'Free movement of services'

-States as 'enablers', rather than 'providers'

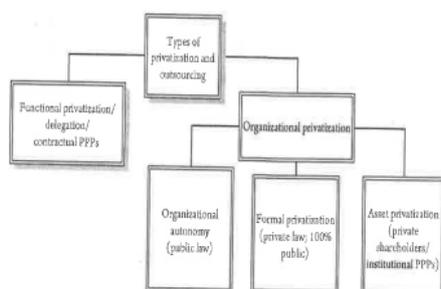
2000's: financial and economic crisis, two developments/answers:

- Come back of the public: re-regulating the market
- Privatization as answer to budgetary crisis in South-Europe (Troika demand – EC, ECB, IMF) – e.g. Greece

<https://www.youtube.com/watch?v=wZgSyn0xY1A>

- EU policies, directed at ensuring market liberalization and freedom of competition, have become a crucial catalyst for privatization and market liberalization.
- The EU competition policy limits the state to its core functions, limiting it to an 'enabling' function, whereas 'providing' was to be generally reserved for external actors.
- The establishment of the common market became a primary task of the EU

Movie: other reason → compulsory thing because of international pressure: we were in debt and the assets sold to China. (situation in Greece do not want to sell the harbour to the private sector) (left side is Chinese part and right side is Greek part of the harbour)



re: Adopted from Kuhnmann (2009a, p. 153).

Figure 4.9 Privatization and corporatization

Functional privatization	Organizational privatization
Transfer of public tasks to private actors via <i>contractual arrangement</i> (concession, leasing, contract)	Legal and/or ownership status of public institution is changed
Principal – agent relationship	
E.g.: PPP, contracting out, outsourcing, ...	3 FORMS: -Organizational autonomy ('agencification') -Formal privatization: private law company but public ownership -Asset privatization: sale of public property to the market

For the analysis of NPM-inspired and EU-driven market liberalization and public sector modernization policies, we distinguish between 2 variants:

1. **Functional privatization:** pertains to the transfer of public tasks, for which the state and/or local governments either have an enabling responsibility or which they assume voluntarily, to private-commercial or non-profit actors by employing various forms of contractual policy. In institutional-economic terms, this results in a **separation of principal and agent**, whereby the connection of the providing agent to the public actor takes place by means of a **contractual arrangement**, such as concession, leasing or operating contracts.
2. **Organizational privatization:** in which the **legal and/or ownership status of public enterprises and institutions is changed** and which can take place formally or materially. 3 sub-types of organizational privatization and outsourcing can be distinguished:
 - o **Organizational autonomy:** this refers to administrative units becoming more autonomous in terms of budget and/or organization, while still retaining public legal forms (e.g. institutions of public law).
 - o **Formal privatization:** public enterprises/institutions are transferred to a private law form, but without a change in ownership (remain in the ownership of the state/local government).
 - o **Asset privatization:** this refers to the partial or complete sale of public property, enterprises, plants and other infrastructural facilities to private parties.

3.2 PRIVATIZATION OF PUBLIC CORPORATIONS

1980: privatization of the state and local government economy sector = primary modernization objective in all OECD countries.

Organizational privatization (national level)

UK	France	Germany
Deliberate policy (Thatcher) Cf. video + table 4.12	Tradition of public intervention, strong public services -Legal hurdles -Strong public unions	Later than in UK. Combined effect of EU, financial constraints and party political choice
Radical privatization (3/4 of public companies) Role model for EU	Mitterand: far reaching nationalizations	Kohl: earmarking organisations for privatization
Not so succesful 'history of failures' -no performance improvement -even rebureaucratization (regulatory agencies) -job losses & social polarization -productivity wins unclear -partly due to lack of competition (New Labour 'profited' from this)	Pendulum in history: -nationalization (Mitt) -privatization (Chirac) -nationalization (Mitt) ... Gradual opening of markets in the 1990's (EU): La Poste, Air France, ...	From slow (1980's) to fast (1990's): -Postal services -Telekom -Railways -Energy Also consecutive governments (Schröder, Merkel) 'rise and continuity'

3.2.1 UK

- Policy goal of Tatcher government: to privatize the public utilities and nationalized enterprises, in order to weaken the trade unions and to promote a kind of 'people's capitalism'.

- Privatization was the most radical: this programme resulted in privatizing around $\frac{3}{4}$ of nationalized enterprises, including industrial enterprises, but also service providers and the state railways. This had unintended consequences (paradigm of a history of failures):
 - Reduction in performance and quality
 - Very substantial redundancies (between 1990 and 2001: 58% of the jobs were lost)
 - Social polarization deepened
 - Little evidence of privatization-related increases in productivity, due to the lack of competition
- New Labour renounced 'privatization at any price', although the market orientation was generally preserved.

<i>Telecommunication</i>	
1981	Separation of post and telecommunications (Post Office, British Telecom)
1984	Conversion to a plc, partial privatization of British Telecom (sale of 51% of shares)
1991	End of the 'duopol' phase; gradual market opening
1991	2nd share issue of BT (remaining state holding: 21.8%)
1993	3rd share issue of BT (remaining state holding: 0)
1998	Almost complete market opening through liberalization of the area of Carrier Selection (near and far)
From 2000	Sale of majority stake in foreign telecommunication companies
2001	Complete market opening through removal of monopoly rights of directory enquiries
<i>Post office</i>	
1981	Separation of post and telecommunications
2000	Postal Services Act 2000 (establishment of a regulatory authority, new licensing system)
2001	Conversion of Royal Mail to a plc
2006	Complete market opening
<i>Railways</i>	
1996	Privatization of the infrastructure enterprise (Railtrack)
1997	Complete privatization of the railways
2000	Accident at Hatfield
2002	Founding of Network Rail
<i>Gas</i>	
1986	Privatization of British Gas
1997	Breaking up of British Gas into British Gas plc and Centrica
1998	Complete market opening
<i>Water</i>	
1989	Privatization of water supply in England and Wales
From mid-2000	Endeavours towards vertical disintegration
2001	Ofwat agrees to such an application by Welsh Water
<i>Electricity</i>	
1990	Privatization of generation and distribution companies and of regional distribution companies
1990	Liberalization of the industrial sector
1998	Complete liberalization
Since 2005	Massive price increases

Book p.178: privatization of public enterprises in the UK according to sectors.

3.2.2 FRANCE

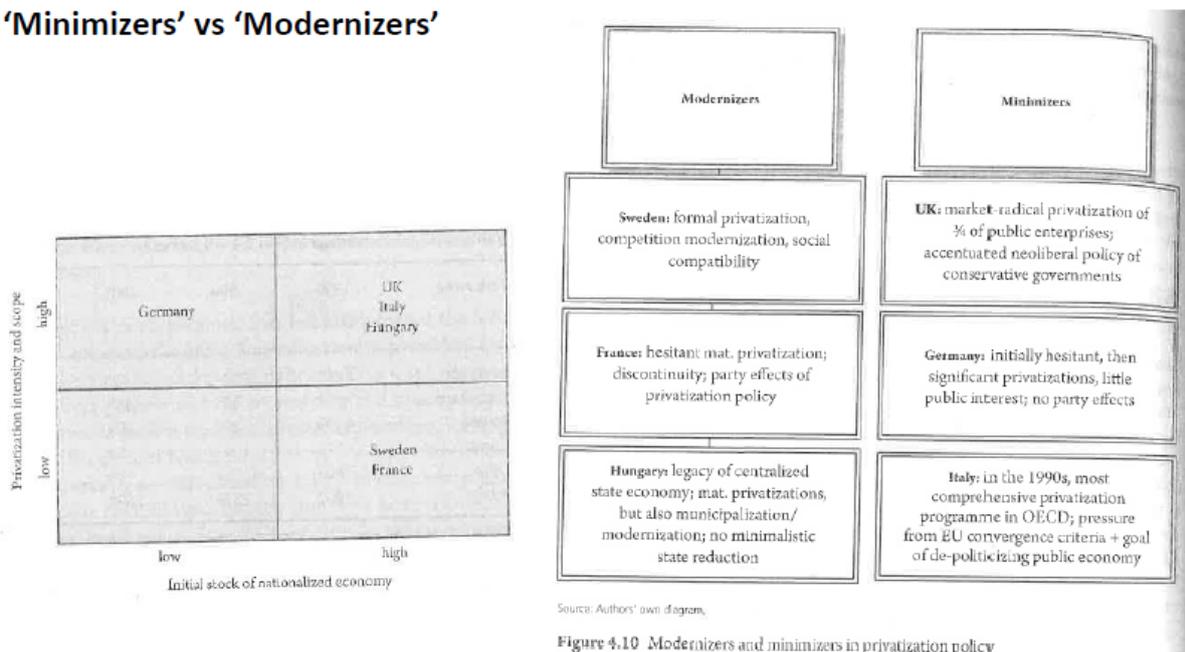
- The **interventionist** state tradition and a strong public sector with a social integration have impeded privatization
- Because of the **legal hurdles**, the public monopolies were initially excluded from privatization, and the market was **gradually** opened in the 1990s, with La Poste, France Télécom and Air France. → fulfilling the Maastricht criteria.
- Contrasting with UK: president Mitterrand decided in early 1980s to carry out far-reaching **nationalizations**.
- This policy was immediately reversed with the conservative president Chirac → ensuing privatization of 66 public enterprises was followed.
- The socialists returned (Mitterrand), so a retraction of the privatization plans.
- In 1993, privatization was once again placed on the political agenda, with the comeback of the conservative government.
- Most hesitant and restrained country

3.2.3 GERMANY

- Combined effect of **European influence, financial constraints and a growing ideological opening towards market competition**, triggered a privatization policy. This was later than in the UK.
- **Kohl** in 1982: he first made a list of objects and enterprises **earmarked for privatization**
- In 1989: the separation (the debundling type) of the federal postal system, into the areas of postal service, postal banking and telecommunications
- Privatization was in the beginning very small, but it began to grow in the mid and late 1990s. Around 8500 state-owned factories were privatized after 1990 by a trust company
- The Telekom and Bundespost went public (in 1996 and 2001)
- Overall: the privatization programmes of the 1990s, went far beyond what had been envisaged at the beginning of the Kohl area.
- The **rise and continuity of privatization policy** on Germany's recent policy agenda, is evidenced by the revenues achieved by asset privatization.

3.3 FUNCTIONAL PRIVATIZATION AND CONTRACTING OUT

'Minimizers' vs 'Modernizers'



Source: Authors' own diagram.

Figure 4.10 Modernizers and minimizers in privatization policy

Minimizers: asset privatization, slashing the 'economy related' public sector

Modernizers: markets and competition, without 'dismantling' the state

Book p. 190-191:

- Modernizers and minimizers in privatization policy
- Initial conditions and intensity of asset privatization by country comparison

→ **UK** is a typical example of the **minimizers** and **France** is a typical example of the **modernizers** (do not dismantle the state).

Functional privatization (local level)

UK	France	Germany
Pioneer Starting situation: local government monopoly services	Starting situation: since long time system of local contracting out (see week 2)	Starting position: principle of subsidiarity
Thatcher (again her ...): CCT Local govt outsourcing of services New Labour: Best Value, tenders dropped (although comparisons remained)	Small number of large private corporations supply services for many local govt ('generalization of delegation'), e.g.: -waste removal (2 companies) 'Integration of suppliers / fragmentation of demanders'	In public services: -concessions to private players -operator models (local govt companies) -PPP's
Results: -job losses (see table 4.15) -slashing wages and benefits -short term contracts	Social services 'welfare mix': contracting out to small NPO's	Social services ('subsidiarity') by large NPO's Recently: market opening to pluralizing the provider sector (see table 4.18)

3.3.1 UK

- UK can be considered as a pioneer
- 1970: local government sector held a monopoly position in the provision of services
- Thatcher: traditional local organizational model was changed by legally obliging the local authorities to put out numerous local public services, to tender in market competition (compulsory competitive tendering = CCT).
- This led to the outsourcing of services of local authorities
- CCT was abolished under New Labour and replaced by the Best Value system: the number of tenders dropped by 23% within one year
- However, even under this system, the local authorities were obliged to compare their services with private providers and outsource them
- Results of this competitive tendering:
 - Jobs have been cut
 - Slashing of wages and social benefits
 - Expanding temporary and short-term contracts
 - Enhancing employment insecurity and 'multiple' jobholding
 - Raising the workload.

Table 4.15 Job reductions in British local authorities in the wake of CCT

Task Area	1990	1998	2000	Change 1990-2000	
				In thousands	In %
Education	1431	1204	1300	-131	-9.2
Social services	417	395	388	-29	-7.0
Police	199	207	204	5	2.5
Construction	114	61	59	-55	-48.2
Others	806	712	739	-67	-8.3
Total	2967	2579	2690	-277	-9.3

Sources: Bach and Winchester (2003, p. 294) and authors' own calculations/summary.

3.3.2 FRANCE

- Public services have long since been outsourced to private providers by concession contracts → model of functional privatization or contractual PPP
- 1980: many municipal companies that had been established in some municipalities vanished, and private providers have acquired a leading role, for example in the water sector → a generalization of delegation:
 - Waste removal: only 13% is run by local authorities, a large chunk is delegated to the 2 large private companies
- The opening of the market in the provision of public services, has occurred through an expansion of concession contracts → local governments retain their enabling responsibility
- Social services: non-profit organizations became more and more important in the field of social action. The rapid growth of NPO is called a baby boom of NPO's in France → welfare mix

Table 4.16 Functional privatization in the French water sector (2000)

Service Segment	% of Municipalities	% of Population
<i>Water supply</i>		
Direct execution	48	21
Delegation	52	79
<i>Wastewater disposal</i>		
Direct execution	62	48
Delegation	38	53

Source: Hansen and Herbke (2004, p. 300).

3.3.3 GERMANY

- Social services are a preferred field for contracting out to external providers
- Principle of subsidiarity: local social services are traditionally provided by NPO's. They are outsourced.
- The national federal legislation aimed at removing the existing legal primacy of welfare associations and at 'pluralizing' the provider sector
- Outsourcing through contracting out in the field of public services:
 - Besides the classic models practiced in the energy sector, the local authorities increasingly apply operator models in waste management, construction, etc.
 - They are financed either entirely privately, or in a mixed, public-private form (PPP)
 - Contract periods of 30 years → long-term delegation

Table 4.18 Functional privatization in the area of outpatient care services in Germany

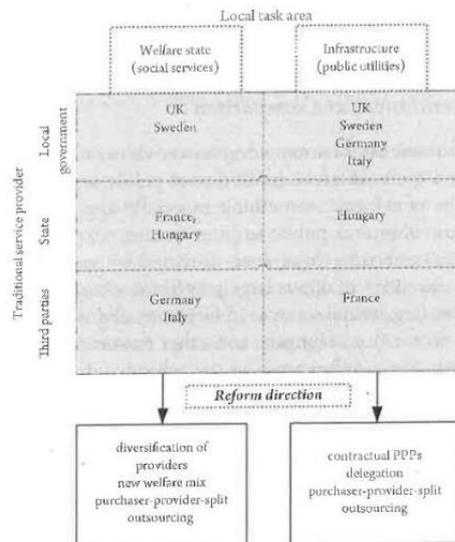
Year	Proportion of the Total Number of Care Services %					
	East public	Indep. organizations	Commercial	West public	Indep. organizations	Commercial
2001	1.0	38.2	60.8	2.3	49.3	48.4
2003	0.7	36.8	62.5	2.0	48.7	49.3

3.3.4 PRELIMINARY CONCLUSIONS AND COMPARISON

Summary:

- Different traditions of public service tasks and starting conditions of reforms, especially in the area of local welfare state and public utilities (water, waste, energy, etc.)
- Some countries, these were provided exclusively by local authorities, in others largely by 'third sector' (non profit, NGO's) organizations (e.g. social services in Germany)
- Despite the differences, a significant trend is seen towards functional privatization, outsourcing and delegation across countries. The role of the local government is focused on its enabling responsibility.

Preliminary conclusion functional decentralisation



3.4 CROSS-COUNTRY COMPARISON: CONVERGENCE, DIVERGENCE AND PERSISTENCE

3.4.1 CONVERGENCE, DIVERGENCE, PERSISTENCE

Convergence

‘Privatization’ one of the administrative megatrends over the past 30 years, both national and local governmental levels, EU-wide

- shrinking of public sectors in many countries!
- fragmented public sectors
- from govt to governance

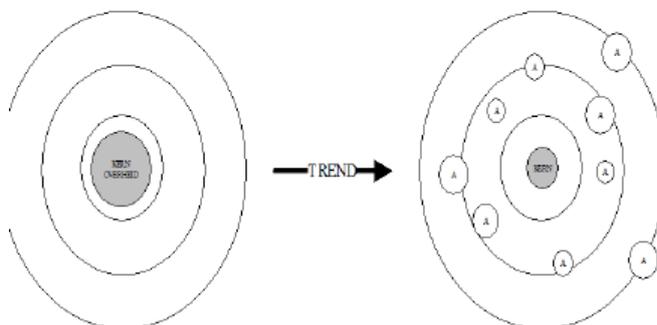


Table 3.3 Public employment quotas in international comparison (%)

Country	1995	2008
Norway	31,2	29,3
Sweden	29,8	26,2
Finland	21,0	22,9
France	21,6	21,9
Hungary	—	19,5
United Kingdom	14,2	17,4
Belgium	16,9	17,1
Canada	17,9	16,5
Ireland	15,9	14,8
USA	15,4	14,6
Italy	14,2	14,3
C	12,8	12,8
	11,5	12,3
	13,0	12,1
	13,1	12,0
	11,8	11,4
	9,1	11,0
	8,9	10,7
	—	9,7
	7,2	9,7
	12,2	9,6
	—	7,9
	—	15,0

9, 2011) and authors' own compilation.

- Privatization, marketization and commercialization of public services have turned out to be significant mega-trends of administrative reforms in both European and international contexts.
- The following developments can be considered generally converging developments within European countries, and their administrative systems over the past 20 years:
 - The privatization of nationalized and municipalized enterprises
 - The transition from public to increasingly private commercial service provision, with a limitation of public institutions to an ‘enabling function’
 - Spin-offs of municipal companies and companies organized under private law
 - The purchases-provider split is replaced by the incorporation of private service providers via service level agreements (functional privatization)
- Result of these trends: public sector shrunk numerically, became more differentiated and fragmented. Because of the numerous external, mono-functionally operating ‘vicarious agents’ providing public services

Divergence

Divergence in scope, intensity and type

4M-model (Pollitt & Bouckaert):

Maintainers of the status quo

- Making current structures and practice work better. Lightening the bureaucracy, saving money, streamlining

Modernizers

- Fundamental change in organizing administrative system (performance budgeting, loosening personnel rigidities, decentralization, improving quality and responsiveness). *Managerial* (France, Belgium: hierarchical and technocratic culture) versus *participatory* (Scandinavia, Netherlands: egalitarian and open culture) modernization **France / Sweden / Germany (1)**

Marketizers

- Competition and MTM within public sector. The core NPM states (Anglo-Saxon), and to a lesser extent Netherlands and Scandinavia. Contracting out services, performance pay, private sector techniques like accrual accounting, benchmarking, ... **UK / Germany (2, see drop in employment table 3.3)**

Minimizers

- Privatization! Downsizing. A nightwatchman state. Not often observed, but often in rhetoric (Thatcher, Reagan)

Also differences exist in scope, intensity, and type of the implementation of measures between individual countries:

- UK is a prime example of a market radical privatization model → strongly guided by liberalization ideas and NPM concepts
- Sweden and France can be classified as modernizers: : privatization has occurred more moderately and is embedded into the existing administrative culture and welfare state tradition.
- Germany is seen as a modernizing country that implemented NPM-induced changes, due to persistent politico-administrative structures.
 - However, with a view to the national privatization policy in 1990s, Germany should no longer be assigned to this group. Germany has developed into an eager outperformer
 - Germany has turned from a maintainer into a marketizer/minimizer (significant drop in employment in public sector)
- MTM = market type mechanism

Comparison

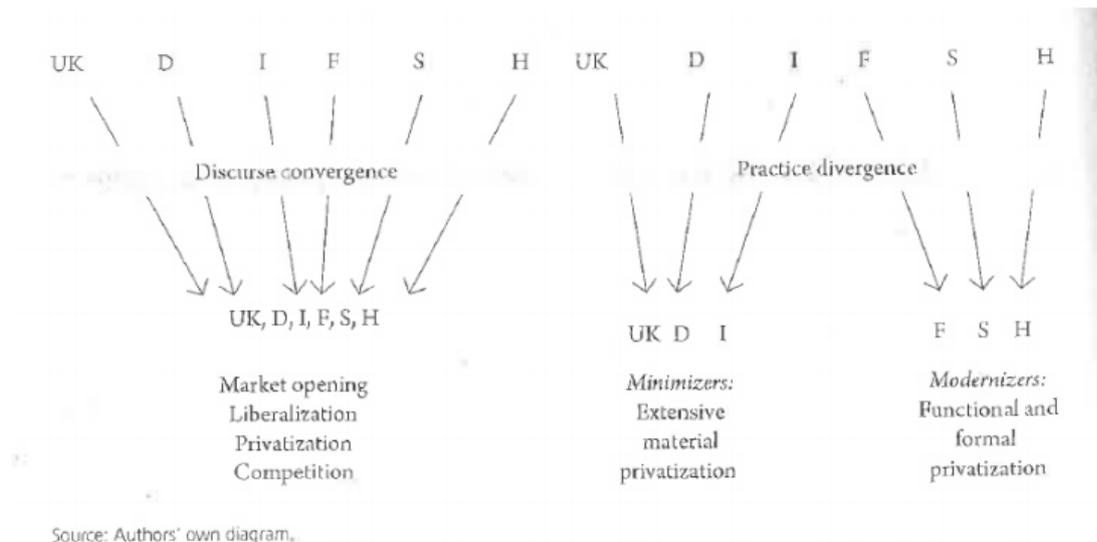


Figure 4.14 Discourse convergence and practice divergence of privatization by country comparison

- The instruments and forms of privatization in the EU countries differ, amounting to a divergence within convergence.
- There has been a far greater extent of asset privatization in the UK, Germany and Italy. This difference becomes clear when considering the state-owned enterprises. The privatization policy in these countries is more radical, with a sale of public property. France, by contrast, relies rather on a purchaser-provider split, and thus retains the possibility of deciding to take back enterprises en régie.

3.4.2 EXPLANATORY FACTORS

Privatization has exogenous and endogenous determining factors. Privatization as excellent example to theoretically explain:

Sociological institutionalism explaining **convergence** (exogenous and top-down, initiated or at least accelerated by the EU institutions) on the supra-/international level:

- **Coercive isomorphism** or isomorphic adaptations occur. This means that the legal obligations of the EU are adapted (e.g. directives on liberalization of markets, procurement and competition law, prohibition of state aid)
- **Normative pressure** has been generated by the European Commission in those areas of activity, where before it had lacked regulatory powers of its own. This is done via EU-promotion of organizational variants (privatization) and procedures (competition)
- Strong states (UK, Germany) influence EU-policy via own liberalization policies

Actor-centred institutionalism (focuses on the behavioral preferences of veto players and the action strategies of actors), explaining **divergence** (endogenous; bottom-up processes induced by individual member states) on the national/local level:

- Influencing actors, their preferences and the veto player constellation (party politics minor role, e.g. Germany and UK)

- In **Germany** this can be seen in the ideological change in both major popular parties, who found a broad privatization consensus (1982), leading to a privatization-friendly veto player configuration.
- **UK**: strong position of **Thatcher**, who was considered to be anti-European. The influence of the British privatization model on the EU has been significant.
- Similar bottom-up development: **Germany**, who proved to be a promotor of an accelerated European liberalization movement

Thus, the EU was by no means the sole trigger of privatization processes, but had rather facilitated and even accelerated the already on-going negotiations for the breakthrough.

It's clear that countries followed different NPM paths and be assigned to different reform types (divergence within convergence). One principle explanation, involves **the political and administrative actors**:

- The radical nature of **British** privatization measures can be explained largely by the political show of strength of the **Tatcher** government, that faced hardly any opposition by veto actors (weak position unions)
- By contrast, the liberalization of the **German** municipal economy has happened less incisively (slower process) due to an **actor constellation** consisting of the federal government, the EU commission and the local governments, and because re-municipalization has even been encouraged (referenda against privatization)

HI (historical institutionalism; administrative and welfare state traditions) explaining **divergence** (endogenous) on the national/local level:

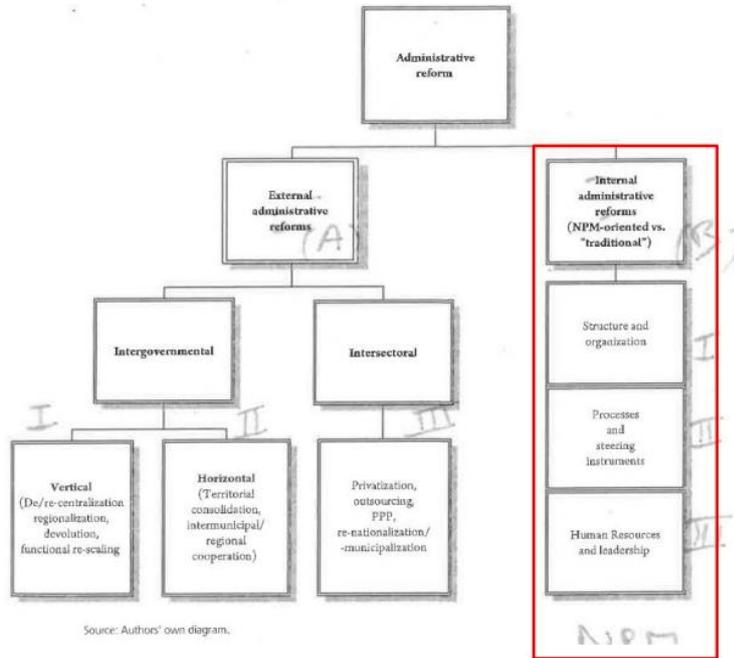
- Administrative and public sector cultures and structures influence the 'path' of possible privatization
- France: public service seen as society integrative + tradition of local outsourcing
- Germany: tradition of local public companies (Stadtwerke)
- UK: single party majority + strong position PM

Table 4.19 Theoretical explanations for reform development in the area of privatization

Factor	Explanation	Neo-institutionalist Theory Approach
<i>Exogenous explanatory factors (supra-/international)</i>		
EU policy; opening of the internal market	Coercive isomorphism, normative pressure, framing, usage of Europe	Sociological institutionalism
Economic and fiscal crisis		
2 NPM discourse dominance		
3 Post-NPM discourse		
<i>Endogenous explanatory factors (national/local)</i>		
Pro- and anti-privatization coalitions; political alliances	Policy-/vote-seeking; veto player configurations	Actor-centred institutionalism, veto player theory
Administrative and welfare state traditions	Path-dependencies, lock-in effects, critical junctures	Historical institutionalism

4 MODERNIZING ADMINISTRATIVE ORGANIZATION, PROCEDURES AND PERSONNEL

Types of administrative reform



4.1 CONCEPTS AND DEFINITIONS

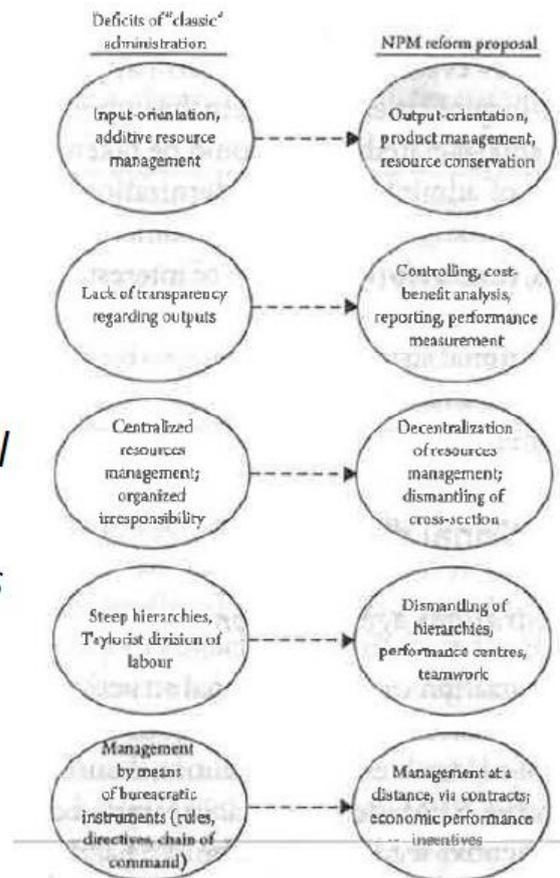
New Public Management = to transform the rule-based administration into a 'customer-friendly service enterprise' that could be managed in a performance- and cost-oriented manner. → hierarchical structures have been banned and a clear vision of function and role between politics and administration has been implemented.

Concepts and definitions

Background: NPM as answer to deficits of classical bureaucracies

Modernizing *organizational structures* and *managerial procedures*

UK versus continental Europe



This bundle of measures (figure: comparison of classic administration and NPM reform proposals) represents the internal structural micro-dimension of NPM. The figure highlights the major features of the classic Weber administrative organization VS the reform proposals of NPM.

There are significant **differences** among the countries in terms of implementation and use of the various reform instruments:

- **UK**: a radical NPM-guided and top-down implemented managerialization of the public sector.
- By contrast, the implementation of NPM in **Continental Europe** has been significant, but by no means revolutionary

Reform in 3 areas:

1. Organizational structures
2. Procedures and steering tools
3. Personnel

4.2 ORGANIZATIONAL STRUCTURES

4.2.1 MINISTERIAL ADMINISTRATION: AGENCIFICATION

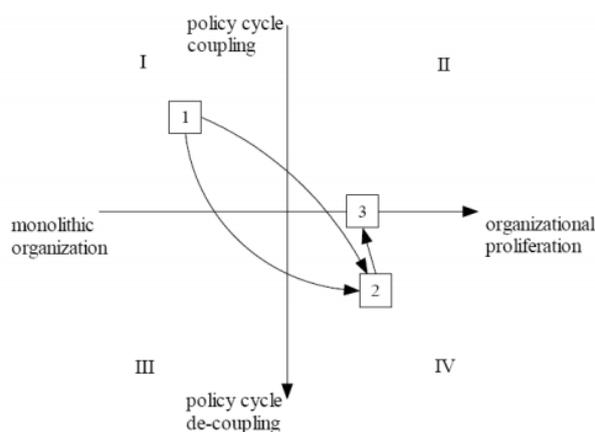
(= verzelfstandiging)

The modernization of organizational structures in Europe had been strongly shaped by:

1. The notion of **decentralization**
2. The **flattening** hierarchies

3. Institutional **autonomy** of organizational units → in terms of management, higher performance

- The functions of the agencies assume implementation and regulation tasks that had previously been located within the ministries
- The administration is to become '**depoliticized**', giving politics more strategic and steering capacities.
- As such, the agencies should be steered by the political leadership (ministers) '**at arm's length**', and thus no longer by the classic-bureaucratic means of hierarchical command.
- For this, instruments have been borrowed from the area of business management/administration:
 - Service level agreements
 - Product budgets
 - Performance-indicator-based controlling,
 - Contracts, etc.
- Tasks in regulation and service delivery



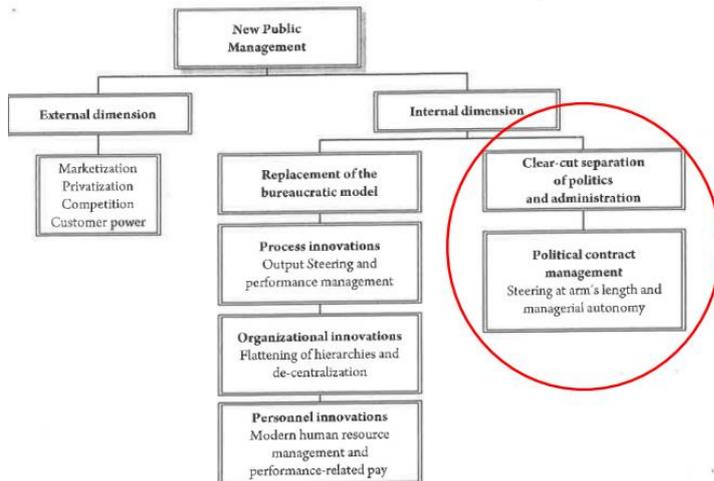
- Policy cycle: it's about a couple of steps. You have to set the agenda first. Agenda-setting is formulating the problem and thinking about some solution. The second step is to implement these solutions. In the third step, these new plans are evaluated.
- The first step is the responsibility of the politicians. They can then use the civil service to implement the initiatives (administration).
- So in the policy cycle agencies are established by two actors: politicians and civil service.
- Shift from monolithic organization
- Shift from policy cycle coupling (bureaucracy) to policy cycle de-coupling (small agencies, which have all a single responsibility)

→ organizational proliferation means that they split bureaucracy in different units

→ policy cycle de-coupling = two organizational policy

We see that there is now more coordination!

NPM



NPM is about introducing contract management. Performance should be reached, if not so, you can be punished, and if it is reached, you can be rewarded.

Type	Definition	Examples	Number
0	Unit or directory of the national, central or federal government (not local, regional or state)	Ministry, department, ministerial directorate/directorate general (DG), state institution	104 (20%)
1	Semi-autonomous organization, unit or body without <i>legal independence</i> but with <i>some</i> managerial autonomy	<i>Examples:</i> Next Steps Agencies (UK), contract/executive agencies (NL, B, AUS, IRL), state agencies (Nordic countries), Italian Agenzia, service agency (A), state institutions (EST), central bureaus (HUN), direct agencies (GER)	142 (27%)
2	Legally independent organization/body (based on <i>statutes</i>) with managerial autonomy , either based on public law (2a) or private law (2b)	<i>Examples:</i> Public establishments (IT, POR), ZBO (NL), NDPB (UK), parastatal bodies (B), statutory bodies or authorities (not corporations: A, EST, AUS, IRL, POR), indirect agencies (GER)	106 (20%)
3	Private or private-law based organization established by or on behalf of the government like a foundation or corporation, company or enterprise (government owns majority or all stock, otherwise category 5)	<i>Examples:</i> commercial companies, state-owned companies (SOC) or enterprises (SOE), and government foundations	62 (12%)
4	Execution of tasks by regional or local bodies and/or governments (county, province, region, municipality)	<i>Examples:</i> Länder (GER), regions (B, I, UK), states (AUS), cantons (CH)	54 (10%)
5	Other, not listed above	Contracting-out to private companies and privatization with government owning minority or no stock	28 (5%)

Table 2.2 Types of organizations in countries, for 25 tasks

Country	Agency Type					
	0	1	2	3	4	5
Scandinavia (N, DK, F, SW)	6	39	19	14	11	6
Central East Europe (HUN, LIT, RU, E)	9	47	17	12	5	6
South Europe (POR, SP, IT)	22	6	25	12	3	3
NW Europe (NL, B, UK, IRL)	21	26	19	9	14	9
Non-Europe (TAN, IS, AUS)	31	10	18	6	0	3
Mid Europe (A, G, CH)	15	14	8	11	21	1

Source: Verhoest et al. 2012 ('Government Agencies')

- Further distance = less autonomy
- Type 1: intern verzelfstandigde agentschappen (IVA's)
- Type 2: EVA's

'Agency fever' – administrative trend

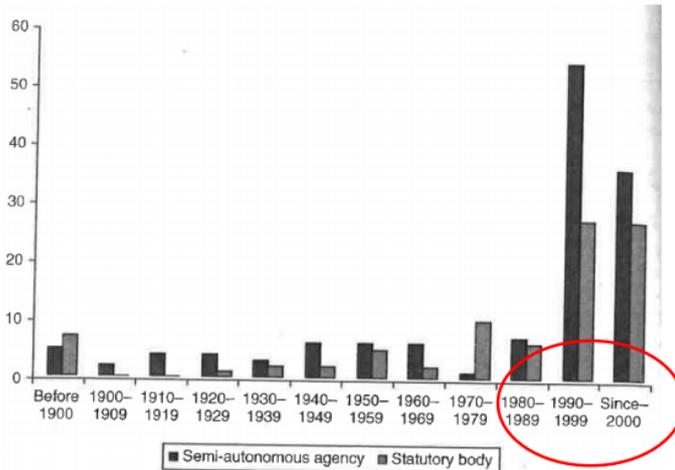
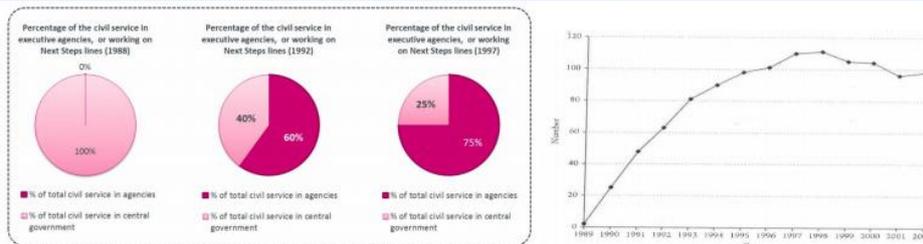


Figure 2.1 Increase in agencification over time, 21 countries

- The agency model has become widespread on the ministerial level in a number of countries → agency fever
- Since 1980-1990 semi-autonomous agencies established = trend

GERMANY	UK	FRANCE
Initially hesitant, due to: -already deconcentrated and decentralized system of subsidiarity (implementation in Länder)	Strong agencification wave since 1980's (Next Steps Programme) Centrifugal tendencies Fragmented state administration	French tradition of local implementation units (deconcentration – services extérieures de l'Etat)
Only to a limited extent 'agencifiable'	Breaking the power of centralized Whitehall (weakening the civil service)	Unbundling the state not so necessary
Contrast to centralized countries like France and UK	Framework agreements with performance targets	Only recently contract management



Germany

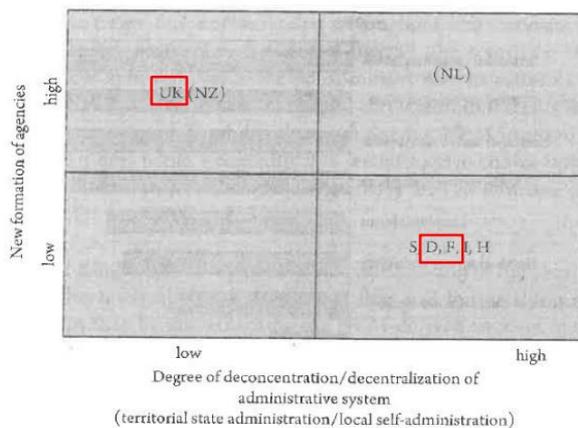
- The initially very hesitant reception of the agency concept in Germany can be explained by the:
 - High degree of administrative deconcentration
 - Political decentralization within the federal system, characterized by the principle of subsidiarity
- Contrast with unitary-centralized countries such as UK, France
- The German federal administration can be considered 'agencifiable' only to a limited extent.

UK

- Under **Tatcher**, the entire ministerial administration was restructured, with the **Next Steps initiative**
- The aim was **breaking up the highly centralized ministerial bureaucracy in the Whitehall**, and to **weaken** the British civil service.
- The Next Steps agencies were managed by a **chief executive**, who is largely autonomous when it comes to resource management, hiring, firing, payment of personnel, task implementation, etc.
- In this, the central management tool is the so-called **framework agreement**, which is entered into by the minister and the chief executive and that specifies the key points of performance.
- During the course of agencification, there were strongly **centrifugal tendencies** → the central-state administration today is highly deconcentrated

France

- In France for many years, the state administration has also been **highly deconcentrated** and equipped with numerous classic local implementation units, whose de facto freedom of action is not substantial.
- Thus, the institutional necessity for an **additional unbundling and territorialization** of the French state is rather limited. → on the local level there were already units
- Until recently, however, the approaches of output and **contract management** connected to the agency model have only been used sparingly.



Book p.223: reform developments of agencification by comparison

4.2.2 LOCAL-LEVEL ADMINISTRATION: ONE STOP AGENCIES AND BUNDLING OF TASKS

On the **subnational and local levels**, the agency idea has gained currency in particular in connection with the **establishment of one-stop agencies**, although these have been implemented **very differently in the individual countries**.

One stop shops = wide range of bundled local administrative services under one roof, so that citizens would not have to travel so far → **customer orientation**

The establishment of a '**single point of contact**' has been prescribed to all MS by the 2006 EU services directive. → reform to react on a former situation. This reform idea has been taken up by many countries and enshrined into EU law

Table 4.21 Variants of one-stop shops by comparison

Country	National Models of One-stop Shops/Functions	Prevalence Rate
G	<i>Bürgeramt</i> : bundling of local government services	High
F	<i>Guichet unique multiservice</i> : bundling of local government services	Medium
	<i>Maisons des services publics</i> : bundling of various state- and local-level services (rural areas)	Medium
I	<i>Sportello unico</i> : investment consulting	Low
S	One-stop shop: bundling of local government services	Medium/increasing
UK	Job Centre Plus: bundling of social security services (implementation wing of state agencies)	High (except Northern Ireland)
H	State administrative offices: single window access for entrepreneurs (general state administration)	Low

GERMANY	FRANCE	UK
Citizen shops	Service centres	No bundling, or one stop shops Rather purchaser/provider split and competitive tendering (cf. Best Value)
58% of local governments	Function is to bundle services of various levels and institutions (fragmented state: local, départements, regions, ...)	Reason: many citizen oriented services are carried out by state agencies (e.g. registering births)
Succes: - Dissemination across country - Related service improvements	Multi-service counters in cities (cf. German citizen shops)	There is bundling by central state agencies, e.g. Job Centre Plus as a one stop shop for unemployed and social security

Germany

- Citizen shops have been introduced in 58% of all local governments
- One stop shops have proven to be one of the most successful concepts in Germany, based on their **dissemination rates across local governments**, and to the **related service improvements**.
- The one stop shops in the form of single counter access had spread furthest in Germany (in comparison with France and UK)

France

- The primary function of these **service centers** is the bundling of services of various levels and institutions → within the **fragmented** French administrative system (local government, *département*, state, associations, public and private organizations)
- Recently many larger cities are beginning to tackle the internal reorganization of services; ‘**multi-service counters**’ have been introduced that provide administrative services under one roof.

Fragmented: very difficult to know as a citizen which level is responsible

UK

- UK is characterized **less** by task bundling and by installing one-stop-shops. They rather **implement the NPM-derived concept of purchaser-provider split, and practice competitive tendering** → this led to a diversification and pluralization of providers;

- The concept of one-stop-shops has found **less** attraction in UK, than in Continental Europe, because the **classic registration functions** are carried out by state agencies, such as registering births/deaths. → this is exemplified by the **Job Centres Plus**; serves as standard points of contact for unemployment as well as for social security
- The administrative reforms have been imposed **top-down** by central government (>< Germany), and have resulted in a mono-functional fragmentation of local-level actors → no citizen oriented bundling of administrative services.
- Thus the one-stop-shop approach is limited to state administration (agencies), and is applied particularly in the Job Centres Plus.

The local government introduced competition. This is competitive tendering. The local government is the purchaser of the service, but the provider can be someone else, a private organization, who does it on behalf of the local government.

4.3 PROCEDURES AND STEERING INSTRUMENTS

The government want to measure performance; this was new for everyone. The measurement of performance

- Central feature of NPM-like public sector reforms is **measuring performance**, and **managing for performance**, under the assumption that classical bureaucracies are ‘underperforming’.
- Also citizens and taxpayers expect ‘performance’, value for money (also especially in times of crisis) → if you pay, you want quality
- According to Pollitt and Bouckaert, the ‘performance movement’ has unfolded along several dimensions:
 - More **extensive** (more levels and more fields)
 - More **intensive** (more management functions included) → e.g. if you go to the city hall, how long do you have to wait?
 - More **external** (outward looking)

PM on many fields: more extensive

guardian.co.uk

Police crime detection rates fall to new low

Home Office figures show street robberies help m University research department
crime's upward spiral while burglaries and car offe rankings

Complete results for a peculiarly British exercise

The results of the research assessment exercise (RAE 2008) were eagerly awaited in universities throughout the UK as academics discovered how their work was ranked by expert panels of their peers in 67 subject areas. It's a uniquely British operation and the results given here will be poured over for a long time to come. Many will also wish to
followed in March's
ing Council for England

THE AUSTRALIAN
THE HEART OF THE NATION

THE AUSTRALIAN NATIONAL AFFAIRS BUSINESS AUSTRALIAN IT HIGHER EDUCATION VIDEO

Kevin Rudd targets hospital waiting lists with maximum time limits

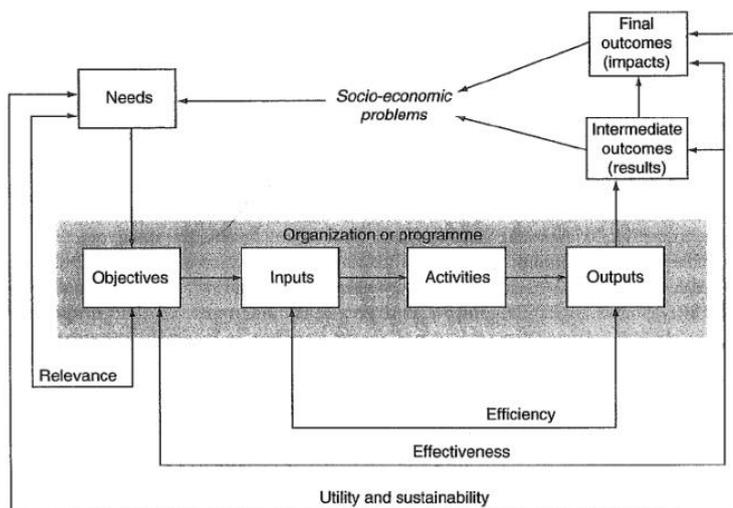
Joe Kelly | The Australian | March 04, 2010 9:22AM

A+ A- Share

4.3.1 PM ON MANY FIELDS: MORE EXTENSIVE

- Performance indicators (PI):
 - Straightforward, tangible services (refuse collection)
 - Individual, less concrete services (health care)
 - Non-tangible, less concrete services with subjective content (policy advice)
 - → all these services are more or less exposed to measurement

- Analytical sense of measuring: more complex measurement (see below)



The input/output model; input is very easy to measure, you can always check it

4.3.2 PM FOR MANY MANAGERIAL FUNCTIONS: MORE INTENSIVE

- More intensive in an analytical sense (see above)
- But also measurement for **management** purposes:
 - Inform decisions
 - Benchmarking - Budget allocation
 - Promotion of managers

E.g. University rankings: planning to achieve a high ranking is central to managing a university → use this to allocate money

4.3.3 PM ALSO OUTWARD LOOKING: MORE EXTERNAL

- PM also for **external** use, for different stakeholders external to organization:
 - Legislatures
 - Taxpayers
 - Service users, etc.
- Need for well-structured and presented information.
- Often lot of media attention (e.g. league tables schools)

PM also outward looking: externalization

23/12/2008 [De Lijn viert 500 miljoenste reiziger in Gent](#)

Gent - Voor het eerst in haar geschiedenis heeft De Lijn in een jaar tijd 500 miljoen reizigers vervoerd. Daarmee is 2008 het beste jaar voor de vervoermaatschappij sinds haar ontstaan in 1991. De voorbije acht jaar is het aantal reizigers verdubbeld. De 500 miljoenste reiziger stapte dinsdag om 10.30 uur van de bus in Gent.

Primary school league tables could see over 900 closed or taken over

Government says primaries where pupils failed basic standard in maths and English face becoming academies or closing

- [Primary school league tables 2010 A-M](#)
- [Primary school league tables 2010 N-Z](#)

4.4 COMPARISON BETWEEN COUNTRIES

Convergence in rhetorics → the rhetorics of the managerial state

But differences in implementation, use and effect of performance measurement and management:

- What is measured? EXTENSIVITY?
- External use and sanctions/rewards? EXTERNALIZATION?
- Managerial use of performance information? INTENSIVITY?

You see a lot of differences in implementation. The extent to which the performance information is used, is different. It can be different in terms of how many fields, in terms of insensitivity, etc.

UK 	GERMANY 	FRANCE 
Central state directed (top down) Mandatory Nationwide Subject to sanctions	New Steering Model Bottom up process. First in local governments. From rules and procedures to output steering	Also (counterintuitively) bottom up story Local 'tableaux de bord' (table 4.23) and cost accounting
Agreements and targets (indicators) External monitoring of achievements	Local governments: Defining products and attached indicators and performance data But rarely used for steering purposes	No leading role for the central state. Local story, but for internal use (no externalization) Also few benchmarking, and few sanctioning
Also on the local level Central government 'steers' local government on performance (table 4.22) Info used for 'steering purposes'	Also starting at the local level: benchmarking (intermunicipal performance comparisons) – Not compulsory (figure 4.20)	On the central level Loi Organique Relative aux Lois de Finances (LOLF): performance and programme budgeting, contract management
Drawbacks: -large transaction costs (audit and inspection 'machine') -subversive strategies -validity of the information	Drawbacks: -not used for steering -perception that efforts exceed benefits -hardly external use	Drawbacks with LOLF: -parliament only discusses mission, implementation left to ministries -larger autonomy for decentralized state administration vis a vis ministries
Recently (2010) shift in policy, away from the 'inspection machine'	Federal and Länder: more or less compulsory benchmarks by audit offices (municipal audit offices in some Länder)	-new bureaucratization via performance indicators

UK

- UK was (again) the **frontrunner**. They use a very intensive system.
- The administrative units that are responsible for providing the services are required to fulfil the objectives specified in **target agreements** and contracts.
- The underlying strategy of the central government is to **centrally steer and control the performance efficiency of the local authorities in providing services**, by constantly evaluating their achievement and their compliance with performance indicators.
- One major problem lies in the **huge transactions costs** associated with the continuous and comprehensive performance inspections and the institutional and personnel density of state audit and inspection authorities.

- Moreover, widespread **antipathy and growing resistance** against the permanent performance control by central auditors have been evoked by the local authorities concerned, thus sometimes leading to subversive strategies.
- The inspections often appear to generate anything **but** valid and reliable performance information, because the process is **artificial** and the local actors concerned show remarkable creativity **conveying** the desired best value climate and convenient results.

Table 4.22 Extract from the Annual Performance Assessment of the city of Liverpool (Child and Youth Welfare, 2008)

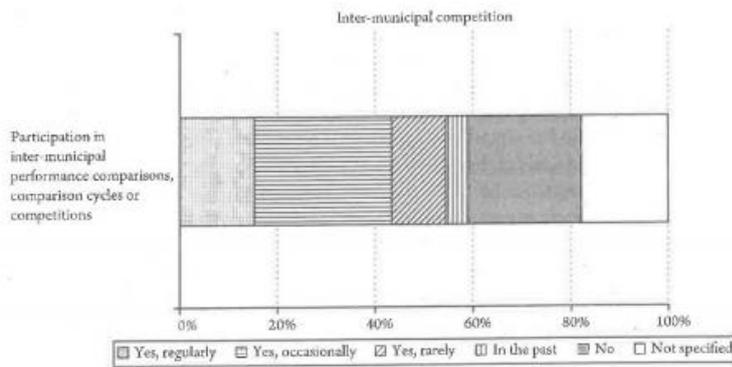
Assessment Judgement Area	Annual Performance Assessment Grade
Overall effectiveness of children's services	3
Being healthy	3
Staying safe	3
Enjoying and achieving	3
Making a positive contribution	3
Achieving economic well-being	3
Capacity to improve, including the management of services for children and young people	3

Note: Inspectors make judgements based on the following scale: 4: outstanding/excellent; 3: good; 2: adequate; 1: inadequate.

Source: See <http://liverpool.gov.uk/site-search?q=annual+performance+assessment>; last accessed 10 March 2010.

Germany

- The instruments of PM and performance comparison have been introduced into public administration since the arrival of the **New Steering Model (NSM)**-inspired reform movement.
- The reform concepts have made their entry typically in a **bottom-up manner**, starting at the local level.
- In passing from the traditional rule and procedure based to output and performance-based steering, the **local governments** have begun to define products, to write up product catalogues and to fill these in with indicators and performance data.
- **No link** has been established or used between the products and the key instruments of the NSM → raises the question of whether the sizeable efforts that have been invested in creating the product catalogues are justified and pay off in the long run
- Also **benchmarking** starts at the local level, but this is **not** compulsory.
- Similar comparison projects have also been introduced in the **federal** administration and the **Länder** authorities. The performance comparisons are no longer purely voluntary, as the audit offices have become involved in the steering and conduct of comparisons



Source: Kuhlmann (2011, p. 9, with further references).

Figure 4.20 Inter-municipal competition and performance comparison in German local

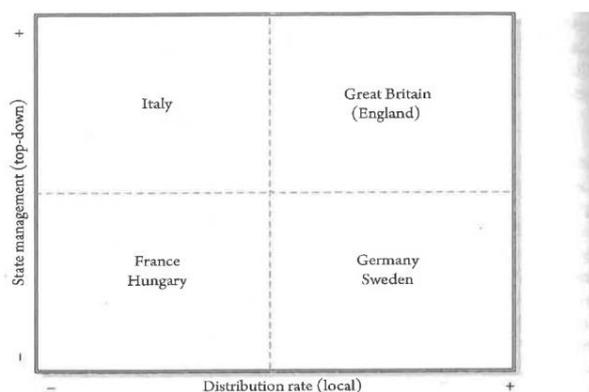
France

- Totally different than the normal pattern (top-down), the practice of performance management has been established **from the local level (bottom-up)**.
- The French central state did **not** initially play a leading role as a reform actor.
- Information is only hardly available on the outside, so it is difficult to compare and the sanction measures are limited.
- On the central level LOLF has been introduced, but there are some drawbacks: see scheme & book p.238
- LOLF (2001) laid down a new framework for public finances, resources management, and budgeting in the state administration, providing new forms of global budgeting based on programme and performance targets

Table 4.23 Extract from the tableau de bord of the city of Le Havre registry office (2004)

Performance Indicator	Defined Performance Target	Result in 2004
Average waiting time at the counter	Max. 10 mins	< 6 mins
Proportion of applications processed in less than five days	Min. 90%	96%
Proportion of telephone calls answered (<i>appels non perdus</i>)	Min. 92%	99%
Proportion of calls answered after a maximum of three rings	Min. 90%	92%

Source: Kuhlmann (2009a, p. 208, with further references).



Source: Authors' own diagram.

Figure 4.21 State steering and distribution of performance management on the local level by comparison

4.5 ARTICLE: INTERNAL & EXTERNAL USE OF PI – RESULTS FROM AN INTERNATIONAL SURVEY (HAMMERSCHMID, 2013)

See slide 30 – 33, week 8

4.6 CROSS-COUNTRY COMPARISON: CONVERGENCE, DIVERGENCE, PERSISTENCE AND EXPLANATORY FACTORS

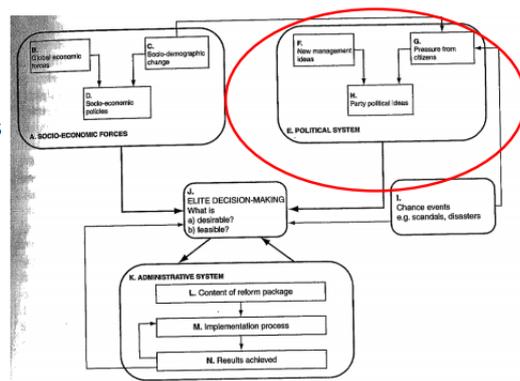
Convergence

International NPM doctrine

- Reform discourse
- Reform instruments (the 'NPM-toolbox')

NPM as:

- The 'norm'
- Promoted by int. institutions
- Economic optimization



→ there has only been a **limited** convergence in the area of concrete reform implementation and with regard to the results and effects.

Divergent implementation

Organizational reform:

- UK: radical and new agencification vs. other countries only 'modernizing' existing organization (e.g. Scandinavia)
- Continental countries less 'agencifiable', e.g. federal countries already decentralized implementation structures. But still introduction of new steering mechanisms

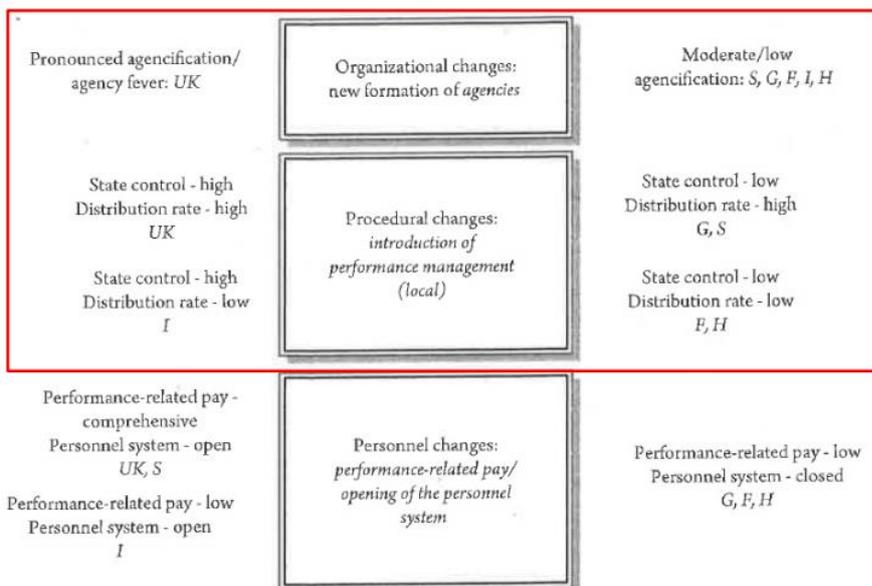
Procedures:

- PM as top down state control, compulsory and with sanctions (UK) vs. more voluntary bottom models (e.g. Germany)
- Externalization of results (UK), in contrast to France/Germany

- UK has the NPM ideas implemented in the pure form >> Scandinavia is slower because it is home-grown (more shaped by a continuing and a cautious NPM modernization).
- Federal versus unitary countries:

- Federal → the administration has proved to be less agencifiable due to the already decentralized implementation structures, so that as a result agencification has only occurred moderately.
- In the unitary countries, the state administration is already highly deconcentrated due to the Napoleonic administrative tradition characterized by the dualism between state and local government administration, thus the potential here for additional agencification is also limited.
- In management **instruments** and process innovations, there is only a **limited convergence** between countries.
 - In the **UK** to a wide extent, the use of performance management as a tool of state control and intervention is **obligatory** and tied to sanctions.
 - This stands in contrast with the **Scandinavian** context where the use of performance management is embedded into a system of voluntary self-assessment and optimization. In addition, **there is no convergence to be noted between countries as to whether performance results are made public (UK) or not (Germany, France).**

4.6.1 EXPLANATORY FACTORS



Source: Authors' own diagram.

Book p.257: practical divergence of the internal modernization and personnel reforms by country comparison

Moderate or bounded convergence in the area of reform implementation and results = **historical institutionalism**. The very different use and effects of the similar reform instruments discussed here can be traced back primarily to **institutional path dependencies** and to the persistence of **historically** established **administrative structures** and administrative-cultural **traditions**.

Table 4.28 Theoretical explanation of the reform development in the area of internal modernization

Factor	Explanation	Neo-institutional Theory Approach
<i>Exogenous explanatory factors (supra-/international)</i>		
NPM discourse dominance	Normative pressure, logic of appropriateness, framing	Sociological institutionalism
Economic and financial crisis		The norm (discursive)
Influence of international organizations/actors (EU, OECD)		Influence of OECD/EU Crisis (of bureaucracy)
<i>Endogenous explanatory factors (national/local)</i>		
Policy preferences of actors; opinion leaders in the reform process	Actor constellations; strategic action; voter maximization	Actor-centred institutionalism
		Political ideology (e.g. Thatcher)
(In-) compatibility of administration and management	Administrative/legal culture; cognitive-cultural character of administration	Historical institutionalism
		Public interest vs. rule of law countries
National policy crises; political shocks	Critical junctures	
	'When something happens'	

Source: Authors' own compilation.

To answer the question regarding the paradigmatic shifts in administrative systems, the **actor-centred institutionalism** is more effective, because it focuses more attention on relevant actor, to their pursuit of power, their will and skill, and political strategies. This is evident for the UK, with Margaret Thatcher. → managerialization of the White Hall and the 'war against local governments'.

The existence of **veto players** and the pressure to attain a consensus, provides a (further) explanation for the more cautious and moderate implementation of the reform concept in Germany and France.

4.7 DISCUSSION: ARTICLE 3 & 4 (JILKE, 2012; VAN THIEL, 2011)

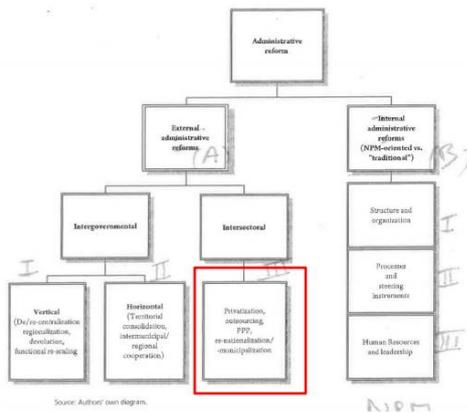
Jilke & Van de Walle (2012) on liberalized public services

Van Thiel (2011) on agencification

• Questions:

- Research topic / research questions? Kind of reform?
- Scope and method?
- Research results?
- Discussion: Administrative traditions & models? Context of reform? Theories for explaining reform?

4.7.1 ARTICLE 3: TWO TRACK PUBLIC SERVICES? CITIZENS' VOICE BEHAVIOR TOWARDS LIBERALIZED SERVICES IN THE EU15



JILKE & VAN DE WALLE (2012)

Here competences were transferred from government to some kind of public corporations.

4.7.1.1 CONTEXT / TOPIC / RQ

- Private or semi-private provision of services of general interest (electricity, gas, water, mobile telephony, ...)
- Competition, giving 'voice' and 'choice' to citizens via liberalization of services
- Assumption: vulnerable people are weaker in this 'supermarket state model' (anti-democratic?)
- Is there a relation between citizens' socio-economic status, and their complaint behavior, regarding liberalized services of general interest?

This is the core question, and can be situated within the topic of the liberalization of these services under pressure by the EU. This resulted in specific agencies/ corporations that should take care of these services.

The EU wanted to do this because they wanted to give citizens voice and choice: if they can choose, they will be happier. They will also be able to complain: companies will listen, because they know citizens have an alternative.

Question: some groups can complain much more easily.

We call this the super market state model: people can shop, even in public services. This might be antidemocratic: not every citizen knows how and where to shop.

4.7.1.2 SCOPE AND METHOD

- 15 EU countries, period 2000 – 2004
- Eurobarometer data
(<http://ec.europa.eu/COMMFrontOffice/PublicOpinion/>)
- Dependent: ‘complaints’ (binary: yes/no)



“In the last twelve months, have you personally made a complaint, either to any complaint-handling body (ombudsman, regulator, consumer association, industry body, etc...) or the service provider about any aspect of [...]?”.

- Independents: age – education – (interaction: ‘does education/age over time increases of decreases probability of complaining?’)
- Controls: country – perceived service quality – gender – survey year
- This is an existing database, which compiles all sorts of data.
- Two surveys were examined: one of 2000 and one of 2004.

Table 1: Descriptive Statistics

Source: Eurobarometer 53.0, 2000; Eurobarometer 62.1, 2004

	Mean	SD	Min, Max	N
Dependent variable				
Voice	.17	.377	0, 1	30,570
Independent variables				
Education	1.98	.757	1, 3	31,120
Age	2.75	1.072	1, 4	31,429
Control variables				
Country	-	-	1, 15	31,429
Year	.49	.500	0, 1	31,429
Service quality	11.42	4.316	1, 32	30,479
Gender	.48	.500	0, 1	31,429

→ only 17% of the people answered they had been complaining. These descriptives are not that important.

4.7.1.3 RESULTS (DESCRIPTIVE)

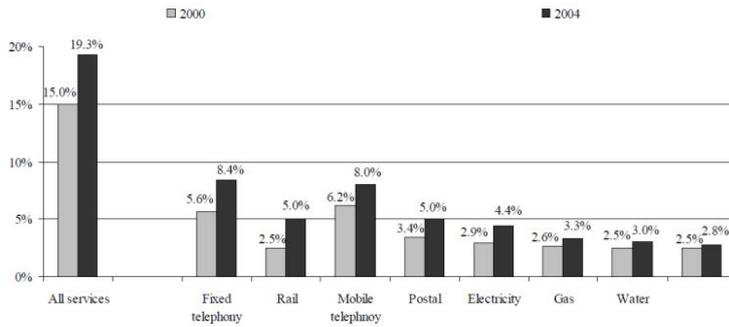


Figure 1: Complaints made in the last 12 months (EU15)

INCREASE

First observation: the number of complaints seems to increase over time. This might be caused by increased choice

4.7.1.4 RESULTS (EXPLANATORY)

Table 2: Binary logistic regression for reported voice behavior

EU 15				
	B	Exp(B)		
Control variables			Independent variables	
Country (Ref. Ireland)			Education (Ref. high)	
France	-.856	.425***	Education low	-.636 .529***
Belgium	.036	1.037	Education medium	-.279 .757***
The Netherlands	.125	1.133	Age (Ref. 55+ years)	
Germany	-.116	.891	15-24 years	.416 1.516***
Italy	-.278	.757	25-39 years	.393 1.481***
Luxembourg	-.999	.368	40-54 years	.412 1.509***
Denmark	.198	.1219	Interaction Terms	
Austria	.146	1.157	Year X Education low	.434 1.544***
United Kingdom	.354	1.425*	Year X Education medium	.024 1.024
Greece	-.206	.814	Year X 15-24 years	.106 1.112
Spain	-.145	.865	Year X 25-39 years	.229 1.257*
Portugal	-.825	.438***	Year X 40-54 years	-.081 .022
Finland	.375	1.455	Constant	-2.626 .072***
Sweden	.797	2.218***	Nagelkerke R ²	.084
Year 2004 (Ref. 2000)	.287	1.332**	Pseudo R ²	.050
Service Quality	.079	1.082***	Correctly predicted	82.9%
Gender (Ref. male)	-.049	.953		
			N	30,488

Gap in complaining between young and old increases over time
 Gap in complaining between educational groups decreases over time

*** p<.001; **p<.010; *p<.050

Control variables

- Country:
 - Mean score of Ireland was closest to overall, so Ireland is reference country.
 - In France, people complain less compared to Ireland. Same goes to Portugal. These are statistically significant
 - In Sweden and the UK they complain more
 - Bottom-line: there are differences between countries
- Year 2004 & Service quality: this year influences the amount of complaints

Independent variables

- Education: lower educated people complain less than highly educated people (reference category)
- Age: compared to reference category, everyone complains more. Basic line: younger people complain more than older people

Interaction terms

- Year X education low: if you look at the interaction between the years, you see increase in complaint. Lowly educated people, in time, complain more (although they still complain less compared to highly educated people). This could be an indication that the gap between high and low educated people is closing. This can mean that people get to know the sector.
- Nagelkerke R^2 : all these variables only explain 8% of the variance in the dependent variables

Regression analysis! The – means that they will complain less. If you look at R^2 : the extent to which all variations in the model explain the variation in the dependent variable. Secondly you can look at the variables apart: chance that county is important is significant (***) is significant). → conclusion is in blue: gab increases overtime.

4.7.1.5 DISCUSSION

- Only general results, and partially confirming the assumption (results need to be nuanced)
- Some methodological weaknesses:
 - Composite measure of voice (quid different countries and sectors?)
 - Can findings be attributed to liberalization? (no ex ante/post measures, and short time interval) → goes over several years
 - Perceptions, not real observations → just surveys
 - Other socio-economic variables (wealth, class, ...) may affect results

Very important: methodological weakness

- Not taken into account the different sectors, which might affect voice → very general 'voice'
- Is it because of the liberalization that we observe this results? It might also because of other phenomena, causing disparities between highly and lowly educated people
- We don't have any figures from before the liberalization, so we can't fix the previous problem
- Much better would be to focus on one country and study before and after liberalization

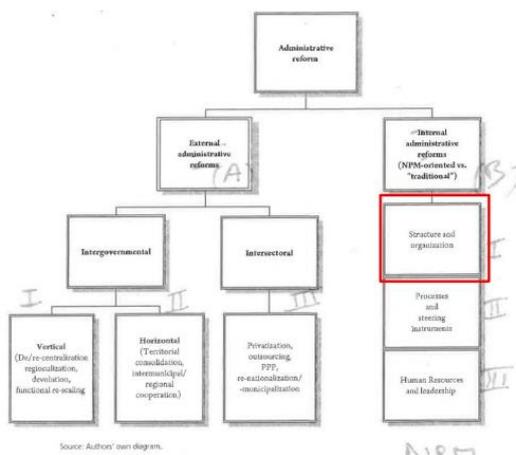
Example exam question:

QUESTION 2 (5 pt.) – In their article on 'citizen's voice behavior towards liberalized public services', Iilke and Van de Walle point at some methodological problems in their measurement of voice behavior and the link of voice behavior with the process of service liberalization. Which problems? And what suggestions do the authors have to overcome these problems in future research?

- (1pt) • VOICE BEHAV. AGGREGATED IN SINGLE ITEM
QID DIFFERENT SECTORS?
- ATTRIBUTION OF FINDINGS TO LIBERAL. PROCESS IS PROBLEMATIC
(2pt.)
 - NO EX ANTE/POST MEAS.
 - SHORT RESEARCH TIMELINE

- FURTHER RESEARCH:
 - OTHER SOC. ECON. FACTORS IMPORTANT TO RELATE TO VOICE BEHAVIOR RELATED TO 'EXPECTATIONS'
 - (2pt.) - OBSERVED COMPLAINTS INSTEAD OF SECOND. DATA
 - BRINGING INSTIT. FACTORS IN (DIFFERENT REGULATORY REGIMES)

4.7.2 ARTICLE 4: COMPARING AGENCIFICATION IN CENTRAL EASTERN EUROPEAN AND WESTERN EUROPEAN COUNTRIES: FUNDAMENTALLY ALIKE IN UNIMPORTANT RESPECTS?



VAN THIEL (2011)

4.7.2.1 CONTENT / TOPIC / RQ

- Agencification (organizational reform)
- Differences in agencification reforms between CEE and Western European countries?

Types of agencies

Type	Definition	Examples
1	Semi-autonomous organization, unit or body without <i>legal independence</i> but with some managerial autonomy	Next Steps Agencies (UK), contract/executive agencies (NL, B, IRL), state agencies (Nordic countries), Italian Agenzia, service agency (A), state institutions (EST), central bureaus (HUN), direct administration (GER), Flexi-agencies (A)
2	Legally independent organization/body (based on <i>statutes</i>) with managerial autonomy	Public establishments (IT, POR), ZBO (NL), NDPB (UK), parastatal bodies (B), statutory bodies or authorities (not corporations: A, EST, IRL, ROM), indirect administration (GER), regulatory agencies (C, SL)
3	Private or private law based organization established by or on behalf of the government like a foundation or corporation, company or enterprise (government owns majority or all stock)	State-owned companies (SOC) or enterprises (SOE), and government foundations (examples to be found in all countries)

A = Austria, B = Belgium, C = Croatia, EST = Estonia, GER = Germany, HUN = Hungary, IRL = Ireland, IT = Italy, NL = Netherlands, POR = Portugal, ROM = Romania, SL = Slovakia, UK = United Kingdom

The higher the type, the more autonomy it has. Type one corresponds with the IVA, 2 with the public EVA and 3 with the private EVA.

Trajectories of agencification

- Maintain (low NPM reformers): preference for decentralization over agencification / lower numbers / less autonomy / incrementally created
- Modernize (moderate NPM reformers): Nordic countries tradition of agencies / Southern countries preference for corporatization
- Marketize (radical reformers): agencification combined with market pressure and minimal government interference (autonomy!)
- Minimize (nightwatchman state): privatization over agencification

- **Maintain:** this is what we see in a lot of federal countries: they give power to other levels, not to agencies. If they create agencies, this will happen incrementally
- **Modernize:** in Nordic countries, agencies are not something new. What is new, though, is the increase of autonomy and the way they are controlled. In the south, there is a preference for type 3. They have a tradition of strong central government, where they don't want to disperse power. Therefore, they privatize in the form of public corporations

Trajectories agencification of CEE countries

Modernizers:

- Agencification important element in state building after communist regime
- Not new (agencies existed already): so rather managerial reform and increased autonomy in already existing legally autonomous agencies (cf. Nordic countries)
- Other reasons for agencification:
 - Taxing (raising fees)
 - Political appointees and higher salaries (cf. discussion in Flanders today)
- They copied the west, and since agencies were popular in the 90's, the east created agencies.
- Example of modernization: introduce performance management as a way of control
- Through agencies, you can hide that you're gathering extra state income (for example, through bus tickets → isn't regarded as a real tax for the state)

Brings us to a model to test (Historical Instit.)

Table 2: Trajectories of agencification in CEE and Western European countries

Trajectory	Countries	Pattern of agencification
<i>Maintenance:</i> strong role for government	Legalistic and/or federal countries: Germany, Switzerland, Spain, Austria	Preference for decentralization rather than agencification. Low numbers of agencies, with low degrees of freedom, established at regular (long) intervals (incrementally).
Modernization I: important role for state but primarily decentralized service delivery <i>Decentralized modernizers</i>	Nordic countries Netherlands and Ireland	Longstanding tradition of agencification, with high degree of autonomy and agencies of different types. Recent reforms not aimed to reduce the number of agencies, but reshuffling of types of agencies.
Modernization II: important role for state but privatized service delivery <i>Centralized corporatists</i>	Southern European countries with Napoleonic tradition: Portugal, France, Italy, Belgium	Corporatization preferred over agencification, strong central government steering (programmatic and legalistic approach). Many private law based type agencies, mixed funding and governance arrangements.
Modernization with a twist, leading to a minimalist state <i>Modern minimizers</i>	CEE countries	Large scale and quick (re)-agencification after fall of communism, limited government steering so high degrees of autonomy for agencies (no programmatic approach, so many different types).
<i>Marketization:</i> large scale introduction of market-type mechanisms	Anglo-Saxon: United Kingdom	Privatization and agencification under market conditions: large scale agencification with extremely high degrees of autonomy (legally, financially, control).

4.7.2.2 SCOPE AND METHOD

- 25 tasks, 18 countries
- Expert surveys: Agency type? Task? Time (year est.)?

Table 3: Tasks and countries for analysis

Tasks (25)			Countries (18)	
(National) airport	Intelligence/secret service	Registration of drivers licenses	Austria	Italy
Broadcasting company	Labor exchange	Road maintenance	Belgium	Lithuania
Bureau of statistics	Land registry	Student loans	Switzerland	Netherlands
Development aid	Meteorological office	Taxes	Denmark	Norway
Distribution of EU subsidies	(National) museums	(Public) universities	Estonia	Portugal
Forestry	Police	Unemployment benefits	Finland	Romania
Hospitals	Prisons	Vehicle registration	Germany	Spain
Housing companies	Prosecution office		Hungary	Sweden
Immigration agency	(National) railway		Ireland	United Kingdom

4.7.2.3 RESULTS (NUMBERS)

→ question 1

- 278 cases identified (of 450 possible combinations)
- Proof of ‘agency fever’
- Larger in CEE & Nordic
- Less in Federal countries

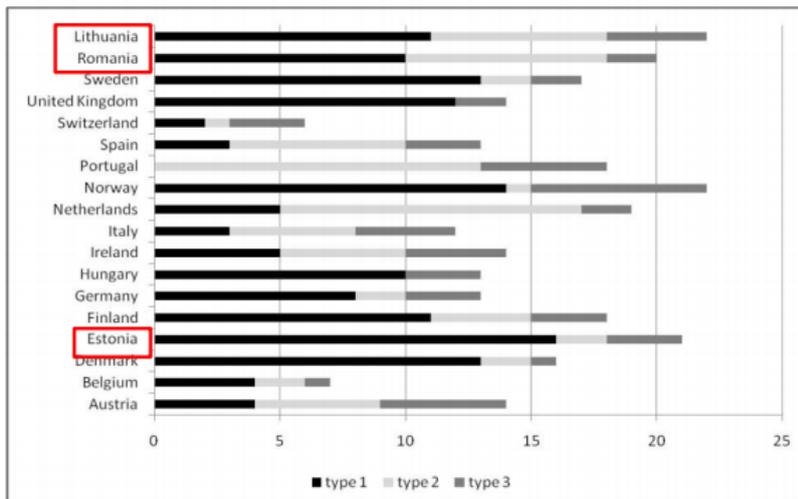


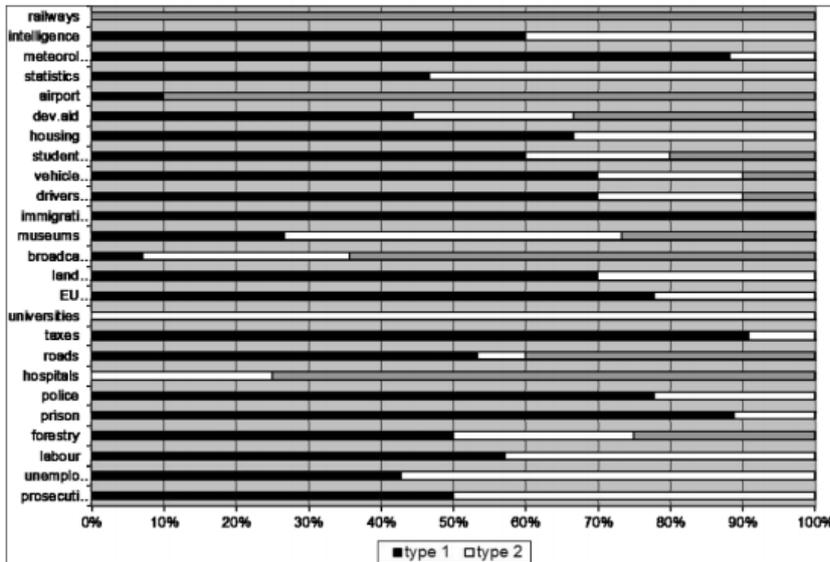
Figure 1: Number of tasks (out of 25) charged to different types of agencies in 18 countries

In 180 cases, the tasks were still done by central bureaucracy. This low number is proof of agency fever. The fever has been larger in the CEE and the Nordic countries

4.7.2.4 RESULTS (TASKS)

→ question 2

No correlation between agencification of specific tasks and country (a lot of similarities between different countries)



4.7.2.5 RESULTS (TIMING)

→ question 3

- Longstanding tradition in Nordic
- UK and NL later: NPM programmes!
- CEE: recent phenomenon (re-establishment of pre-existing agencies)

This is more important. Agencification has been a recent thing for NPM countries and CEE, while the Nordic countries have done this for a long time.

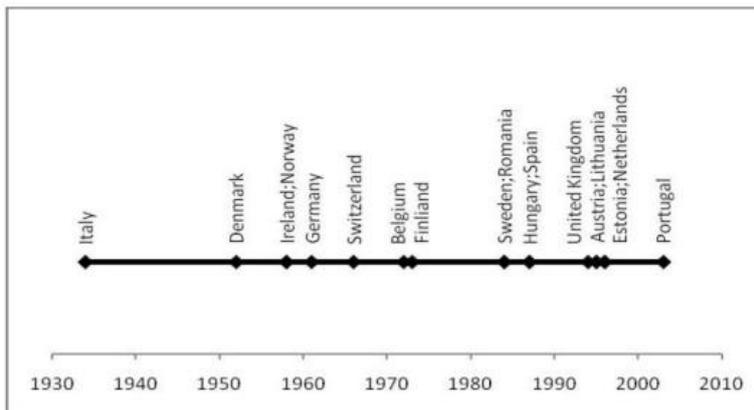


Figure 3: The average year of agencification per country (for 3 types of agencies, 25 tasks, in 18 countries)

4.7.2.6 DISCUSSION

Some assumptions:

- Federal and 'legalistic' countries: less agencification, incremental reform (GER, BEL, SW)
- Longstanding tradition of agencies in Nordic
- Radical reform in UK (deliberate NPM reforms) → to lesser extent in The Netherlands
- CEE pattern different from Western patterns:
 - More recent
 - More frequent

- Preference for type 1
- Part of processes to recent democratization and EU-accession
- No different pattern concerning substance (tasks) → some type of tasks are agencified

CHAPTER 5: COMPARATIVE SUMMARY

1 ADMINISTRATIVE REFORM DISCOURSES

The comparative analysis of administrative systems and reforms in Europe has shown that the question of convergence, divergence and persistence must be addressed differently according to **the reform area (decentralization/federalization, territorial reform, privatization, internal modernization) and the reform phase (discourse, decision-making, implementation, effect)**.

In general, **convergent** patterns become more visible in the **area of reform discourses, concept and ideas**, and they may fade away while on the way to concrete **administrative decisions, material institutionalization and practical implementation measures**.

“Convergence in discourse, concepts, ideas” → 4 trends we have seen in the public sector:

1. Decreasing size of public sector (‘retreat of the state’)
2. Managerialism
3. Decentralization and deconcentration
4. Territorial reform

1.1 SLOGAN 1: DECREASE PUBLIC SECTOR

- **Retreat** of the state: the state cannot do everything itself: it needs to be more humble and retreat
- **Enabling** state: public sector remains responsible for all of its public tasks. Instead, others do it for them, but on demand of the state
- Privatization and liberalization of public sectors

Thus, the retreat of the state, its limitation to an enabling and regulatory function, and the withdrawal of public providers from the direct provision of services, represent significant elements of the political discourses.

UK	Radical marketization discourse
FR	Less extreme privatization discourse (‘strong state tradition’)
GE	Weak privatization discourse (‘broad consensus among actors’)

Convergence/divergence is very important. There's mostly convergence: many politicians do the same because they all think it will win them votes. Nonetheless, here we have some divergences:

- Strong state tradition of socially active state in **France**, creates the divergence
- Broad consensus in **Germany** between political parties, unions, etc. about the necessity of decreasing the public sector. Thus, the discourse was not that prominent. The discourse intensity can be considered fairly weak.
- Discourse more prominent in **UK** (driven by the slogan ‘private is better than public’) than in other countries with a more prominent public sector tradition (Sweden, France) because the state is much more important. Sweden and France are characterized by a public sector tradition that is strongly rooted in politics and society.

1.2 SLOGAN 2: MODERNIZE AND MANAGERIALIZE

The administrative reform discourse in Europe has also been shaped by the concepts of **internal modernization and managerialism**, both of which aim at a private-sector-inspired commercially oriented modernization of internal administrative structures and procedures and an economization of human resources.

As to administrative procedures, in all countries **notions of performance management, measurement and comparison have gained wide currency**. Despite this obvious convergence in Europe-wide debate on administrative reform policy, there are also **striking differences** and divergence that stand out.

- Performance management
- Performance measurement
- Benchmarks
- Autonomy of administrative units

UK Traditional efficiency orientation, private sector = reference model

FR Traditional rule of law bureaucracy model 

GE Traditional rule of law bureaucracy model

- The rise of managerialism in the **UK** can be accounted for by the traditional efficiency orientation
- In **France** and **Germany** the internal administrative managerialism – alongside the influence of the traditional rule-of-law-guided bureaucracy model – has also been taken up in particular in variants of ‘output’ and performance management.

1.3 SLOGAN 3: DECENTRALIZE

- Decentralization and deconcentration of administrative macro-structures

UK Administrative deconcentration to agencies (‘next steps’), national not local responsibility

FR Decentralisation of competences to lower tiers of local self-government

GE Already decentralized, but trend towards further ‘municipalization’ of state tasks

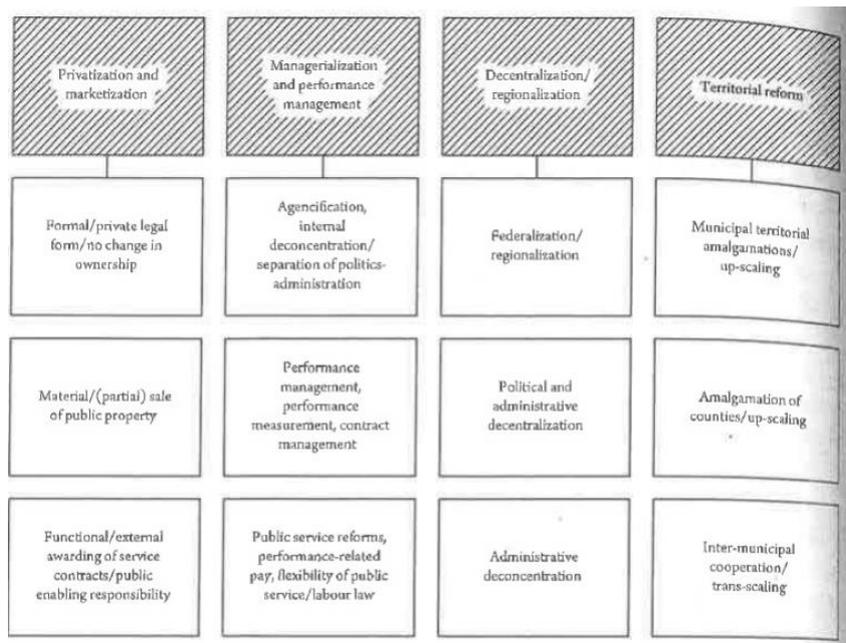
- UK: competence remained with Whitehall and local responsibility didn’t grow
- Administrative **deconcentration** to agencies (UK) → in the **UK** the modernization drive aimed at administrative deconcentration. Many tasks performed at central government level were transferred to mono-functional organizationally autonomous administrative units. These agencies were intentionally located outside the elected self-government.
- **Decentralization** of competences to **lower tiers of government** (France) → **France** has pursued a decentralization by transferring public tasks from state authorities to local self-government levels (strengthened their local autonomy)
- **Germany** was already decentralized, and further decentralization measures have been embarked on, by means of municipalizing state tasks

1.4 SLOGAN 4: SCALE UP

- Territorial and demographic enlargement of local government
- “Economies of scale”
- To address socio-economic, budgetary and coordination problems
- Mergers/amalgamations vs intermunicipal cooperation

Enlarging the local scale to strengthen these, to enable these to deal with challenges

Territorial reform



Book p. 268: themes and contents of administrative reform discourses

The **first phase** of territorial reform was characterized by guiding concept of a **radical territorial and demographic enlargement of the existing local territorial structure**. In the more recent phase the reform discourse has fallen under the spell of Europeanisation and has been propelled by the aim of improving the ability of the subnational administrative units of coping with new challenges. Second, the reform discourse addresses the serious demographic, socio-economic, budgetary and coordination problems that have increasingly beset the subnational self-government levels.

2 REFORM IMPLEMENTATION

Now we'll watch at the empirics: to what extent have these discourses led to really policy? Here we see divergence in convergence. they all did something, but not to the same degree

“Convergence fades away administrative decisions and implementation” → 4 trends:

- Vertical reforms of the multi-level system (decentralization)
- Local territorial reforms
- Reform between market and state (marketization, privatization, ...)

- Modernization and managerialism

2.1 REVISION

Divergence in implementation (week 7 & 8)

Privatization, outsourcing, contracting-out (*trend: from government to governance*)

- Marketizers and minimizers like UK (neo-liberal policy discourse) and Germany (as response to EU liberalization policies)
- Modernizers and maintainers like France (tradition of administrative culture, 'service public' – exempt local level *délégations*) and Germany at local level (no asset privatization)

Table 3.3 Public employment quotas in international comparison (%)

Country	1995	2008
Norway	31,2	29,3
Sweden	29,8	26,2
Finland	21,0	22,9
France	21,6	21,9
Hungary	–	19,5
United Kingdom	14,2	17,4
Belgium	16,9	17,1
Canada	17,9	16,5
Ireland	15,9	14,8
USA	15,4	14,6
Italy	14,2	14,3
Czech Republic	12,8	12,8
Spain	11,5	12,3
Portugal	13,0	12,1
Netherlands	13,1	12,0
Austria	11,8	11,4
Turkey	9,1	11,0
Slovak Republic	8,9	10,7
Poland	–	9,7
Switzerland	7,2	9,7
Germany	12,2	9,6
Greece	–	7,9
OECD-32	–	15,0

- Germany is odd, because it has *Rechtstaat* tradition
- France has a traditional culture, where they are very hesitant to change and want the government to be active
- Surprisingly, in the UK, public employment has increased in 1995. This was when New Labour was in power.

Internal modernization (trend: agencification & performance)

- Radical agencification in UK,
 - Versus more institutional persistence in France (presence of state in subnational space – administrative deconcentration) and Germany (less agencifiable due to decentralized and subnational characters)
 - Low levels of PM in France loc government (too small?), versus obligatory PM in UK loc government (control instrument of central govt)
 - Continental countries: traditional system of legal and regulatory guidance
- Too small in France: if you only have 2 people working, you have little time and capacity to start performance management and measurement

- Obligatory PM in UK: when performance is not good, central invokes ultra vires and takes the competence away

Table 5.1 Administrative reform practice by comparison – country rating

	Germany	France	Italy	Great Britain	Sweden	Hungary
<i>Administrative reform between state and market/privatization/marketization</i>						
Formal privatization	1	1	1	0	2	1
Asset privatization	2	0	2	2	0	1
Functional privatization	1	1	1	2	1	1
<i>Internal modernization/managerializing/performance management</i>						
Agencification	0	0	0	2	1	0
Performance management	1	1	1	2	2	1
PRP in the public service	0	0	1	2	2	0
Flexibility of public employment relations	0	0	2	1	1	0
<i>Inter-governmental reforms/decentralization</i>						
Regionalization/federalization	0	0	2	1	0	0
Municipalization	2	2	1	0	2	1
<i>Territorial reforms</i>						
Territorial amalgamation	1	0	0	0	0	0
Inter-municipal cooperation	1	2	1	0	0	1

- Extent to which reforms are implemented
- Asset privatization: the extent of implementation differs widely
- ! This is a very important figure for the exam! → need to be able to demonstrate divergence in convergence

Divergence in implementation (week 4)

Vertical decentralization (trend: decentralization)

- Political decentralization (Belgium, Spain) – Federalization → shifting political autonomy
- Regionalization (France) – still levels of subordination
- Deviant case UK: hollowing out powers of local government

Municipalization; transfer of tasks to the local government level (trend: more power to local government)

- Political decentralization to local government (**Sweden**) – ‘genuine’ municipalization (once public tasks are assigned to the local authorities, they become fully-fledged local self-government tasks with the elected local council exercising full responsibility).
 - This is not the government asking to execute tasks on behalf of the central government (false municipalization: delegating instead of transferring)
- Delegation to local government (Germany) – ‘false’ municipalization (meaning that they are carried out by the local executive, while the elected local council has no formal influence on the conduct of such delegated tasks).

Local territorial reforms (trend: scale enlargement)

- Mainly ‘southern’ story (‘Northern’ already large scale local government)

- France: voluntary amalgamations + intermunicipal cooperation → still small but work better together
- East German Lander: amalgamations

Privatization, outsourcing, contracting-out (*trend: from government to governance*)

- Marketizers and minimizers like UK (neo-liberal policy discourse) and Germany as response to EU liberalization policies
- Modernizers and maintainers like France (tradition of administrative culture, 'service public' – exempt local level *délégations*) and Germany at local level (no asset privatization, well formal and functional privatization)

Internal modernization (*trend: agencification & performance*) → convergence has occurred insofar as the concepts of performance management and agency has been taken up in all the countries under consideration here.

- Radical agencification in UK, versus more institutional persistence in France and Germany (less agencifiable due to decentralized and subnational characters)
- Low levels of PM in France local government (too small?), versus obligatory PM in UK local government (instrument of central government)

3 EXPLAINING CONVERGENCE, DIVERGENCE AND PERSISTENCE

1. Sociological institutionalism
2. Rational or actor-centred institutionalism
3. Historical institutionalism

3.1 SOCIOLOGICAL INSTITUTIONALISM – ADAPTATION THROUGH COERCION, NORMATIVE PRESSURE AND MIMICRY

Convergence of reforms, mechanisms of **imitation** (mimetic isomorphism):

Convergence can be explained on the one hand by reforms being **mimicked**, either because they have proven successful elsewhere or because a deviation from others has been deemed as inappropriate behavior. The national actors thus felt under **normative pressure** to emulate other reforms (normative pressure), as this conforms to **the logic of appropriateness**

- Best practices copied / Learning
- Logic of appropriateness
- Normative pressure (EU, World Bank, OECD)

Convergence of reforms, mechanisms of coercion (coercive isomorphism)

According to the sociological institutionalism, **exogenous** pressure represents a further rationale for explaining converging developments (coercive isomorphism). Such pressure has been **applied particularly effectively by EU politics that induced isomorphic adaptations through legal obligations**.

- Legal EU obligations (e.g. directives on liberalization policies, internal market policies and competition)
- Pressure to decentralize to regional institutions (e.g. EU funding targeted at regions)
- "Downloading" EU-policies to national level → is the adaptation of EU requirements into the national systems and the corresponding (top-down) adjustments.

3.2 RATIONAL CHOICE OR ACTOR-CENTRED INSTITUTIONALISM: FUNCTIONAL ADAPTATION, VETO PLAYER CONFIGURATIONS AND VOTE MAXIMIZATION

Convergence, as actors are confronted with similar challenges: **reform = looking for 'optimal' solutions**

- Economic crisis: performance, privatization: doing more with less, becoming more efficient → in times of crisis, a rational actor starts looking for more efficiency and sells stuff to keep the budget on track
- Declining trust levels: decentralization (closer to citizens)
- Economies of scale and capacity-building: re-territorialization and regionalization at meso-level for growing coordination, planning, and management needs (which are urbanization, industrialization, and welfare state related): regions made competitive to gain EU-funds

Convergence, as actors may **strategically 'use' EU to enforce policy preferences**

- Liberalization of markets and privatizing
- Some countries 'influenced' other member states, e.g. UK with Thatchers NPM-model ('uploading' EU policies) → became a kind of policies

Element of **divergence**, depending on **constellation of veto-players**

- **Germany**: low resistance from unions to privatization: opportunities for rational decision makers
- **UK**: political system tending to absolute power for PM (combined with neo-liberal ideology: NPM!); strategy to weak political opponents (Labour) by weakening public service unions (fragmentation via agencies, privatization of public services)
- Contrast with Germany (many veto-players in a federal constitutional context)

Element of divergence, depending on **endogenous (internal) factors** → and can be considered as the result of politico-strategic action choices of the national/local factors.

- Federalization as attempt to restrain political conflict (Belgium)
- Decentral system in France remains strong: power of local politicians with national influence (cumul des mandats)

3.3 HISTORICAL INSTITUTIONALISM: TEMPORALITY, PATH DEPENDENCE AND PERSISTENCE OF ADMINISTRATIVE CULTURE

Very important for explaining divergence!

Explanatory factors with origins in the 'past', having an effect on the 'path' of administrative reform ('persistence' and 'inertia')

Observing micro-trends in the administrative system of individual countries, under the radar of the big convergent macro-trends (decentralization, performance management, agencification etc.):

- Different degrees of NPM-implementation: public interest (common law) versus rechtsstaat (Roman law, legalist culture), determines 'access' of 'managerialism' in the public administration.
- Different degrees of decentralization to local communities: German historic late-authoritarian state tradition can be seen in the task model (delegation).
- Different degrees of privatization: French tradition of service publics, German tradition of local government state companies (Stadtwerke)

Path dependence has a 'restrictive' and 'conserving' effect → not good for explaining diversion. It's a conservative theory → important

Sometimes, one takes another 'path', abandons the existing institutional path:

- When external pressure necessitates reform (cf. actor centred institutionalism)
- When a 'window of opportunity' opens

E.g. Thatcher's revolutionary reform was a break up with the existing path:

- External pressure (crisis and malfunctioning government)
- New government, inspired by neo liberal policies
- Features of the system that allow for rapid change.

Bottom-line of this course:

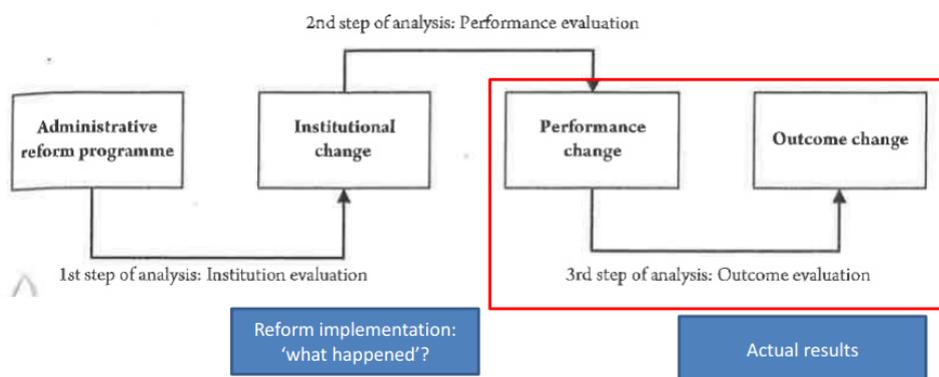
- Convergence in discourse
- Divergence in implementations
- Theories explaining this divergence

4 RESULTS OF REFORM (NOT IN THE BOOK, ONLY PARTLY 2.2.3)

Evaluating administrative reform policies

Given the 'loose coupling' ... important to pose the 'results of administrative reforms' question.

Effects on three levels:



This red block is very hard: most we can do is have a look

Table 1.2 Researching public management reforms

Stage	Description	Research?
Talk	More and more people are talking and writing about a particular idea (e.g. contracting out)	Quick and cheap. Monitoring what people are talking and writing about is fairly straightforward
Decision	The authorities (governments, public boards, etc.) publicly decide to adopt a particular reform	Again, quick and cheap. The public decisions of the authorities can usually be located quite quickly (on the Net, often without leaving one's desk)
Practice	Public sector organizations incorporate the reform into their daily operational practices	Probably requires expensive and time-consuming research. This needs both funding and access
Results	The results (outcomes) of the activities of public agencies change as a result of the reform	Final outcomes are frequently difficult (and expensive) to measure. Even more frequently there is an attribution problem, i.e. one cannot be sure how much of the measured change in outcomes can be attributed to the reform itself, as opposed to other factors

Developed from Pollitt, 2002.

Reform implementation:
'what happened?'

Actual results

4.1 SOME FIGURES ON ACTUAL RESULTS

4.1.1 CHALLENGES IN IDENTIFYING RESULTS

As the assessment of the big picture shows it is difficult to find, measure and interpret results:

- Vague expression of policy aims ('qualified labour force'): difficult to know whether outcome/output match the objectives ('number of students with degrees')
- Efficiency may be improved ('cheaper', 'quicker' written book), but not effectiveness ('use of book' not increased)
- "What is measured gets attention", at the cost of neglecting other activities ('number of students with degrees' vs. 'quality of degrees') → focus on what is measurable
- Improved outcome: result of the organization/programme ('attribution problem'), or result of external circumstances? E.g. unemployment raises/decreases: result of work of employment agency, or of the 'economic situation'?
- Lack of 'before data' and 'after data' ('results before reform' vs. 'results after reform' should be measured, and in exactly the same way)

Won't bother us too much with this: we've seen it in other courses. It's too conceptual to be known for the exam

4.1.2 MEASURABLE TYPES OF RESULTS

→ attribution problem is very important

- Economy ('saving on inputs')
- Efficiency ('doing more with less')
- Effectiveness ('reaching policy goals, societal impact')
- Citizen satisfaction and trust

4.1.2.1 ECONOMY (SAVINGS)

Different meanings of 'savings' → means a lot of things = very difficult to measure

- Reduction of financial input compared to the previous year, not allowing for inflation / allowing for inflation

- Reduction of financial input for year X compared with the previous forecast input for year X
- Reduction of input with no reduction of the services provided (efficiency gain)
- Reduction of input with reduction of services provided - Transfer of activity from one part of the state to another
- Transfer of activity from state sector all together (privatization)
- ...

Table 5.3 General government expenditures as a percentage of GDP (all figures percentages)

Country	1980	1985	1990	1995	2006*
Australia	33.8	38.7	34.8	37.4	34.9
Belgium	59.0	62.5	55.2	52.1	48.4
Canada	40.5	47.1	46.9	48.5	39.3
Finland	36.6	41.6	41.2	61.6	48.9
France	46.1	52.2	49.9	54.4	52.7
Germany	48.5	47.6	46.0	54.8	45.3
Italy	41.7	50.9	53.0	52.5	49.9
Netherlands	57.5	59.7	55.6	56.4	45.6
New Zealand	n.a.	n.a.	n.a.	41.4	39.9
Sweden	61.6	64.7	61.4	65.1	54.3
UK	44.8	46.2	42.1	43.9	44.2
USA	33.7	36.7	36.1	37.0	36.4

Results: economy (savings)

- 'Small states' (US) versus 'big states' (Sweden)
- In most countries GDP share has fallen (1995-2006)
- Rise in the UK!

Have public management reforms been successful in producing savings? Caution:

- Continental "modernizers" (Finland, Netherlands) achieved large reduction
- A NPM-like reformer (UK) has public share going up
- What 'kind of' savings? A price paid for saving?
 - Effects on efficiency?
 - Service quality?
 - Saving result of privatization?
 - Impact of economic situation? In a bad economy, public share raises

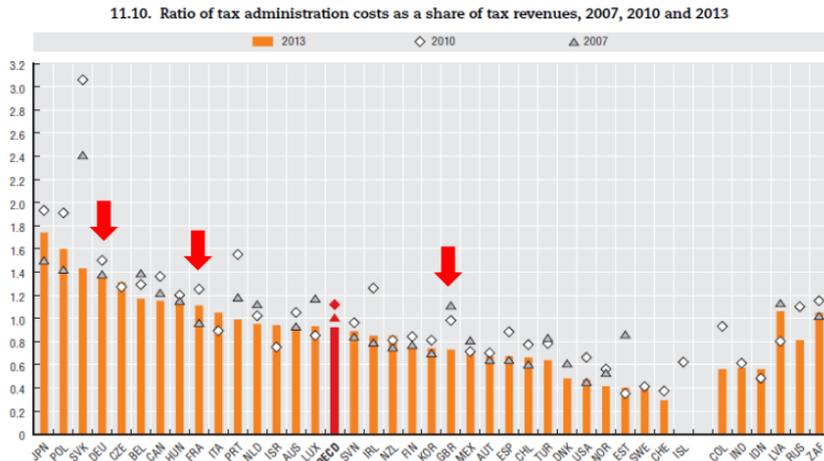
4.1.2.2 EFFICIENCY (DOING MORE WITH LESS)

Different 'meanings' of efficiency:

- Input decrease and output increase
- Input the same and output increase
- Input increase and output increase more
- Input decrease and output the same
- Input decrease and output decrease but less

Lot of management attention for improving efficiency worldwide, in every public sector

Results: efficiency



- One specific programme tells something about efficiency. Not the government is efficient but always look at the programme.
- We can only compare from 2007. A lot of reform, however, has happened before this date

Results: improving efficiency

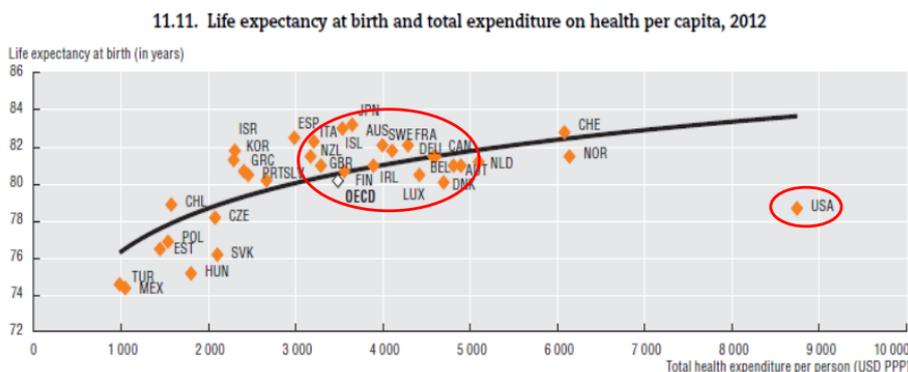
Looking at the programme or organization level:

- Tax administration cost / unit of net revenue collection (previous slide)
 - Differences between countries
 - Differences over time

4.1.2.3 EFFECTIVENESS (POLICY IMPACT)

- Measures of country effectiveness: hard to find!
- Next slides: healthcare / education
- But are these results of management reform, or of policy changes, or of external circumstances? This is, again, the 'attribution problem'.

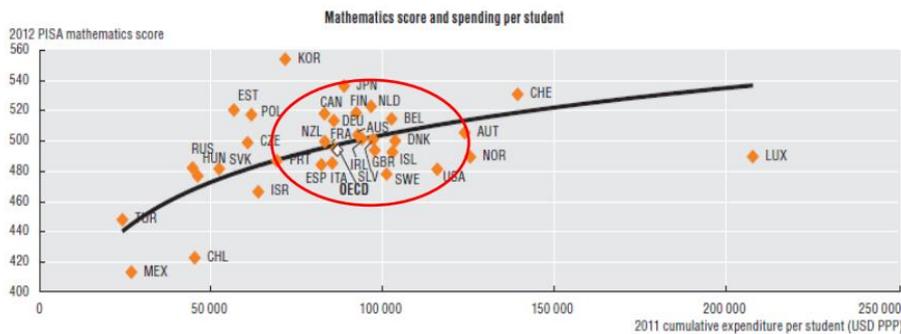
Results: (cost) effectiveness



- Above black line = effective → people live longer in a healthy life style
- Bottom-line: there might be reasons, other than policy, that explain outcomes

Results: (cost) effectiveness

11.12. Performance in 2012 PISA scores and cumulative expenditure per student between 6 and 15 years old on education, 2011



→ how good can they read/count at a certain age

Some figures on important societal issues, compared per spending (in purchasing power parity): Life expectancy ('health') & School results ('education levels')

- Positive link between spending and outcome, but care:
 - Outlier cases (no positive correlation)
 - Other explanations for outcome than spending
 - Nothing about explanatory value of 'public sector reform'

4.1.2.4 CITIZEN SATISFACTION AND TRUST

Is the claim that 'trust in government is dropping' correct? In this vision, 'trust' is a result that should be achieved – citizens are the ultimate judges of government

'The public sector in general' does not exist, when it comes to trust and satisfaction: you need to name levels / organizations

'Trust' in 'the civil service', comparative evidence:

- World Values Survey
- Eurobarometer

11.1. Confidence in national government in 2014 and its change since 2007

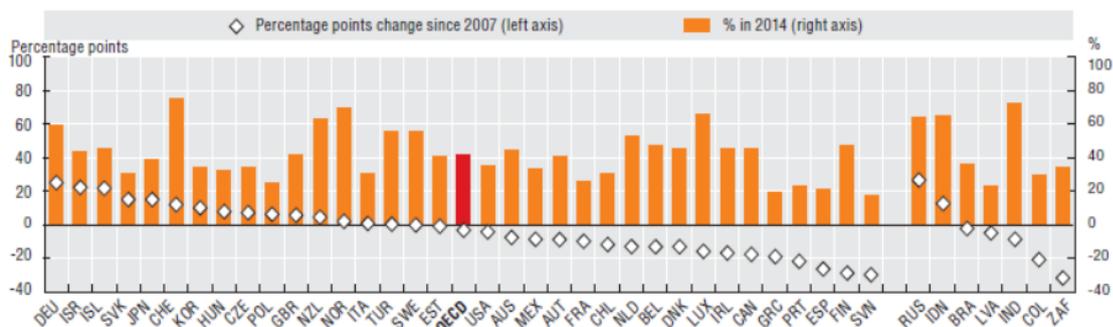


Table 5.13 Trust in institutions, 1981–2000 (%)

	Belgium			Finland		France		
	1981	1990	2000	1981	2000	1981	1990	2000
Church	62.9	49	42.9	49	58.1	53.2	50	45.7
Army	42.7	33	39.8	71	84.3	53.9	56	63.0
Education	79.1	80	77.9	83	88.8	56.6	66	68.4
Press/Media	35.5	20	38.3	34	36.3	33.5	38	35.6
Labour unions	33.1	51	37.8	56	53.5	40.3	32	34.7
Police	63.5	85	55.4	88	90.1	63.6	67	66.2
Parliament	38.2	53	39.1	65	43.7	54.8	48	40.6
Civil service	46.3	46	46.1	53	40.9	52.1	49	45.9
Social security	—	—	69.4	—	70.6	—	—	66.9
Health care	—	—	82.6	—	84.4	—	—	77.4
Legal system	57.8	67	36.4	84	65.8	56.4	58	45.8
Business enterprise	43.5	40	—	45	42.6	48.7	67	47.6

- 36,4 % is a drop-out caused by the Dutroux-crisis
- Confidence in civil service has been more or less stable: there are no real trends, except for stagnation

Table 5.8 Confidence in the civil service (World Values Survey)

Country	1981	1990	1995–7	1999–2000
Australia	47	—	38	—
Belgium	46	42	—	45
Canada	51	50	—	50
Finland	53	33	34	41
France	52	49	—	46
Germany	32	38	48	39
Great Britain	47	46	—	46
Italy	27	25	—	33
Netherlands	44	46	—	37
New Zealand	—	—	29	—
Sweden	46	44	45	49
USA	58	60	51	55

Results: trust (world values survey)

Confidence in civil service

- No clear pattern: 3 down (FI, FRA, NL), 3 up (GER, IT, SW)
- Not an 'international collapse' of confidence

Table 5.9 Trust in the civil service (Eurobarometer surveys)

Country	Autumn 1997	Spring 1999	Spring 2001	Spring 2002
Belgium	29	37	46	51
Finland	38	43	46	43
France	47	44	49	45
Germany	37	43	48	45
Italy	24	27	27	29
Netherlands	58	57	52	55
Sweden	50	45	51	60
UK	46	44	45	48

Results: trust (Eurobarometer)

Trust in civil service

- Up in most countries, down a little in two (FRA, NL)
- Belgium dramatically up (explanation: first measure in Dutroux-period)

Results: trust (general)

Mixed pattern:

- Some countries up, other down

Will good performance lead to better trust? Doubtful, because of some conditions that need to be fulfilled:

- Performance info needs to reach the citizen, who needs to pay attention to it, and information would have to show good results. Also, the info needs to be understandable for the citizen, and the info needs to be trustworthy.

Alles over 'results' is geen examenmateriaal!