

INTRODUCTION TO COMPARATIVE PUBLIC ADMINISTRATION

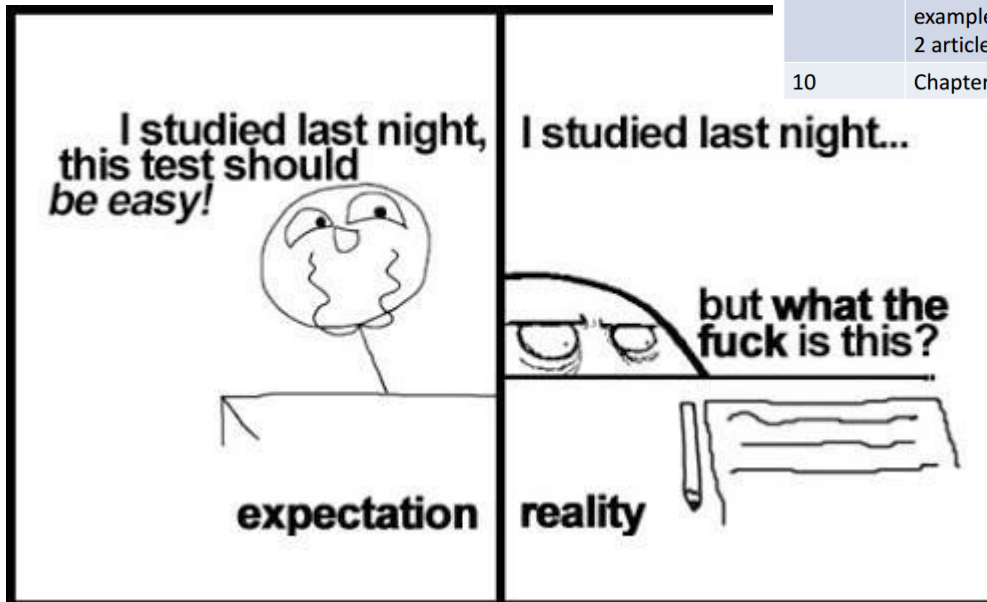
Prof: Bram Verschuere

Schriftelijk examen (75%)

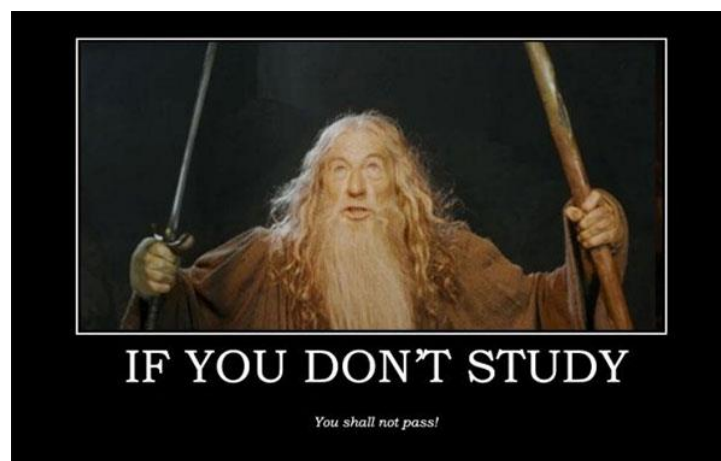
- 24 mei, 9u tot 11u
- Plateau Rozier, Auditorium L-SS

Paper (25%)

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1	Chapter 1 Chapter 2.1
2	Chapter 3.1 (only France), 3.2, 3.4, 3.6
3	Chapters 2.2 & 2.3 Chapter Pollitt & Bouckaert
4, 5, 6	Chapters 4.2 & 4.3 (no details, only countries & examples on slides) 2 articles 'homework'
7, 8, 9	Chapters 4.4 (except 4.4.4) & 4.5 (no details, only countries & examples on slides) 2 articles 'homework'
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**WORK OUT
&
STUDY HARD**
or just eat.. it's good to



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1. INTRODUCTION

1.1 DIVERSITY OF COMPARISONS

- Comparative studies in administrative science deal with **very different aspects** of public administration
- **Comparing what?**
 - Bureaucracy: ministerial and civil servant elites
 - Organizational structures: (in)formal administration rules
 - Administrative decisions processes (policy), their results and effects
- A **comparison** can be targeted at the national/centralized or the subnational/local levels of administration and may arrive at different conclusions. A comparison of public administration may be:
 - Pursued over time (diachronically)
 - Pursued across system borders (synchronously)
 - ⇒ **CPA = comparative public administration**
 - ⇒ Comparison between at least **two institutional units**
 - ⇒ The scope of CPA is more narrowly defined as comparisons between **nations**
 - ⇒ It can also refer to **specific tasks** and **functional areas** of administration *eg quality of education, pension system, etc => public order related administration, service-delivery-related administration*
 - ⇒ **reform initiatives** (NPM same speed implemented, UK was the first country, compare those reform initiatives)
 - ⇒ Thus asking a policy specific perspective, and leading to large areas of overlap with policy research
 - ⇒ **Method:** It may be based on: many/few cases of comparison OR aggregated data (large n- studies) OR case studies (thick descriptions)
 - ⇒ Comparison in administrative science may be understood as **productive** => Comparing is human

1.2 SHORT HISTORY OF CPA

- | |
|---|
| <ul style="list-style-type: none"> • After the end of WWII <ul style="list-style-type: none"> ⇒ important milestones were set in the us-American context for defining research agenda and the general conceptual approach of CPA => it was a new science |
|---|

- **1960-70:**

- **CPA was on the point of advancing to a 'master of science in public administration'**
 - ⇒ Comparing 'country reports'
- **The presented studies were not strictly comparative, but compilations of country reports or other individual country analyses**
 - ⇒ Functionality of bureaucracies
 - ⇒ Merton, Crozier => they compared country reports
 - ⇒ Merton ('57): developed the concept *rigidity* = the inability of bureaucracies to learn and adapt (the US-American administration)
 - ⇒ Crozier ('64): put forward the hypothesis of '*bureaucratic vicious circle*': administrations only adapt to new social circumstances in the light of organizational crises (Continental European administration)
- **Networks like EGPA established** <http://www.iias-iisa.org/egpa/>
 - ⇒ EGPA is a Regional Group of the International Institute of Administrative Sciences whose purpose is to strengthen contacts and exchanges among European specialists in Public Administration, both scholars and practitioners.
 - ⇒ Fritz Morstein-Marx should be mentioned as a forerunner of CPA. His comparative studies on the public service, budgeting, control and responsibility in public administration are noteworthy.
 - ➔ His contributions are important in regard to the stronger networking of CPA within Europe and the exchange of knowledge on different administrative systems.
 - ➔ A conference was held and the European Group for Public Administration (EGPA) was based.

- **1990-2000:**

- There came a lot of criticism that it was "rather comparable than comparative".
- **Renewed interest in CPA**
 - ⇒ There is a rise in the number of corresponding research locations, specialization opportunities, academic journals, etc.
 - ⇒ it shows the growing institutionalization of CPA as a sub-discipline within its own international community. Progress has also been made in terms of content and analysis. This means comparable studies that deal with more ideographic descriptions and analysis of administrative systems of different countries.
- **system reform wave** (international)

- Better attempt at **generalisation and middle-range theorizing** (search for relevant statements about modus operandi different systems from comparative perspective)

An approximate classification of these comparative studies according to their analytic approaches is presented in this table

Not a coincidence =>
NPM wave => a whole system reform wave, comparative reform wave

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 (2006); 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 Lægreid (2001); Dunleavy et al. (2006); Verschuere 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)

Source: Adapted from Pollitt (2011, p. 120) with additions by the authors.

Some abstracts ...

Reform
in
different
countries

Abstract

Autonomous bodies established by or reformed under NPM-inspired reforms should be, from a normative point of view, characterized by (1) structural disaggregation, (2) managerial freedom, (3) contractual relationships with the oversight authorities, and (4) tasks on the operations side of the policy-operations divide. We aim to investigate the extent to which real-life agencies reflect these normative characteristics, by taking as an empirical setting the Flemish and Italian public sectors. Our findings suggest that in reality, the normative NPM ideal type agency is only rarely observed. Secondly, we want to explore the effect of the country, the age, and the tasks of the agency on the extent to which it reflects the characteristics of the NPM ideal-type. We find that Italian agencies better reflect the ideal type compared to their Flemish counterparts, and that there is virtually no effect of agencies' age and tasks on the extent to which they reflect the NPM ideal typical agency.

INVESTIGATING THE 'NPM-NESS' OF AGENCIES IN ITALY AND FLANDERS

The effect of place, age and task

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examples of a study

concept: trust in the public sector => trust or not?

1.3 DIFFICULTIES IN COMPARING PUBLIC ADMINISTRATIONS

- Difficult to **form concept and theory**
 - ⇒ PA-research is in need of insights from several social science sub-disciplines
 - ⇒ Concept: insight from other disciplines (psychological-sociological- ex: article trust)

- **Travelling problem:** can concepts and terms be transferred to different context (language, culture, ...)? Our Local government is different from that of the UK, only understand the Belgian system if you can compare it to others.
- How to **generalize** from empirical particularities of cases under study?
- Limited **availability** of data with which to make real comparisons

1.4 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**'

2. THEORIES AND ANALYTICAL APPROACHES

2.1 COMPARATIVE PUBLIC ADMINISTRATION

2.1.1 TYPOLOGIES OF COMPARISON IN PUBLIC ADMINISTRATION

"In order to compare administrative systems beyond national borders, different typologies and analytical concepts have been proposed"

- ⇒ Administrative traditions are multi-dimensional, comparisons always require a selection of comparison criteria, the combination of which allows the formation of types.
- ⇒ Selection of criteria depends on the focus of the analysis, different comparison-related typologies can be made meaningful.

- **5 Models** (based on institutional, administrative and legal culture related features):

1. Continental European Napoleonic country group
2. The continental European federal country group
3. The Scandinavian country group
4. The Anglo-Saxon country group
5. The central Eastern and South Eastern European country Group

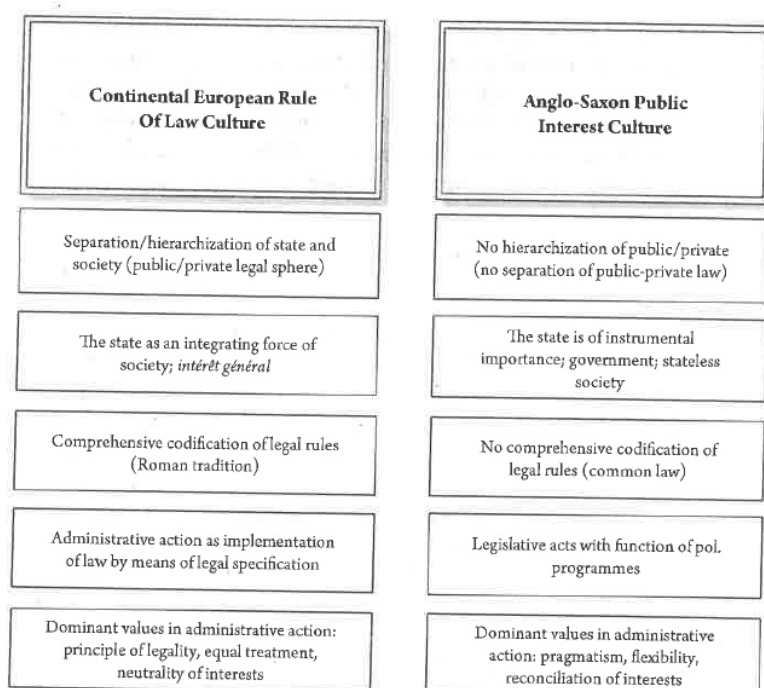
- **Typologies and analytical concepts to compare upon:**

1. Administrative traditions and cultures (2 clusters)

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

- Two clusters must be distinguished:

- *Classic continental European rule-of-law culture (rechtsstaat)=> civil law tradition*
- *Anglo-Saxon public interest culture (UK: common law => no comprehensive codification of rules)*



Source: Authors' own diagram.

Figure 2.1 Traditional Continental European rule-of-law (*Rechtsstaat*) culture versus Anglo-Saxon public interest culture

- 4 families are differentiated for Western Europe:
 - 1) Common law
 - 2) Roman-French
 - 3) Roman-German
 - 4) Roman-Scandinavian
- Central assumption: the handed-down legal tradition of a country has a significant influence on the dominant values in administrative action and the way in which administration is implemented, as well as the relationship between politics, citizens and administration.

2. Political-institutional features (centralization/decentralization)

- Here the degree of centralization or decentralization of public administration and the relationship between central/centralized and subnational-decentralized/local government are crucial.
- Three variant can roughly be distinguished:
 - 1) Federal (separation vs. integrationist model)
 - 2) Unitary-centralized
 - 3) Unitary-decentralized

Combining two variables (Lijphart)

• **Other typologies of comparison**

- Consensual vs majority systems

(Lijphart) and reform

⇒ *Centralized*: 1 government= power

⇒ Nature of the executive:

○ *majoritarian*: one party is ruling

○ *Consensual*

⇒ Central-majoritarian: easy reform

○ Easy, no discussions with others

○ UK, under Thatcher: privatization

⇒ Consensual:

○ Belgium => Copernicus reform (very ambitious, but too much opposition)

⇒ In comparative administrative reform research, the standard classification of countries as either majority or consensual democracies.

⇒ Important starting condition of NPM reforms in the different countries and holds significant explanatory power as to why the reforms trajectories have been:

○ fragmented/comprehensive

○ conflict-ridden

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

- consensual
 - whether their effects have been lasting or unstable.
- Relation state – society (cooperation, bargaining, regulation)
 - ⇒ This comparative perspective can be found in *administrative culture research* and in the debate surrounding '*regulation cultures*'.
 - ⇒ Administrative traditions and systems are less in the focus than the *real administrative action as a problem-solving and interaction process with the citizens* at its center.
 - ⇒ Ideally a *distinction* can be made between:
 - Cooperative contact culture (**cooperation**)
 - Flexible bargaining culture (**bargaining**: onderhandelen)
 - Formalized regulatory culture (**regulation**)
 - ⇒ *Scandinavian groups of countries*:
 - Consensus-oriented democratic tradition
 - Distinctive **cooperative** features in its administrative practice
 - ⇒ *Anglo-saxon*
 - Type of flexible **bargaining** culture
 - Flexibility
 - Limited formalization
 - Ad hoc solutions
 - ⇒ *Continental European*
 - Formalized **regulatory** culture
 - High degree of juridification of administrative action
 - Formalized direction of administrative activities through regulation and programs
 - ⇒ Significant reform-driven changes have occurred in the European administrative systems and as the levels and sectors of administration have to be distinguished, a 'flawless' classification according to these three types is only partial possible.
- State activity (e.g. Esping-Andersen's welfare states– cf. Bernie Sanders)
 - ⇒ This differentiation is important for a comparison of administrative systems because the tradition and structure of a welfare state, in which the national administrative system is embedded, has a significant impact on the administrative activity in a particular country.
 - ⇒ From this perspective, country differences in the dimensioning of the public sector can be explained.
 - ⇒ **Esping- Andersen** ('90) -> 3 ideal types of welfare state:

- *Conservative type*
- *Social democratic type*
- *Liberal type*

➔ These “*Three Worlds of Welfare Capitalism*” are characterized by distinct differences in the organization of state activity, which can be seen particularly in funding, performance standards and persons entitled to benefits, redistribution effects.

Esping-Andersen (From: Mau & Verwiebe 2010)

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 welfare state (UK, USA)** -> These elements are less important in this type than in other types of states:

- Universal state benefits
- Social security benefits
- Redistribution of wealth

➔ **Social democratic type (Sweden & Netherlands):** Universality is considered the highest organization principle and therefore there is a high effect of redistribution

➔ **The conservative welfare state type (Germany, France & Belgium)**

- Guarantee of social security while maintaining status differences
- Lower effect of redistribution.

➔ **Rudimentary welfare state type (Spain, Portugal & Greece)**

- Based on non-governmental family support
- Is characteristic for less industrialized countries with a low average income

➔ **Post-socialist welfare state**

- More recent category

- Different elements combined (liberal, conservative & social democratic), but no domination

- ⇒ Gini:
- ⇒ 1 = unequal
- ⇒ 0 = equal (everyone earns the same amount of money)

World Economic Forum @wef · 12 u
Which wealthy countries have the worst #inequality? wef.ch/1JZSb7Y

	MS Inequality Indicator (MSII)	Gini Coefficients	Wage Dispersion	Workplace Inclusion	Health Status	Digital Access
Portugal	1	4	4	10	4	3
Italy	2	7	10	1	18	1
Greece	3	3	6	14	14	2
Spain	4	6	9	4	16	5
US	5	1	1	19	6	14
Germany	6	13	5	8	5	11
Australia	7	8	11	3	13	9
Austria	8	16	8	13	2	7
Ireland	9	11	14	2	17	6
Canada	10	9	7	7	15	13
Poland	11	12	18	5	12	4
UK	12	2	3	20	11	16
Japan	13	5	2	11	20	15
France	14	10	12	6	19	8
Switzerland	15	14	16	9	8	12
Belgium	16	18	19	16	1	10
Netherlands	17	15	13	12	9	19
Finland	18	19	15	17	3	17
Sweden	19	17	17	15	7	18
Norway	20	20	20	18	10	20

2.1.2 FIVE MODELS OF PUBLIC ADMINISTRATION IN EUROPE

⇒ The typological approach used in the book is based on:

- the comparison-related criteria of a vertical administrative structure
- Administrative culture-based character

1) THE CONTINENTAL EUROPEAN NAPOLEONIC MODEL

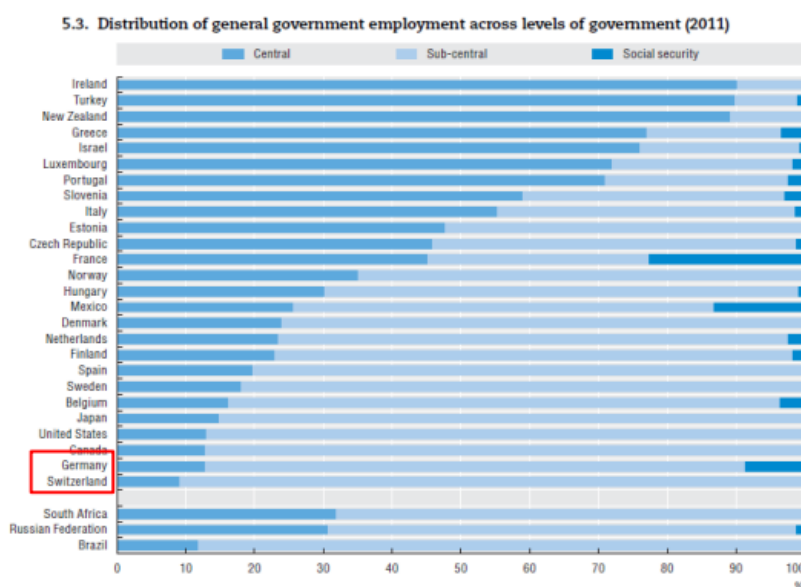
- **Southern Europe:** France, Italy, Spain, Greece & Portugal
- It is marked first by the common **Roman-French legal tradition** and the importance of **statutory law**.
- The understanding of **state and administration** is
 - defined by the *principle of legality* (principe de légalité)
 - reflected in a comprehensive *codification of legal norms* and an extended administrative judicature.
- Public administration represents an institutional legacy of absolutism and was controlled by a **constitutional monarch until 19th century**.
- Reforms were under Napoleon spell and shaped the French administration and spilled over to Benelux, Italy & Spain.
 - ⇒ The **Napoleonic tradition** is characterized by:
 - A strong centralized government
 - Political culture-rooted acceptance of governmental regulatory authority
 - A powerful centralized bureaucracy

- The largely sectorally defined authorities of the **bureaucracy** usually extend from the central to the local levels while its centralist embodiment and personification can be seen in the central government-appointed prefect (préfet).
 - ⇒ Within this, the **subnational and local levels are functionally subordinate**, so the principle of territorial administrative organization and institutional subsidiarity is not well developed.
- Administrative practice: politicization, clientelism, political party patronage in civil service (“political allies”)

2) CONTINENTAL EUROPEAN FEDERAL MODEL

- **Mid Europe** (Germany, Austria, Switzerland)
- **Roman-German legal tradition** (cf. previous model)
 - *Legality*: strong legalistic orientation of administration
 - *Rule of law culture*: following the Roman law tradition
 - *Codification*: the legislative-political purpose of the codification of laws was historically to limit the administration controlled by the monarch
- A **crucial difference** from Napoleonic group:
 - Leaner and *weaker centralized government and bureaucracy*
 - *Strong position of the subnational and local levels (subsidiarity) and decentralization*
 - *Territorial principle* (multi-competences at lower level)

Decentralization: public servants (OECD 2013)

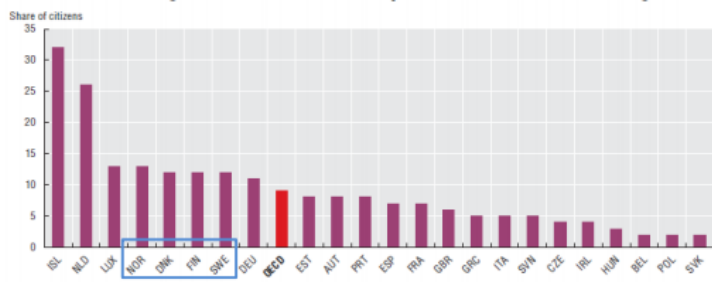


In the organization of the administrative system, the territoriality principle and an orientation towards the territory-related form of organization dominate.

- A 1st differentiation within this group (**administrative practice**):
 - The conception of statehood:
 - ➔ Germany, Austria: '*servants of the state*' (important position in society)
 - ➔ Civil servants are viewed as "servants of the state" and as hierarchically *superordinate* to the societal domain.
 - The status of the civil service:
 - ➔ Switzerland: '*servants of the people*' / direct democracy / greater local autonomy
 - ➔ Civil servants are perceived more as 'employees of the people' and *less superordinate* in the social hierarchy.

3) SCANDINAVIAN MODEL

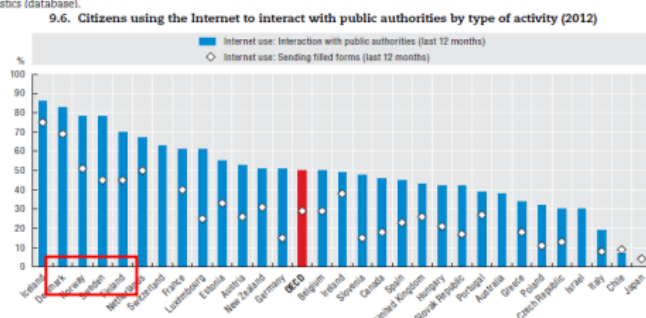
- **North Europe** (Sweden, Denmark, Norway, Finland)
- **Overlap with continental European Federal countries**:
 - Roman-Scandinavian legal tradition (cf. previous models)
 - Decentralized government and bureaucracy
 - Strong and autonomous local government: responsibilities are allocated to the central and local administrative level
- **Administrative practice**:
 - Openness in the public service career system (and recruitment)
 - Easy access for citizens to administrative system (user democracy, Freedom of info, participation, external transparency)



OECD
2013

Norway, Sweden, Denmark => high percentage of people who have taken part in an online voting

Source: Eurostat, Information Society Statistics (database).



Also high percentage of people who use the internet to get in interaction with public authorities

4) THE ANGLO-SAXON MODEL

- **UK, Ireland, Malta**
- **Common law legal tradition** (judge made law, not statute law)
 - ⇒ The dominance of Common Law is namely a characteristic of the legal/administrative concept in these countries.
 - ⇒ Law of the land = judge-made law and not statute law.
- **Public interest tradition:** stateless society –government of the day is at the centre/ no separation of public and private legal spheres
 - ⇒ This is also called the *civic culture tradition*.
 - ⇒ This is characterized by an instrumental concept of statehood: At its centre is the acting “government”, rather than the state being extolled (geprezen) as a “value itself” (= stateless society).
- The **separation** of the public and the private legal sphere is **unknown** in the countries with a tradition of public interest (↔ Continental European administration).
 - ⇒ *E.g. NPM* and managerial is much more pronounced (smooth transfer of ideas between public and private spheres)
- **Administrative practice**
 - Finding way to implement ‘political programs’ enacted by parliament (contrast to legal provisions enacted by continental parliaments)
 - ⇒ Administrative action in Continental Europe pertains to *the implementation of legal provision as enacted by the parliament*.
 - ⇒ ↔ legislative acts by Anglo-Saxon/American parliaments have more the *character of political programmes*, so the administration has to find suitable ways and means to implement them
 - Parliamentary sovereignty: control over bureaucracy, 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

5) THE CENTRAL AND SOUTH EASTERN EUROPEAN MODEL

- **Heritage of Soviet Union:**
 - The double subordination of state administration under the *centralized party rule* and the abolition of the separation of powers.
 - The *subnational administration* acted as local offices of the state.
 - *Partisanship of members of administration* (= submission to the Communist Party of the public personnel)
 - *No separation of powers*
- **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 rule. After 1990 transformation determined by post-communist elites
 - The system transformation was affected by the abolishment of the socialist state organization and the re-introduction of the continental European constitutional, state and administrative model. But the legacy of the Soviet tradition in the individual countries developed quite differently.
 - Some countries => break with the past, in others the imprint and legacy of socialist administration has persisted.

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 endnote 3 for country codes.

Source: Authors' own summary.

2.1.3 COMPARATIVE LOCAL GOVERNMENT

- **Important role for local governments** in Europe (local self government – EU Treaty of Lisbon): In Europe the discharge of legally regulated tasks/services are carried out by local levels. The role of local governments has been strengthened by the EU's recognition of local self-government now codified by the treaty of Lisbon.
 - **Stabilizing function:**
 - Participation: they offer the opportunity for citizens to get directly involved in political decision-making
 - Trust: citizens' trust in local and regional public institutions is significantly higher than in national parliaments and government
 - Proximity to politicians: they ensure spatial proximity for political problem-solving
- ⇒ In the effective functioning and the acceptance of a constitutional democratic government in European countries, therefore, local self-government plays a crucial role. In light of this, comparative local government research has now become an important part of CPA.

• **Comparative study of local government => 3 dimensions:**

1. Functional profile: scope and salience of functional responsibilities
 - ⇒ The scope and salience of functional responsibilities that are assumed by local territorial bodies from the vertical distribution/fusion of functions between local and central government and financial autonomy.
2. Territorial profile: structure and size (Northern European vs. Southern European model)
 - ⇒ Very varied territorial organization ----- >
 - Countries with 1 level of sub-national governm
 - Countries with 2 levels
 - Countries with 3 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

3. Political profile:

- ⇒ *structure local democracy* (representative vs direct-democratic)
- ⇒ *relation council – executive*: the relationship between council and local executive authorities (monistic vs dual)
- ⇒ *electoral procedure*: of the head of administration (direct vs indirect)

1) FUNCTIONAL PROFILE: DISTRIBUTION AND SCOPE OF RESPONSIBILITIES

- **Separationist model** (UK, Scandin): fully fledged local governmental tasks/ separation state and local government
 - ⇒ State societies and local self-government *execute theirs responsibilities separately* and largely *independently* from one another.
 - ⇒ The *tasks*, once they are assigned to the local government level, become fully-fledged local tasks.
- **Fused system** / administrative integrated models (continental Europe)
 - ⇒ The levels interact with each other, leading to a *mix of state and local responsibilities*.
 - ⇒ Tasks are not being carried out separately, but integrated administratively (mixed).
 - ⇒ They are based on a *dual conception* of local government function according to which local authorities carry out:
 - Local self-government responsibilities
 - State tasks assigned (=’delegated’) to them by the state ➔ Janus-face character of local governments
 - ⇒ *Within the fused systems*, a further conceptual differentiation can be made:
 - State centred integrationist model: state administration at local level (France –local offices of the state) The local government *perform dual functions* in carrying out their self-government tasks and the ones that the state has delegated to them. France can be considered as prototype (until decentralization in 80s). The state authorities through their local offices, were involved in the conduct of local government tasks.
 - Local administration centred integrationist model: local administration at local level (Germany)
- A typology of local government function can also be based on the **scope and content of functional responsibilities** and on **the extent of autonomy** (local discretion) that the local authorities have in carrying out the tasks.

- ⇒ Qualitative indicator for scope: local expenditure quota in the overall public spending and in the local employment quota in the total public sector spending.
- ⇒ Indicator for the scope of local discretion: the proportion of local tax revenue in the total local revenues (see table)

⇒ Strong or weak? ----- >

Comparative local government

Functional

Profile:

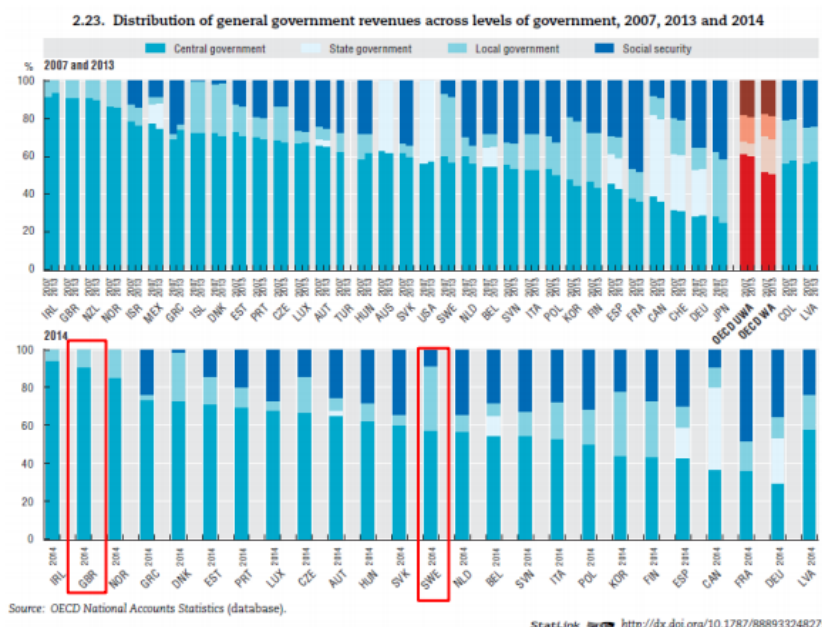
-Strong

-Weak

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).



- ➔ This indicator points to significant differences that exist, in financial terms, among the local authorities in exercising local autonomy.
- ➔ Sweden – financial autonomy is high because they are funded from their own.
- ➔ Post- Thatcher England: the opposite is true (13% of their local revenues from their local taxes)
- ➔ France higher local fiscal autonomy than Germany
- ➔ In many countries, local self-government possesses a constitutional codified status (Germany, France, Sweden, Italy, Hungary) but the scope is sometimes limited (Italy, France).
- **Functionally strong local governments** (Scand, Germany, UK pre-Thatcher): They show an orientation towards territoriality, which guides the distribution of administrative responsibilities.
- **Functionally weak local governments** (Napoleonic countries–administrative deconcentration): Characterized by the principle of functionality, where deconcentrated state administration have priority.

- **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'

2) TERRITORIAL PROFILE

- -> Closely linked to functional profile
- **The north and South model of Page and Goldsmith**
 - Size
 - North: big (management, service delivery)
 - South: small (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 interweaveness between the levels of government-political localism, multiple office holding
- **Southern model: small scale(Napoleonic):** A small-scale local government structure with a multitude of small municipalities and by the absence of territorial reforms.
 - ⇒ France, Spain, Italy, Portugal & Greece
- **Northern model: large scale (Scandinavian, UK):** This type has been distinguished as being marked by territorially large-scale municipalities resulting from extensive territorial reforms.

3) POLITICAL PROFILE

- In order to **specify the political profile of local government**, the democratic decision-making rights of citizens on a local level (1), the institutional arrangement of local government decision making (2), and its politico-administrative leadership structure (3) should be highlighted.
- (1) Representative democracy (UK, Sweden, Fr) vs Direct democracy elements (Germany, Switzerland)**
- ⇒ direct democracy elements: binding local referenda
- (2) Monistic (all powers in council, UK, Swe) vs Dual systems (powers divided between council and executive, Ger, It, Fr)**

- ⇒ *monistic systems*: all decision-making powers lie with the elected local council or with sector-responsible council committee systems (no strong mayors)
- ⇒ *dual systems*: responsibilities are divided between the executive mayor and the legislative/council with the local executive branch being equipped with its own decision making power (strong mayor, made stronger with direct election of mayor)

(3) Central local interweaving (e.g. cumul des mandats, political careers logic, Fr)

- ⇒ A major source of political power of local government can be observed in the access of local political actors to higher levels of political-administrative systems.
- ⇒ This leads to a blending of levels.

Table 2.4 Traditional types of local government systems from a comparative perspective

Feature of Comparison	North Middle European Group	Franco Group	Anglo Group
Constitutional status	High	High	Low
State-local relation/control from above	Low/Medium	High	Low
Functional responsibilities	High	Low	High
Local discretion	High/Medium	Medium	High
Political strength/community identity	High	High	Low
Country classification	Core group: N, S, DK Sub group: A, CH, D, NL	F, I, B, E, P, GR	UK, IRE ^a

Note: a. Of the non-European local systems, CA, AU, USA, NZ belong to the Anglo Group. Country codes may be found in endnote 3.

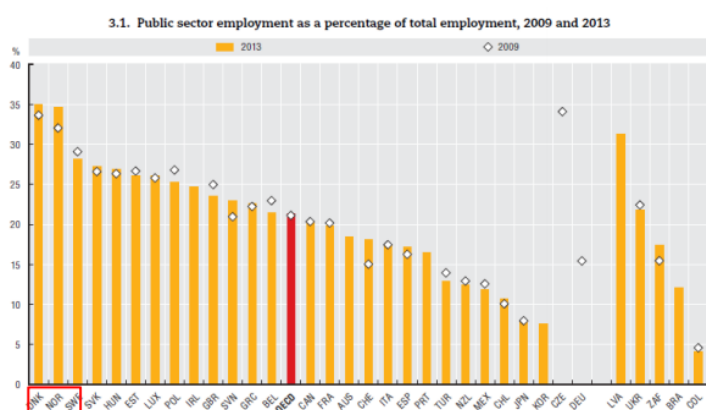
Source: Authors' own summary (following Hesse and Sharpe, 1991).

Several of the comparative categories listed in the figure are based on the typology of Hesse & Sharpe, who divided local government in 3 types.
->This does not take the horizontal distribution of power between the local council and executive, or the territorial profile into account.

2.1.4 CIVIL SERVICE SYSTEMS

- **Comparing civil services**: this strand of CPA, on the one hand, addresses the *historical development*, the *legal and institutional organization* and the *cultural base of public personnel systems*.
- <-> On the other hand, it analyses *the recruitment and career patterns of public employees*, their *qualification trajectories*, their *role perception and understanding*, as well as *party-political neutrality or political dependence*.

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



Source: International Labour Organization (ILO), ILOSTAT (database). Data for Italy are from the National Statistical Institute and the Ministry of Finance. Data for Portugal are from the Ministry of Finance. Data for Korea were provided by national authorities.
StatLink <http://dx.doi.org/10.1787/888933248603>

->Public sector employment as a percentage of total employment

->rode staaf = OECD

->Norway, Sweden (helemaal links, dus heel hoog)

- The **scope of the public force** and the **status of the public service employer** are usually determined in a country-comparative perspective numerically comparing employment in the public sector to the total employment of a country.
- **Open versus closed civil service systems:**
 - Open position based (Anglo-Saxon & Scandinavia):
 - *Permeability* (=doordringbaarheid) between private and public sector
 - ➔ No explicit difference between private and public sector
 - *no specific public sector law* for the employment relationship
 - *position related recruitment*
 - ➔ civil servants are subject to free collective bargaining (onderhandeligen) and do not include a strict career trajectory, but are instead position-based
 - *contracts* rather than statutes
 - more *performance based* promotion and pay
 - *open access* routes to public sector
 - Closed career based systems (continental systems):
 - *Seniority* (based career system)
 - *Lower accessibility* for lateral entrants
 - *life-long* appointment
 - *closed recruitment* (career related recruitment)
 - 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
 - *Low permeability* between private and public sector

Figure: Proportion of civil servants = 3 different types:

1. The **public servant is dominant** and is considered as a regular employment relationship: Fra(73%)/Be(75%)/Gre(74%)
2. **Mixed-system:** the civil servant status is reserved only for a section of the public staff and thus have a “two-tier” system of civil servant and contract staff relationship: Germany: 37%
3. Public servant systems in which **contract-based employment relationships prevail** & where hardly any civil servant remains UK:10%, Ireland:13%

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%

Source: Authors' own summary, following Demmke (2011, p. 323, with further references).

- **Formal politicization**

This refers to the politically controlled appointment of administrative key positions up to the phenomenon of 'patronage positions'.

- Apolitical civil service:
 - UK (extreme form)
 - Sweden: less politicized, because a great importance is placed on experts.
 - Experts, servants to the government of the day
- Political civil service
 - USA
 - Spoils-system: exchange of high-ranking governmental positions subsequent to a change in government
- Southern Europe: patronage and party-political recruitment
 - Clientelism between political parties and the administration

- **Functional politicization-influence of top civil servants on political decision making**

- The central question is which political influence and scope of action do senior ministerial officials possess in different countries?
- Functional politicization: the 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** (1)' (technical and executive role) **versus** '**policy-makers** (2)' (political role)
(2): influence policy formation processes and positively view the political aspects of their duties.
- **Belgium** (cabinets!) and Italy (1) **versus** **Germany**, France, UK (2)
(1) lower influence on policy-making processes
(2) high-level of policy-making influence

2.2 INSTITUTIONAL POLICIES AND ADMINISTRATIVE REFORMS

2.2.1 CONCEPTUALIZING INSTITUTIONAL POLICIES

- **Administrative reforms** generally result from targeted institution-related policy interventions => they can be considered as a **specific variant of institutional policies**
- **Institutional policies** can consist of specific...
 - Goals
 - subjects and objects of intervention
 - measures and activities
 - results and effects
- **administrative reform policy**
 - = the attempt by politico-administrative actors to *change the institutional order* (polity) within which they make and implement decisions
 - = administrative reforms can exhibit *different forms and objectives* (external and internal institutional policy)
 - Loose coupling between *talk* (reform rhetoric), *decision* (action program) and *action* (actual changes) may well represent a functional and rational strategy in organization reform processes

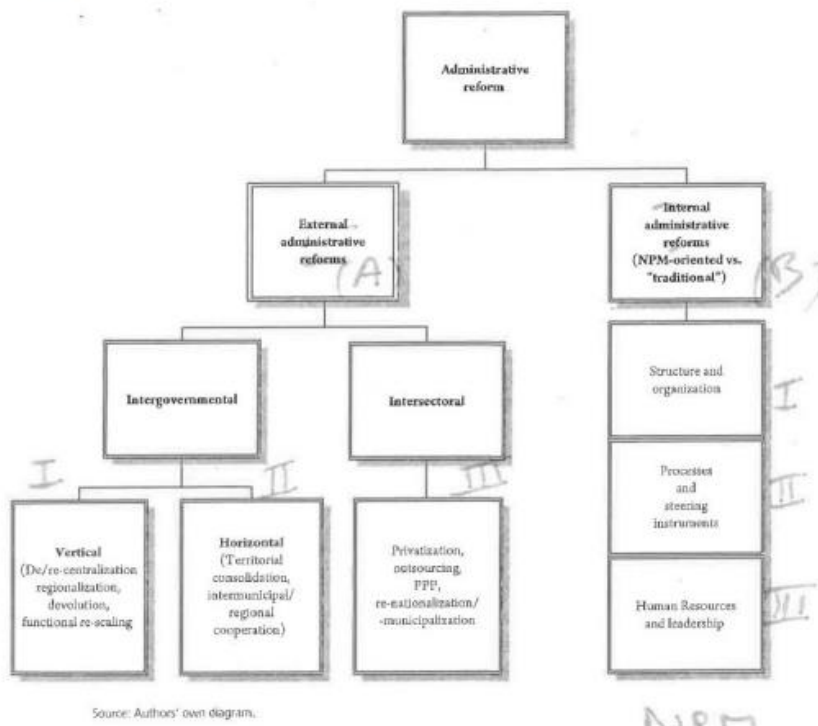
Table 1.2 Researching public management reforms

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.

2.2.2 TYPES OF ADMINISTRATIVE REFORM

Types of administrative reform



- External administrative reforms:

= change the shape of the institutional order (outward-looking)

○ Intergovernmental

▪ *Vertical => different layers*

- ⇒ De- and recentralization, functional reform, regionalization and devolution up to quasi-federalization
- ⇒ A change in the responsibility profile and decision-making power in the inter-governmental relations between central state and regional/local territorial bodies

▪ *Horizontal => same layer*

- ⇒ Redefinition of coordination and cooperation rules between different territorial bodies of a particular level

○ Intersectoral

▪ *Privatization => outsourcing, PPS, ...*

- ⇒ Relationship between sectors in particular the public, private and non-profit sector
- ⇒ Decentralization (horizontal)

⇒ Example: privatization in the UK

A short history of privatisation in the UK: 1979-2012
Richard Seymour

From the first experiments with British Aerospace through British Telecom, water and electricity to the NHS and Royal Mail

<http://www.theguardian.com/commentisfree/2012/mar/29/short-history-of-privatisation>



Officers at councils in Merthyr Tydfil (top left) and Newport (bottom left) are braced for a potentially radical redrawing of Wales' local government map

Devolution in the United Kingdom

From Wikipedia, the free encyclopedia

In the United Kingdom, **devolution** (Scottish Gaelic: *Àin-nìaghlaidh*, Welsh: *datganoli*) refers to the statutory granting of powers from the Parliament of the United Kingdom to the Scottish Parliament, the National Assembly for Wales, the Northern Ireland Assembly and the London Assembly and to their associated executive bodies the Scottish Government, the Welsh Government, the Northern Ireland Executive and the Greater London Authority.

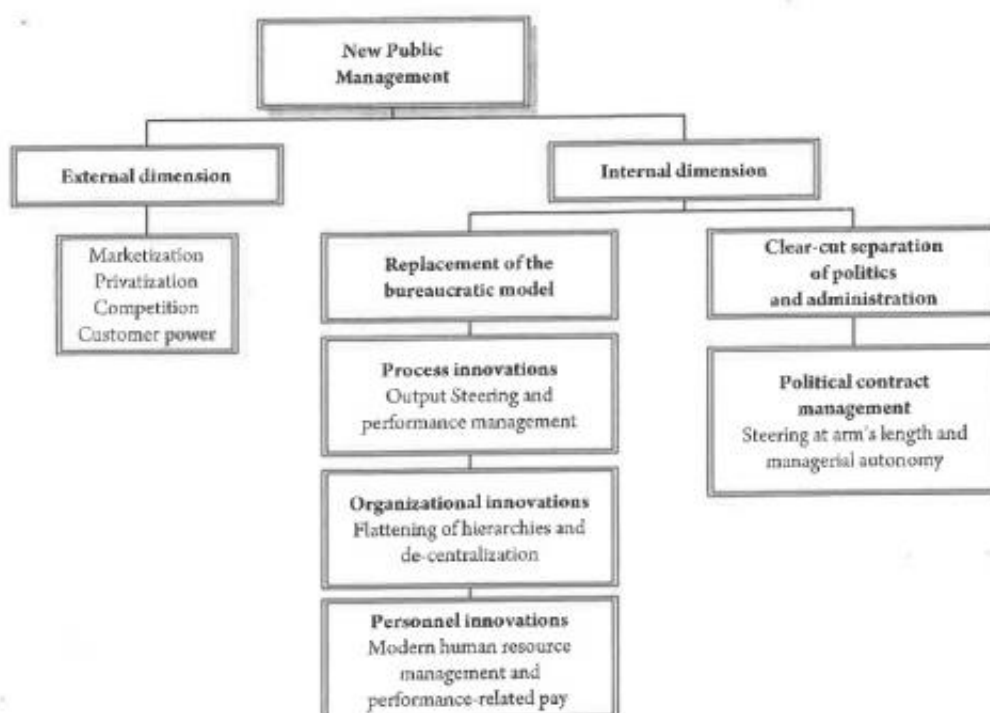
Devolution differs from federalism in that the devolved powers of the subnational authority ultimately reside in central government, thus the state remains, *de jure*, a unitary state. Legislation creating devolved parliaments or assemblies can be repealed or amended by central government in the same way as any statute.

- Internal administrative reform (NPM)

= inward looking, take place within an administrative organization and relate primarily to three areas of change:

- Structure and organization
- Process and steering instruments
- HR and leadership

NPM



- External dimension

- Marketization
- Privatization
- Competition
- Customer power
 - ⇒ Turning its back on the concept of an expansive welfare state and the classic bureaucratic administration
 - ⇒ Strengthening market mechanisms, promoting competition and boosting the position of the citizen as a customer
-

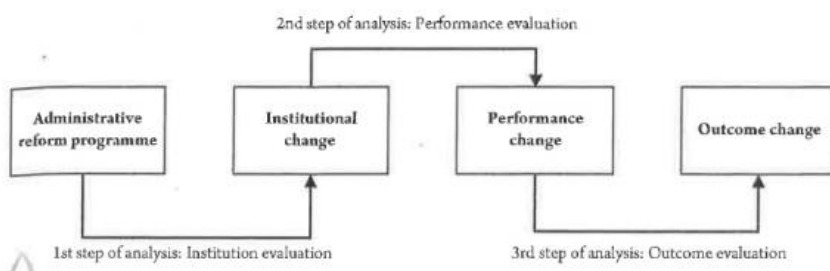
- Internal dimension

- *Replacement of the bureaucratic model*
 - ⇒ Process innovations (output steering and performance mgmt.)
 - ⇒ Organization innovations (flattening of hierarchies and de-centralization)
 - ⇒ Personnel innovations (modern HRM and performance-related pay)
- *Clear cut separation of politics and administration*
 - ⇒ Political contract mgmt. (steering at arm's lengths and managerial autonomy)

2.2.3 EVALUATING ADMINISTRATIVE REFORM POLICIES

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

Effects on three levels:



If the administrative reform discourse (*talk*), the reform program (*decision*) and the concrete *action* are only loosely linked or even if they clearly diverge, the question regarding implementation and concrete effects of administrative reforms comes to the forefront all the more urgently.

⇒ Problems with conception and methodology and political rationality

1) Conceptually

- Complex analytic architecture
- Impact analysis in the area of administration reform refers predominantly to institutional changes = first step of analysis (see figure)

- Far less empirical evidence exists however, with regard to performance evaluation = second step (see figure) => concrete performance improvements/deterioration in administration such as procedural speed, and cost savings that result from reform measures
- The issue that is conceptually and empirically least developed is the investigation into outcome effect of administrative reform => third step (see figure)

2) Methodological

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

3) Politico-administrative structures

- Federal Germany: fragmented subject-area of reform (and evaluation)
 - ⇒ Subject area of an administrative reform evaluation in the German federal system is extremely fragmented both vertically and horizontally and extraordinarily multifarious
- Unitary UK: centralized reform (and evaluation)
 - ⇒ A central actor often plays a decisive role in the reform process including its evaluation

4) Trade-offs

- 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.

→ **There is need for suitable evaluation criteria in CPA** : three dimensions of the politico-administrative system

1. Input: participation, representation, democracy, ...
2. Throughput (process): coordination, interaction, organization, ...
3. Output/outcome: quality, efficiency, effectiveness, ...

⇒ Sweeping across these three areas of effects can be added the increase and decrease in performance differences and disparities in an interorganizational/regional comparison as a dimension

⇒ The evaluation matrix for administrative reforms may look as this:

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>

INTERMEZZO: RESEARCH (WHAT ARE THE EXPERIENCES OF SENIOR EXECUTIVES IN THE CIVIL SERVICE ABOUT PUBLIC MANAGEMENT REFORMS?)

- **Goal:** Getting a view, based on new research data, on reforms and their impact in a comparative European perspective
 - ⇒ Because lack of empirical, comparative and comprehensive data and knowledge
 - ⇒ Public executive survey with over 4800 respondents from 10 countries ('views and experiences')

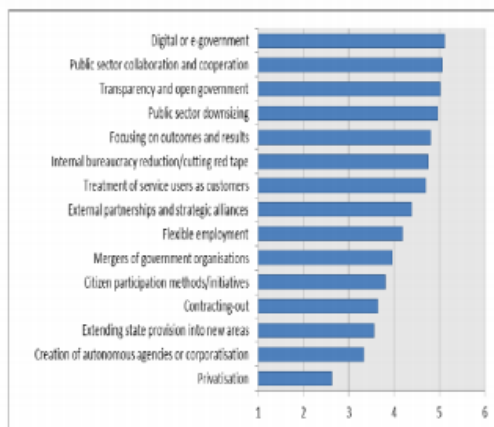


Figure 1: Importance of reform trends in the surveyed executives' policy field (1=not at all; 7=to a large extent)

- **What trends have been observed?**

- Higher prevalence of e-gov, collaboration and cooperation (networks), transparency and open government
- Smaller prevalence of NPM-type privatization, contracting-out and agencification
- But looking at differences between countries, there are 'management' champions (UK, Norway, Netherlands – countries in this sample)
- On the other hand there are the more 'legalistic' and 'traditional' public administrations like Spain, France, ...

- **Overall evaluation of the public sector**

- Rather successful in NL, NOR, EST
- Rather unsuccessful in SPA, FRA, ITA

WHY?

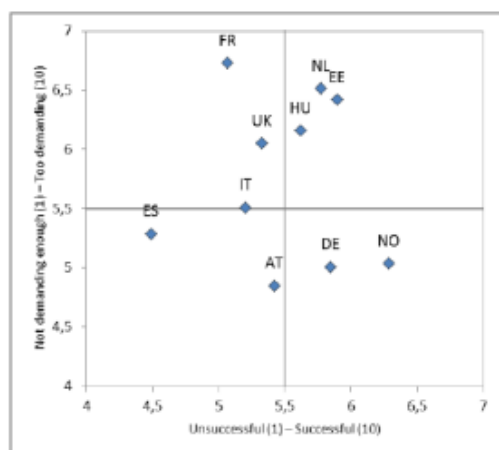


Figure 3: Question on the dynamics of administrative reform (the respondents had to choose between two contrasting characteristics on a 10 digit scale)

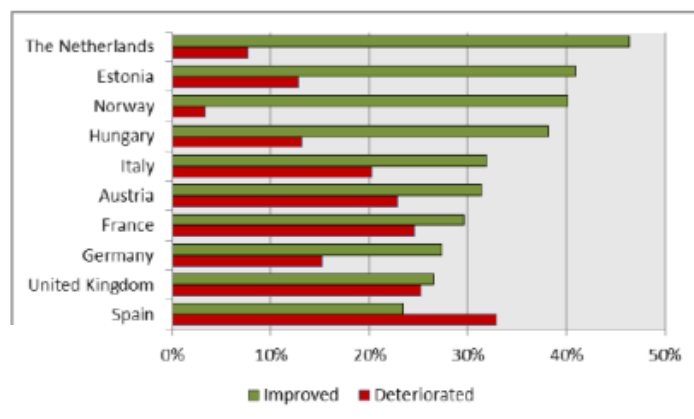


Figure 2: Overall assessment of public administration (Question: Compared with five years ago, how would you say things have developed when it comes to the way public administration runs in your country?)

Horizontal: unsuccessful (1)
successful (10)

Vertical: not demanding enough (1)
too demanding (10)

=>Dus why unsuccessful? Too demanding reforms? Reforms not demanding enough? Need for a speed-up!

- **Detailed impact of reforms**

- What has improved/worsened?
- Overall: impact of reforms on administrative performance rather low
- Moderate improvement concerning cost, efficiency, quality, innovation, ...

- Deterioration on issues like trust, social cohesion, staff motivation, ...

Vanaf rode lijn : improved (vooral cost and efficiency)

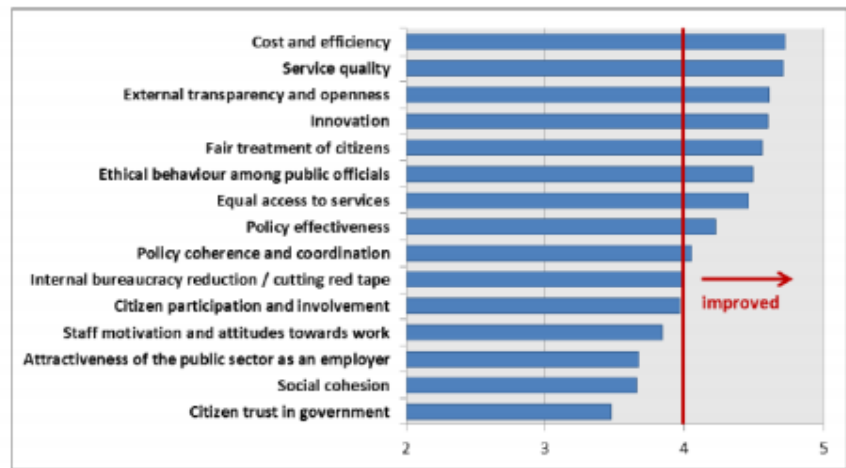


Figure 4: Change of various performance dimensions over the last five years in the executives' policy field (1=deteriorated significantly; 7=improved significantly)

2.3 EXPLAINING ADMINISTRATIVE REFORMS: NEO-INSTITUTIONALIST APPROACHES

Three variants of neo-institutionalism (rational choice, sociological, historical)

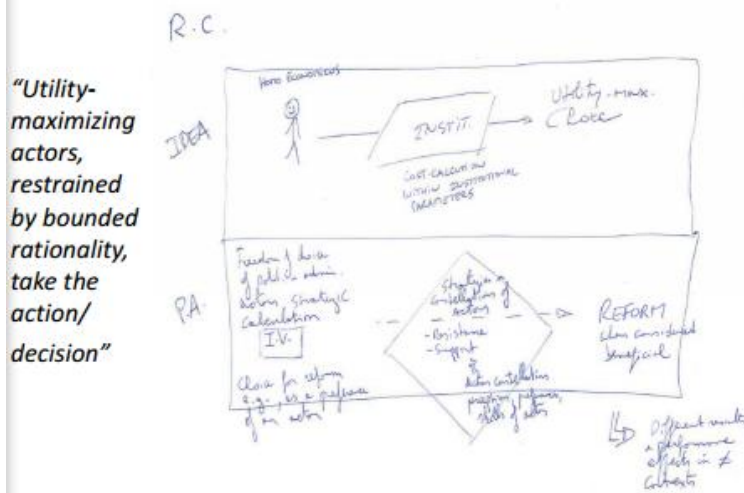
=> different assumptions to explain institutional change and actor behavior in institutional contexts

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

2.3.1 RATIONAL CHOICE OR ACTOR CENTRED INSTITUTIONALISM (RCI)

Rational choice institutionalism



• institutions are seen as **limitations of rational choices**

• **Starting point** = consideration that rationally acting individuals would not be capable of cooperation in the absence of an institutional framework

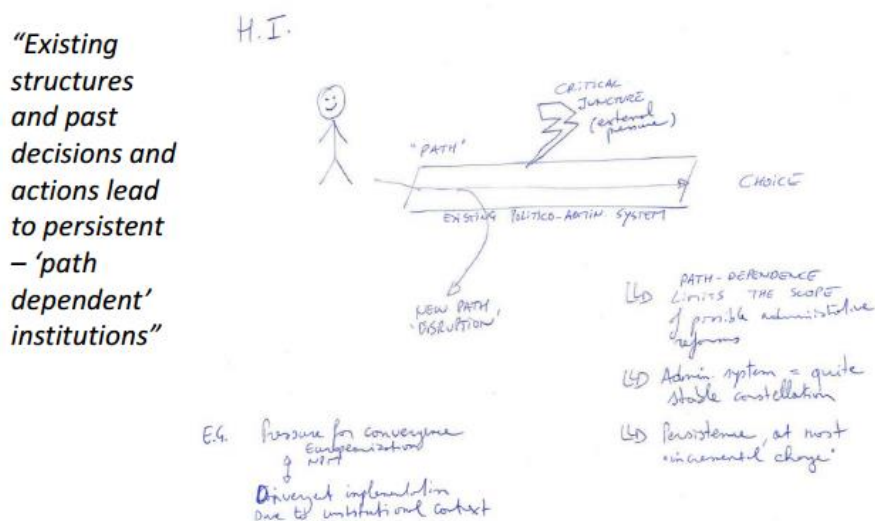
• **Reforms** = actors striving for an individual benefit when they make rational decisions in pursuit of their interests

• **Rational choice institutionalism is useful in analytic terms for several reasons**

- (1) freedom of choice (eg the initiation of institutional reform programs) of political and administrative actors can be conceived of as an independent variable
- (2) the coming into existence of administrative reforms can be explained from the perspective of bounded rationality and benefit seeking actors
- (3) the behaviour of politico-administrative actors is not determined solely or largely by the institutional contexts in which they operate or the cultural circumstances within which they are embedded

2.3.2 HISTORICAL INSTITUTIONALISM (HI)

Historical institutionalism



• based on the assumption that the preferences and choices of actors are **pre-structured** by **institutional corridors** established for the long term

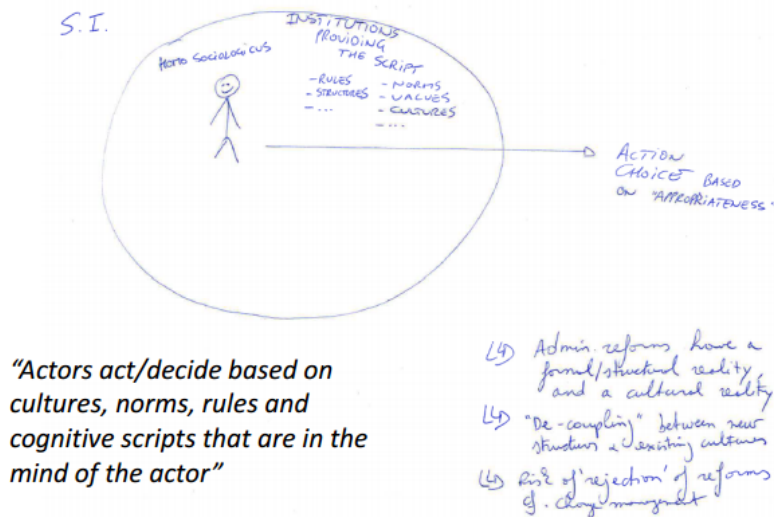
• Decisions are always to be viewed in the light of **long-term institutional developments** of the political administrative system

• An **administrative system** = configuration of collective actors with their own

behavioural resources, objectives and interests, and one that has become entrenched during a process of institutionalization and whose models of interaction are also largely institutionalized

2.3.3 SOCIOLOGICAL INSTITUTIONALISM (SI)

Sociological institutionalism



- Institutions are not conceived of as external limitations of rational choices, but rather as **cultural phenomena that provide cognitive scripts and normative frames**

- Institutions also define a catalogue of rules of appropriate behaviour in the sense of a logic of appropriateness

- Formal and informal structures are viewed as sub-dimensions of institutions:** they serve

as a justification of the political institutions that enable its legitimacy and thus represent an essential basis for their stability

2.3.4 CONVERGENCE, DIVERGENCE AND PERSISTENCE OF ADMINISTRATIVE SYSTEMS

The convergence-hypothesis (proces van samenkomen of gelijker worden???)

- = supported by the assumption that the forces of globalization and internationalization will reach a high degree of external determinism => *Globalization and internationalization → external determinism*
- National structures will tend to *institutional and normative alignment*
- E.g. RCI: congruent decision-making by utility maximizing leaders in the face of external challenges
- E.g. SI: Isomorphism (explanatory power of ideas, discourses, ...) +- *sociological institutionalism*
- 'framing'. NPM as promoted by OECD, World Bank, consultancy firms

The divergence-hypothesis

- Theoretically linked to HI (historical institutionalism)

- Determining effect of existing national administrative and political structures, cultures and institutional factors (despite globalization forces for convergence) – ‘path dependence

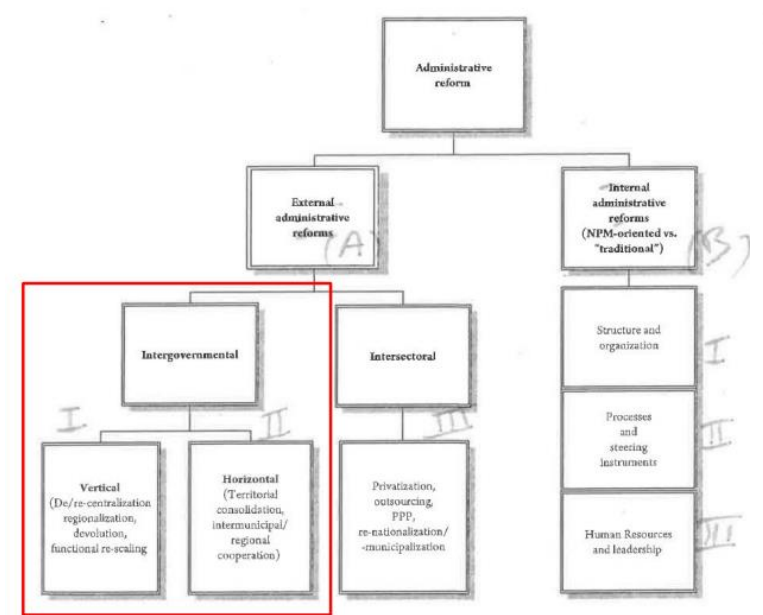
Differentiated analysis of convergence

- ⇒ According to Pollitt (2001) a differentiated examination of convergence and divergence requires a closer look at the different phases of reform processes in the individual countries
- ⇒ He suggests a differentiation according to four levels of phases which prove useful for the analytical examination purposes pursued here:
 - Discursive convergence: concepts, guiding principles, discourses
 - Decisional convergence : reform decisions, adoption of reform programs and measures
 - Practice convergence: actual implementation of measures, application of new instruments and structures
 - Result convergence: results and continuing effects of reform measures
- ⇒ Again loose coupling: discursive convergence not necessarily leads to similar implementation, or similar results of reforms

2.4 DISCUSSION ARTICLE: ADMINISTRATIVE REFORMS

2.4.1 RECAP TO ADMINISTRATIVE REFORMS

Types of administrative reform

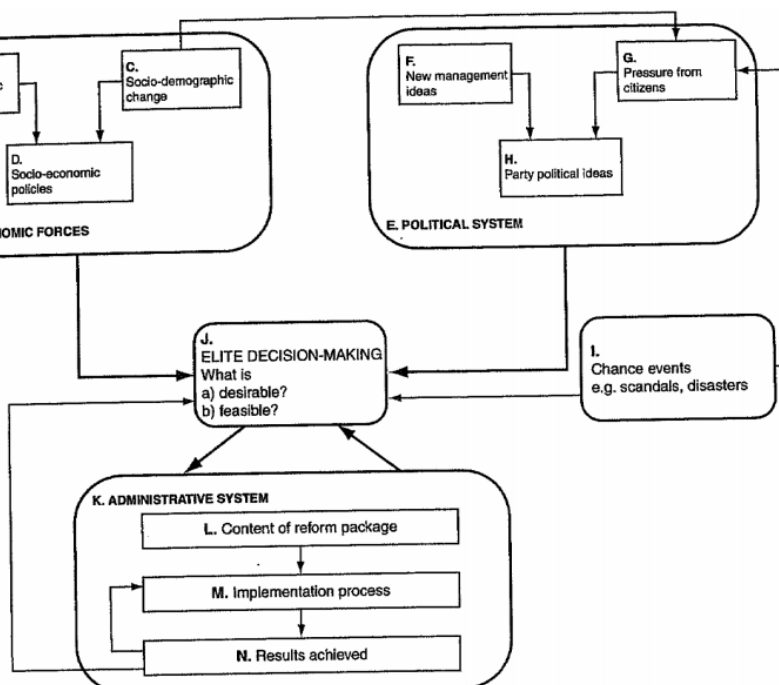


Comparative local government

Territorial profile (Closely linked to functional profile) – capacity building:
The North and South model of Page and Goldsmith (1987):

- Size
 - North: big (management, service delivery)
 - South: small (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 interweaviness between the levels of government – political localism, multiple office holding

Southern model: small scale (Napoleonic)
Northern model: large scale (Scandinavian, UK)



J = decision making (process)

A and E = motivations

2.4.2 RESUME OF THE ARTICLE BAKER ET AL (2011)

TITLE

Citizen support for increasing the responsibilities of local government in European countries: a comparative analysis

1. INTRODUCTION

In this paper, we explore two related issues:

- (1) How much responsibility do local government actually have?
- (2) Do citizens actually support increasing the responsibility of local authorities?

2. MORE POWER FOR LOCAL AUTHORITIES?

The case for or against **decentralisation** can be made from different perspectives, including efficiency, equity, and democratic governance considerations.

They can be generally divided into two main perspectives:

- i. autonomous model (where the local levels operate relatively unimpeded by the central level)
- ii. integration model (where local and central levels are integrated, and the division of tasks is functional and pragmatic)

3. FRAMEWORKS FOR UNDERSTANDING THE RESPONSIBILITIES OF LOCAL GOVERNMENT

Local government has many different responsibilities, and they vary substantially across Europe.

There are a variety of **approaches** to understanding the responsibilities of local government, and there is a need for comprehensive and up-to-date typologies:

1) The Page and Goldsmith (1987) framework divides Western Europe into two categories: the northern countries and the southern countries.

- The **north** is deemed to consist of the United Kingdom (UK) and Ireland, Germany and Austria, the Netherlands and the Scandinavian countries. In the north, local government has developed in response to demands from the population, and, as such, local government has a substantial range of responsibilities which it exercises independently of the central state
- the **south** is seen as France, Belgium, Italy, Greece, Spain, and Portugal, the state is more centralised and local government has relatively few responsibilities.
- **Criticism** on the framework:

2) Hesse/Sharpe framework

- does not describe the nuances of individual countries particularly well
 - ➔ solution: northern countries split into a middle or central European group of countries that include Germany, the Netherlands, Austria, and the Scandinavian countries. They locate Britain and Ireland in Anglo-Saxon nations that operate on the ultra vires principle
- the range of countries that they examine within Europe is comparatively limited and the frameworks are rather old.

3.1 FISCAL MEASURES OF DIFFERENT LEVELS OF LOCAL GOVERNMENT RESPONSIBILITY

Financial measures are generally used to measure the size of local government.

3.2 SUPPORT FOR INCREASING THE RESPONSIBILITIES OF LOCAL GOVERNMENT

We test the second main of our argument to see if citizens support increasing the responsibilities of local authorities.

we have made an attempt at mapping the level of responsibility assumed by local government in European countries, and we have subsequently analysed whether citizens in these countries actually support the transfer of responsibility to local authorities. In Table 1, we can see that there are **considerable differences in the level of support for increasing the responsibilities of local authorities.**

4. IS SUPPORT FOR INCREASING LOCAL GOVERNMENT RESPONSIBILITIES RELATED TO THE LEVEL OF ACTUAL RESPONSIBILITIES?

One explanation for the large differences between countries could be the **actual level of responsibility held by local government** in these countries. In other words, popular support for increased responsibilities could be higher in the countries where local authorities have a limited status. The countries where local governments are spending only a small percentage of a country's overall government expenditure could be considered as those with limited decentralisation.

5. DISCUSSION: MEASURING AND COMPARING LOCAL GOVERNMENT POWER

5.1 CAN WE ACCURATELY MEASURE THE RESPONSIBILITIES OF LOCAL GOVERNMENT?

- defining local government
- multi-dimensionality of local government responsibility
- informal aspects of responsibility
- reputation vs reality

5.2 WHAT DO CITIZEN DEMANDS ACTUALLY MEAN?

- When asked whether they considered increasing the power of local authorities to be a good thing, citizens express an opinion. This opinion is based on perceptions of local and central government, and on the perceptions of the way in which government levels exercise the responsibilities that they already have.

5.3 MEASUREMENT AND COMPARATIVE LOCAL GOVERNMENT

- Some data of some countries are more than 10 years old (**lack of recent data**)
- Local government responsibilities are **dynamic** with centripetal or centralizing tendencies in some countries, but on the other hand, the local level is getting more **autonomy** elsewhere
- **Comparing local government is not straightforward** because of the enormous task and a long list of criteria that could be used in the comparison, and because of institutional complexity and important differences between different local governments within countries

5.4 FUTURE RESEARCH AGENDA

- This paper addresses the question of whether or not European citizens actually want local government to be granted more responsibilities. However, due to empirical **data limitations**, the paper is unable to compare different functions of local government across Europe.

6. CONCLUSION

The **transfer of responsibility from central government to the local level is increasingly seen as vital to the functioning of democracy in Europe**. This is justified both on economic grounds as being more efficient and on the grounds of democratic legitimacy because the local level is seen as being more responsive to the concerns of citizens

However, it has **not been established whether this transfer of power is significant**, or whether it is even desired.

It has been found that it is **possible to identify broad groups of 'northern' and 'southern' countries**. These groupings are not particularly strong, and it would be inaccurate to conclude that these countries have much in common with each other.

However, the fact that the observed cluster mirrors the ones of Page/Goldsmith (1987) and Hesse/Sharpe (1991) suggests that these established frameworks have validity as a heuristic device. Although the frameworks do have some use as a heuristic (John, 2001), there remains the need for further investigation into the competencies and responsibilities of local government. This would also provide scholars with up-to-date data, and it would free comparative research from relying on data collected more than 10 years ago.

The paper also examines **whether there is demand among European citizens for increasing the responsibilities of local government**. It has been found out that the overall picture is mixed. The most important finding, however, is that of an **absence of a clear and strong relation between the responsibilities local government in a country and the demands of citizenry for granting more or fewer responsibilities to the local level**. This finding has been used to reflect on present comparative local government research. **It suggests the need for progress in two areas**: one is performance measurement in local government and the other one is the desirability of more international comparative opinion research that focuses on the local level rather than on the central level.

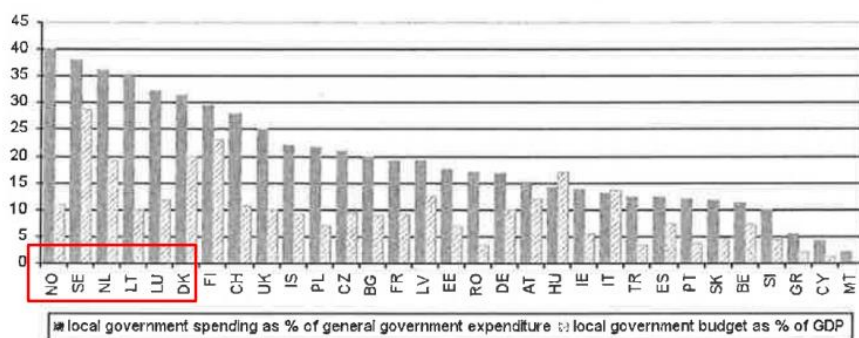
2.4.3 DISCUSSION OF THE ARTICLE BAKER ET AL (2011) IN CLASS

DECENTRALIZATION

- It's about *decentralization* (responsibility of local governments to issue policies in comparison to other levels)
 - ⇒ How did they measure decentralization? Method?
 - local expenditure compared to all government expenditure (loc exp / govt exp) see figure 1
 - local expenditure compared to the GDP of the government (loc exp / GDP) see fig 1
 - Fiscal one (taxes)

FIGURE 1

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

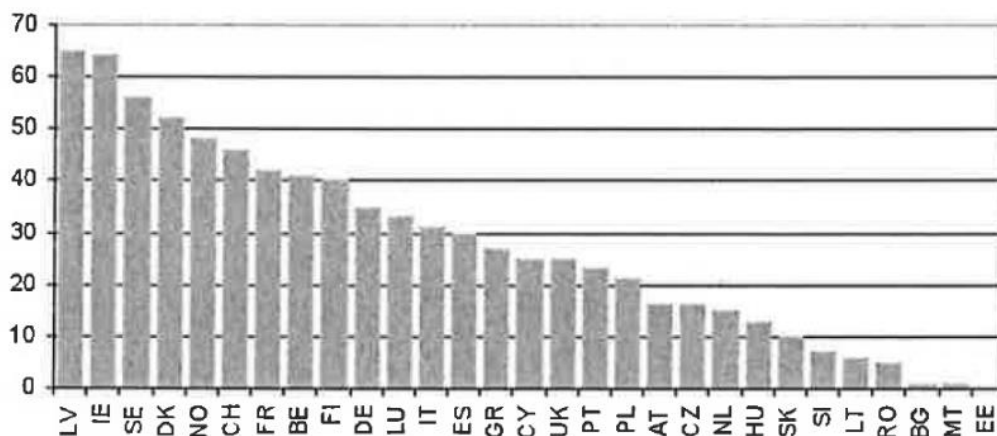


EXAMEN (compare it to the model goldsmith framework, what is striking about figure 1?)

- ⇒ Answer: the expenditure is higher in the northern countries, it confirms the framework for the northern countries (Norway, Denmark, Netherlands, ...) but for example France is in the middle but Italy and Greece are on the right side

FIGURE 2

Figure 2: Weight of local taxes in local budget



You have some northern countries (Finland is scoring lower than France) => it is a little bit mixed here

PREFERENCE OF CITIZENS

TABLE 1:

		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

Bottom of the table (Benelux countries) / highest of the table (Malta, ...) = want more autonomy

→ Central and east European countries, many people wish to have more power to local authorities => explanation of this finding? More negative perception of the central power = PATH DEPENDENCY (these countries were communist until 1989 and very centralized => dictatorship so they didn't like it. But these countries are still very centralized even today. See figure 1 Slovakia, Hungary, ... are more or less to the right side of the figure.

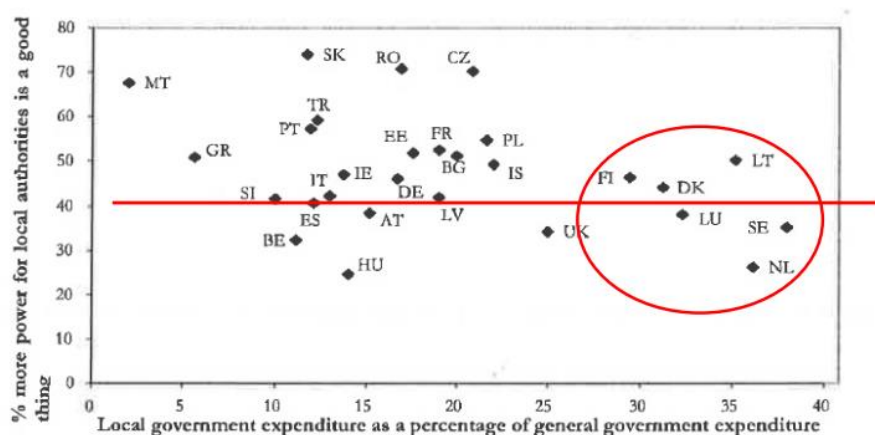
→ Rational institutionalism, historical institutionalism

LINK BETWEEN BOTH: DECENTRALIZATION AND PREFERENCES OF CITIZENS

- **Assumption** = when there's few decentralization, people will prefer more / if there's a lot of decentralization people will want less (dalende grafiek met Preferences op vertical as en Decentralisation op horizontale as)

FIGURE 3: RELATIONSHIP BETWEEN PREFERENCE AND DECENTRALIZATION

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



Red circle: Sweden and Netherlands they are where they are suspected to be

There's not a real correlation as we should have assumed it (that's why it's a flat graphe)

FIGURE 4: MORE CORRELATION

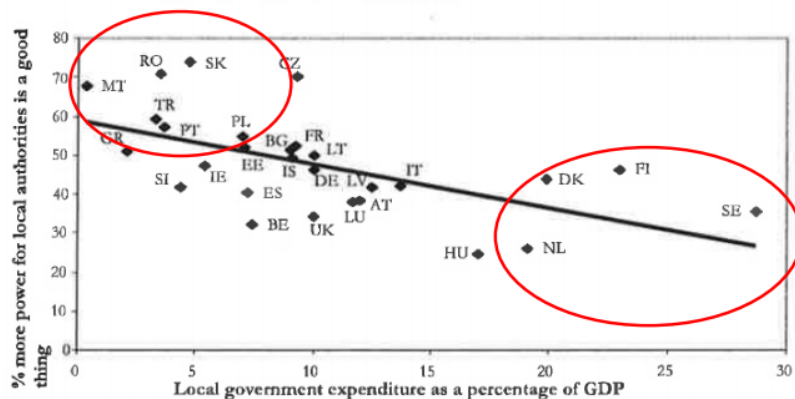
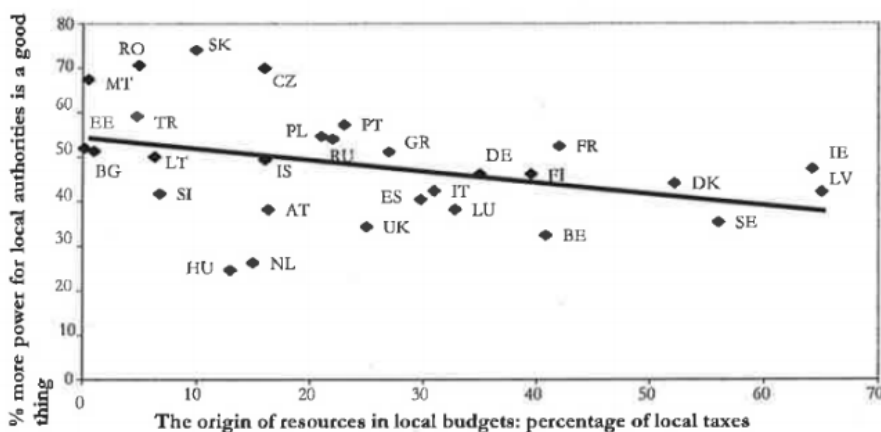
Figure 4: Local government expenditure (relative to GDP) and preferences for more power

FIGURE 5:

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

Netherlands and Denmark are already going to the middle

PROBLEMS IN THE ARTICLE

- (the authors say it themselves)
- *Data are not that good and old* (use secondary data) very expensive to collect all data yourself
- *Perception depends on own experiences => it's about your own experience with your own local government which can be good or bad. If your local government is good then you'll answer yes more power to local gov is good (see table 1)*

2.4.4 RESUME OF THE ARTICLE DE CEUNINCK ET AL (2010)

TITLE

Municipal Amalgamations in the low countries: same problems, different solutions

Municipal amalgamations = gemeentelijke fusies

ABSTRACT

- Belgium: municipal amalgamations (biggest reform = 1976)
- Netherlands: different pattern, taking longer with discussions

INTRODUCTION

- Belgium and the Netherlands have a common history (united during periods of Austrian and French rule)
- Both have a three layer government structure
- But different policy styles : Belgian local governments = Southern European tradition with functional centralism and political localism / Dutch local governments = discretion in the execution of national programmes and in determining municipal revenues
- Different in the way to handle the size of their municipalities (gemeenten): Belgium = drastic reduction in the total number of municipalities in the 70s / Netherlands chose an incremental approach that has continued from the 60s until today

REFORMS AT THE LOCAL LEVEL IN EUROPE

- **Not a new phenomenon**
- Reforms come down to **two fundamental principles**:
 - 1) an improvement in local democracy and / or
 - 2) an improvement in local efficiency
- Territorial reforms occur **frequently in Europe**
- In some countries this process is fully completed (Belgium) while in other countries these reforms continue to appear now and then on the political agenda (eg the Netherlands)
- **Reform theory** : municipalities need to have at least a certain size in order to benefit from economies of scale => proponents of the reform theory were always in favour of amalgamations => but also skepticism arose about benefits of a larger scale eg turnout at local elections, direct citizen contact, political discussion === > the right size for a municipal government is a matter of the local circumstances and the value judgements of the observer (no single unit size will be optimal for every purpose)
- No consensus about the right size for a local government, but there is an agreement about the fact that a larger size does have some considerable negative effects
- **Three alternative theoretical positions** (to understand reforms in the public sector):

- 1) purposive approaches: broadly purposive in their perspective on the process
 - 2) environmental approaches: see changes as a function of the relationship of the administrative structures to their environment
 - 3) institutional models of organizational change: attitudes of and actions pursued by individuals in an organization are collective and not, by necessity, rational.
- **Two traditions in Europe:**
 - 1) a northern tradition of government
 - The competencies of the municipalities required a more stringent regulatory framework
 - Less local input
 - a southern tradition of government
 - 1) More local input from the central government at an earlier stage of the decision-making process for example when legislation is written
 - Smaller number of competencies, more strict control from central government and greater direct access to central government
 - Cumul des mandats in France
 - **Three main indicators:**
 - 1) functions
 - 2) access
 - 3) discretion

SCALE AND LOCAL GOVERNMENT IN EUROPE

- **Sweden:** number of municipalities was reduced from 2.5000 in 1951 to 274 in 1994 (reduction of 90%)
- **UK:** known as the country with the largest local authorities in Europe and the trend in British local government has always been towards larger and larger local units
- **Table 1:** Northern European countries realized a rather large reduction in their number of municipalities, other countries witnessed a more moderate reduction and two countries (Portugal and Italy) even saw an increase in their total number of municipalities.
- **Belgium vs the Netherlands**
 - Belgium: the amalgamations of the municipalities took place in 1996 and reduced the number of municipalities in one move from more than 2300 to the current number of 589
 - The Netherlands: the amalgamations are still ongoing

BELGIUM, A SOUTHERN TRADITION?

- Even before 1976 there were amalgamations
- **Motives for the amalgamations:**

- First, there was the changing social environment. Distances became smaller and the old municipalities were not adapted to this new reality.
- Secondly, more co-operation was needed between the cities and their surrounding municipalities. The cities carried a great part of the financial burden for public services, while the inhabitants of the surrounding municipalities took advantage of these services (for instance, public transport, road infrastructure, etc.), but did not pay for them.
- A third motive was the fact that a large number of municipalities did not have well-trained staff, quite simply because they could not afford them.
- A fourth motive had a financial basis. With the amalgamations, the central government wanted to make the municipalities financially healthy again, especially the smaller ones since they had to deal with a poor financial situation due to a lack of income.
- The next consideration was that the **minister wanted the process to be realised quite fast**, in order to limit the inevitable resistance to these plans that would arise.
- The fact was that **most of the opinions expressed by municipalities were ignored**, because of their diverse character. For the minister it was almost impossible to take these opinions into account, because they all contradicted each other
- It is obvious that the amalgamations in Belgium were a **political choice of the Christian Democrats and the Liberal Party**, who had a majority in parliament in the 1970s. Prime Minister Tindemans clearly said in parliament: 'If this government doesn't approve the amalgamations, which one will?'
- The amalgamations brought the **total number of Belgian municipalities to 589**. That meant a drastic 75 per cent reduction in the total number of Belgian municipalities.
- Despite the fact that Belgium was always considered as a country belonging to the **southern tradition** (relatively small municipalities with few competencies), some reforms did take place in Belgium to make local authorities bigger and more efficient. The amalgamations are remarkable, given the fact that amalgamations are very rare in countries belonging to this tradition

THE NETHERLANDS, A NORTHERN TRADITION?

- Different from Belgian municipalities
- Only from the 1980s and 1990s onwards did the Netherlands introduce large-scale amalgamations. Only **after the many reforms of the 1980s and 1990s** did the total number of municipalities decline substantially, to end at 441 in January 2009.
- In the Netherlands, therefore, we find a constant decline in the number of municipalities through the years.

- **The main goals** were to broaden the scale of municipalities and to give certain municipalities a new role as a central municipality.
- 'that larger municipalities would have stronger executives than smaller ones is simply wrong'. Starting from that point of view, it follows that a merger between two municipalities would not necessarily make them both stronger.
- A **lot of discussion** over the years in the Netherlands regarding several proposals for reforming the structure of the Dutch state, but in reality little has changed. Municipal amalgamations were always justified in **two ways in the Netherlands**:
 - 1) The first was the lack of space, since many municipalities were confronted with a shortage of surface area as a result of industrialisation and urbanisation, and this was countered by merging certain suburbs with larger cities. These reforms were not, however, very far-reaching. The cities gained an extra district, but that was it. This policy did not last very long because it only solved problems in a temporary manner.
 - 2) The second motive for amalgamation involved the power of the municipalities to govern in an efficient and effective way. The smallest municipalities in particular had difficulties dealing with the ever-increasing pressure (new legislation, regulation, etc.) coming from The Hague in the post-war period as they sorely lacked highly-educated staff.
- More recently, **five objectives** were given for amalgamations in the Netherlands
 - 1) First, a larger scale was necessary to fulfil the growing demand for public services and increasing complexity in the delivery of these.
 - 2) Also, in many municipalities, an increase in administrative size was necessary to keep up with growing social complexity.
 - 3) Economies of scale also allow the employment of people with more administrative and political skills and knowledge, and are a solution for the many problems that inter-municipal co-operation brings about.

We, therefore, reach the conclusion that a lack of space, a lack of power to govern, a need for a growing package of competencies, and a growing social complexity are the main reasons why the Netherlands has opted for municipal amalgamations

CONCLUSION: BELGIUM VS. THE NETHERLANDS

- The fact that **Belgium and the Netherlands followed different paths** for municipal amalgamations should now be clear.
 - ⇒ Nevertheless, it is **remarkable that many elements in the debate were very similar**. In this section, it is our intention to place Belgium and the Netherlands side by side and to draw the main conclusions.
- **Similarities**

- Motivation for amalgamations: confronted with the fact that municipal borders no longer reflected social borders and municipalities had simply become too small
- **Differences**
 - Belgium:
 - after a long process of ad hoc amalgamation => end of local fragmentation in one move (solution in 1976)
 - it seemed obvious that an enlargement of the scale of government would automatically increase the power to govern
 - broad consensus at national level, but criticism also (because implemented in a very top-down approach and involvement of municipalities was very limited)
 - Netherlands:
 - process of amalgamations went much more slowly (not in one move, 1960s until today)
 - more research about the effects of amalgamations, more questioned
 - involvement of municipalities is greater than it was in Belgium (bottom up approach)
- Probably the most important question put forward in this paper was why Belgium and the Netherlands have **gone down different paths**:
 - In the Netherlands, local government is considered as the provider of public services, and principles such as efficient service delivery to citizens prevail
 - Accordingly, if an enlargement of scale can ensure better (or more efficient) services, then it should be implemented. This is called path dependency.
 - Nevertheless we note that the existing theoretical framework does not give us sufficient help in explaining the incremental reform process in the Netherlands.
 - Also the amalgamations in Belgium are remarkable since they form an exception in countries belonging to the southern tradition. In that sense, the path dependency we would expect in a country belonging to the southern tradition was broken.
 - Also, several environmental elements played a role in placing this operation on the political agenda: local fragmentation was huge; local authorities lacked sufficient financial resources and a well-trained staff.
- **Finally**, as already mentioned, it is very unlikely that a new territorial reform like the one in 1976 will be implemented. At present the process is seen as complete and public and political support for such a new operation is very limited.

2.4.5 DISCUSSION OF THE ARTICLE DE CEUNINCK ET AL (2010)

- Types of administrative reform = vertical (zie schema)
- North and South model of Page and Goldsmith model!

RESEARCH TOPIC:

- ⇒ explain the differences and similarities between Netherlands and Belgium about the amalgamations.
- ⇒ Two cases: BE & NE. Why? They have the same history but different in which country => Netherlands is a northern country and Belgium is a southern country.

RESEARCH QUESTIONS:

- ⇒ What does the *process* do in Be and Ne? see table 2 (**very different** for NE/BE)
- ⇒ What are the *motivations* for amalgamations? (**Almost the same** for both countries)
 - ➔ Scale enlargement, they are both the same in both countries. We can link this to the model of public sector reform (cf earlier session) this is a model for national public sector reform but if you trek dit door tot local dan zie je gelijkenissen. But the elite decision is totally different. In BE it was a window of opportunity, all the parties agreed top down, while in the NE the elite decision is more on the local level.
 - ➔ Flanders: voluntary amalgamations (we are moving towards incremental and bottom up amalgamations) = sticking point approach
 - ➔ Both countries think it will lead to a better government (rational choice by elite makers)

TABLE 1

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).

➔ EXAMEN: explain the table! see red boxes!

➔ in Southern countries amalgamations are not often used

➔ **multiple choice:** rational choice / sociological / historical institutionalism ? what is best for table one? **PATH DEPENDENCY** = historical institutionalism => Belgium and

Greece are southern countries but don't follow the path of the other southern countries (see 78% instead of 3% for example for France)

TABLE 2

- ⇒ BE: Top down, very sudden in one year (1976)
- ⇒ NE: much more implemented, **STICKING POINT APPROACH**, not sudden at all, bottom up

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

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

3 countries

France – Germany – United Kingdom

- Basic features of government
- State structure and administrative system
- PA at subnational levels
- Civil service

3.1 IN GENERAL

3.1.1 BASIC FEATURES OF GOVERNMENT

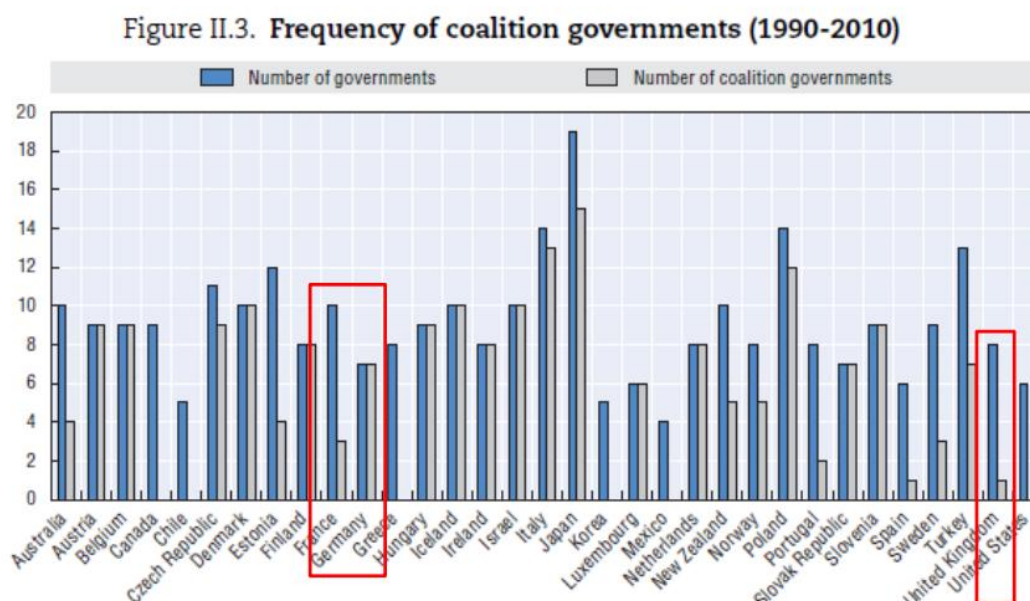
NATURE OF THE EXECUTIVE

- 4 types :

- Single party, minimal-winning (1 party more than 50%) *eg UK = conservative vs labour party*
- Minimal-winning coalition (2 or more parties more than 50%) *eg Belgium / France*
- Minority cabinets (govt less than 50%) *eg liberals and socialists had not 50% together once in the Netherlands so they needed the approval of other parties for every decision they wanted to make => very rare!!*
- Oversized executives ('grand coalitions')

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

FREQUENCY OF COALITION GOVERNMENTS (1990-2010)



3.1.2 STATE STRUCTURE AND ADMINISTRATIVE SYSTEM

VERTICAL DISPERSION

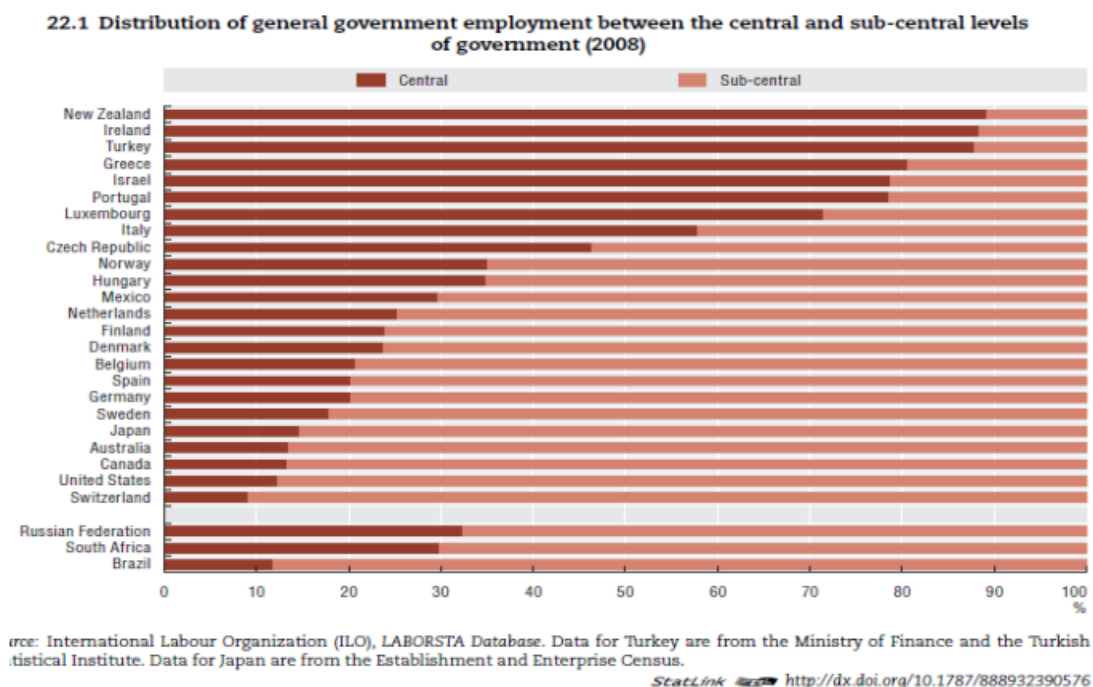
- ⇒ Important dimension: **Vertical dispersion** of power (sharing authority between levels of government): centralized versus decentralized
- *Unitary* state, and *centralized* (New Zealand, UK,...)
 - *Unitary* state, and *decentralized* (Nordic countries)
 - To agencies (e.g. Sweden)
 - To local governments (lower tiers of government)
 - *Federal* states (Australia, Canada, USA, Germany): some power belong to the national government and some to the state government

INDICATORS OF DECENTRALIZATION

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

DECENTRALIZATION BY NUMBER OF PUBLIC SERVANTS

Distribution of general government employment between the central and sub-central levels of government (2008)=> zie grafiek!



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

- Also in Belgium: Flanders more NPM-like, compared to Wallonia
- Compare with the unitary government of Thatcher (UK)

3.2 THE CONTINENTAL EUROPEAN NAPOLEONIC MODEL: FRANCE

France is the representative of the **Continental Europa Napoleonic country group**

3.2.1 BASIC FEATURES

→ **Semi-presidential system with features of a presidential hegemony** = the directly elected president has a powerful position = strong executive!!

- His powers are partly with sole authority and partly in interaction with the prime minister
- Cohabitation occurs when the president is from another party than the parliamentary majority. The parliamentary majority chooses a prime minister of their party.
- *Eg President Charles De Gaulle changed the political system*

→ *Prime minister (appointed by the president)*

→ *Cabinet*

→ **Historically and constitutionally weak position of parliament**

- National assembly: lower house
- Senate: higher house

→ **Elements of both the competitive democracy and the consensus democracy**

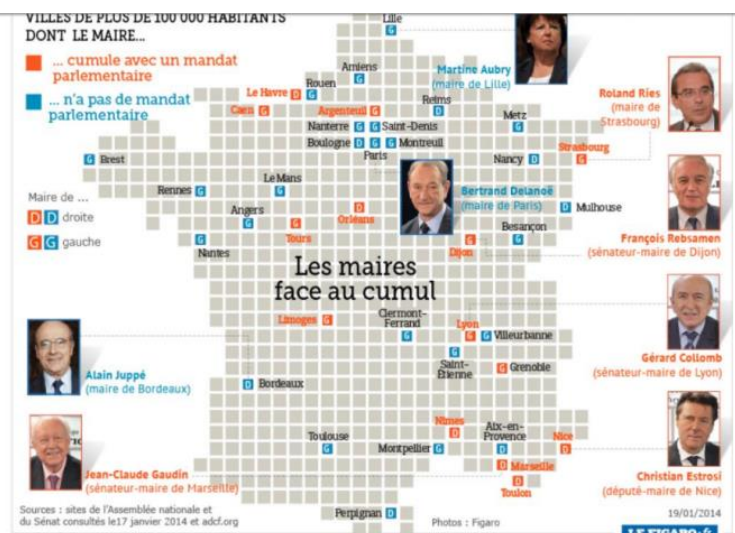
- Consensus-democratic elements exist because of the existence of a strong obligation to compromise between the two-headed executive during cohabitation
 - President must take the majority constellations in parliament more strongly into account => Less autonomous and powerful
- Competitive-democracy elements:
 - when there is no cohabitation the president pushes his policies through without an opposing parliamentary democracy
 - Political system with an absolute majority voting system and the resulting party political polarization (right-left)
 - *1^e ronde = 2 met meeste stemmen gaan door naar 2e ronde*
 - *2^e ronde = eg Sarkozy and Hollande compete against each other*

France
Powerful position directly elected president (hegemony)
Weak position parliament
Mixed system <ul style="list-style-type: none"> - Competitive democracy <ul style="list-style-type: none"> ° absolute majority voting ° in cases of no cohabitation - Consensus democracy <ul style="list-style-type: none"> ° in cases of cohabitation

3.2.2 STATE STRUCTURE AND ADMINISTRATIVE SYSTEM

- France is a **unitary state**
 - ⇒ *'Une et indivisible' and the state's sovereignty*
 - ⇒ *State = important economic player*
- State is assigned a 'value in itself'
 - ⇒ Its task is to define the **public interest** and provide comprehensive **regulation of social and economic behavior** and pursue economic activities itself
 - ⇒ This explains the high employment rate of people working in public sector and a high state quota (?)
- Tradition of **executive centralism**
 - ⇒ A general administrative vertical structure of the central state has persisted, a structure that reaches from Paris to local levels and whose backbone in the 'territory' is the prefect nominated by central government
 - ⇒ Eg prefet has a lot of power in the region & is nominated by central government
- **Decentralized elements** (Reality of 'tamed Jacobinism')
 - ➔ The Jacobinist centralized state exhibits a range of decentralized elements
 - Practice of *accumulation of mandates*: local mayors can be members of upper-level representative bodies
 - Due to the many senators (also being local mayors at the same time) have prove to be a defender of the institutional and territorial status quo at the subnational levels
- **Villes de plus de 100 000 habitants dont le maire**
 - ⇒ orange = major (representative of the parliament)
 - ⇒ Blauw = major (not a member of parliament)

France
Unitary state
State defines public interest, regulates social and economic behavior
Executive centralism (vertical structure of the central state): prefet nominated by central government
Some decentralized elements (tamed Jacobinism):
- Cumul des mandats
- Leads to institutional status quo at the subnational levels



3.2.3 PUBLIC ADMINISTRATION AT SUBNATIONAL LEVEL

France
General competence clause
3 tiers (regions / dept / municipalities)
Small scale municip: intermunicipal cooper
Fused system municipalities
Functional privatization
Strong mayors: administration, council president + external relations
Difficult to abolish cumul des mandats (Hollande)



- **The general competence clause (*Part of the 'une et indivisible republic'*)**
 - ⇒ The municipal council is responsible for all matters concerning the local community
 - ⇒ With the exception of the three big metropolitan cities of Paris, Marseille and Lyon, a uniform system of municipal charter exists
- **France has a three-tier local government structure**
 - ⇒ Including 27 régions, 101 departments and 36569 municipalities
 - ⇒ A lot of regions
- **Small scale municipalities:**
 - ⇒ enormous territorial fragmentation and small-scale nature (90% fewer than 2000 inhabitants)
 - ⇒ To cope with the increasing local services requirements, municipalities resorted to association-type solutions => Intermunicipal cooperations
- **Fused system municipalities**
 - ⇒ State and municipal local self-government tasks are not separate but organizationally bundled.
 - ⇒ The deconcentrated public administration with the prefect as a key figure who acted as the most important 'bundling authority' = state-centred integrationist model
- **Functional privatization**
 - ⇒ Local services have known an early, functional privatization and contracting out(early as the 19th century)

- ⇒ even though the doctrine of the 'common good' and 'public interest' is determinant and the governments still hold formal responsibilities (Areas of water, waste etc.)
- ⇒ *Eg waste collection is private (weird for France)*

- **Strong mayors**

- ⇒ Local level has a high political-democratic status with a high and stable participation in local elections (70%)
- ⇒ Mayor is strong because of 'cumul des mandats' and combines the three functions of:
 - ⇒ The administration
 - ⇒ Council president
 - ⇒ External relations
- ⇒ Representative of the state at the local level (Agent d'état)
- ⇒ Formally it's an indirect election but CLOSE TO a direct election because the first position of potential candidates on the party list is always assigned to the office of mayor

- **Difficult to abolish cumul des mandats (Hollande)**

- ⇒ Hollande made the abolition of the cumul des mandats an electoral promise, he won the presidential elections and the socialist gained the absolute majority. A bill prohibiting the '*executive position-holder of the municipalities, departments and regions from having a seat in the national parliament or in the senate was adopted*'.
- ⇒ In contrast to the executive municipal positions, elected councilors will still be allowed to accumulate a mandate on the national level in the future and the reform will only become effective in 2017 => Reflects the powerful local elites

- **Subnational administrative levels by comparison**

Country/Structure	Level	Term for Territorial Unit	Number	Pop. Avg.
Germany	Federal	Länder	16	5,2 m
	Local	Counties	295	180 200
		Member-municipalities of a county	11 146	5030
		County-free cities	107	240 000
	Inter-municipal	Administr. associations, inter-municipal unions etc.	1708	n.s.
France	Local	Régions	27	2,3 m
		Départements	101	639 000
		Communes	36 569	1560
	Inter-municipal	Syndicats EPCI	12 840 2599	n.s. n.s.
UK	Quasi-federal	Regions (Scotland, Wales, Northern Ireland)	3	5,0 m (Scotland) 2,9 m (Wales) 1,6 m (Northern Ireland)
	Local (only England)	Metropolitan districts (single-tier system)	36	308 000
		Unitary authorities (single-tier system)	56	209 000
		Non-metropolitan counties (two-tier system)	27	759 000
		Non-metropolitan districts (two-tier system)	201	102 000
		London boroughs (two-tier system)	32	237 000
Sweden	Local	Landsöms kommuner Kommuner	20 290	420 000 31 300
Italy	Quasi-federal	Regioni	20	2,9 m
	Local	Province	110	551 000
		Comuni	8094	7455
	Inter-municipal	Comunità montane Unioni di comuni Consorzi/Conveni	356 278 n.s.	32 700 n.s. 16 700
Hungary	Local	Counties (megyei)	19	530 000
		Municipalities, including:	3175	3170
		Villages (községek)	2863	n.s.
		Towns (város)	265	n.s.

3.2.4 CIVIL SERVICE

→Public law service statute

- French administration is rooted in a long tradition of a professional civil service system, whose legal relationships are regulated in a public-law service statute. (Ordinary employees = civil law)
 - Different rules of access, training and career trajectory separate from 'normal'
 - A sectoral differentiation in the form of Corps systems (Civil and health services). For the Corps or professional groups there are specific statutes that include special regulations for recruitment etc...

→French state largest employer in France

- Due to the political and social key position the that public service traditionally occupies
- Due to the **grands corps**: The prestigious status of senior civil servants belonging to the powerful Grands Corps; holding top positions in the whole range of public sector institutions (involved in political decision-making)

→Special training courses to become part of the civil service

- Due to the corps system and elitist training courses, recruitment is based on rigid selection procedures, selection takes place through prestigious schools that train future staff
- Elite trained in special schools

France

Public law service statute

French state largest employer in France

Grands corps

Special training courses

3.3 THE CONTINENTAL EUROPEAN FEDERAL MODEL: GERMANY

3.3.1 BASIC FEATURES OF GOVERNMENT

Type of parliamentary systems that consists of a conflation of government and parliamentary majority

→Strong position chancellor *eg Merkel (very powerful!)*

- This is the position of the head of government within the national executive branch
- It has the power to set policy guidelines, to form the government, promote consistency of the federal government and its capacity to act

Germany

Strong position chancellor
-set policy
-form government
Strength chancellor depends on coalition constellation

Mixed system:
- Competitive: strong party competition, strong political parties
- Consensus: federal system with horizontal and vertical interweaving of politics

- The actual scope of the chancellor depends on the coalition constellation and position in his or her own party

→ Mixed systems

- Competitive elements: strong position and high organizational degree of the political parties and the dominance of party competition
- Consensus element: In particular the federal state structure: horizontal and vertical interweaving of politics
 - You can see that in the 'administrative federalism' (see further on), in the system of inter-governmental revenue sharing (national tax revenue for 'the gemeinschaft'), federal/länder cooperation, horizontal self-coordination of the Länder

3.3.2 STATE STRUCTURE AND ADMINISTRATIVE SYSTEM

→ **Much vertical fragmentation** and many veto actors involved leads to a semi-sovereign state

→ The länder great influence on **federal** legislation based on their veto powers in the Federal Council + highly decentralized

→ The Länder and local governments have a strong position because they are in charge of implementing most of federal legislation: Administrative functions are predominantly carried on on the subnational level

Germany

Much vertical fragmentation

**Federal: strong länder
Highly decentralized**

**Länder many competence
such as personnel
regulations of the local
government**

3.3.3 PUBLIC ADMINISTRATION AT SUBNATIONAL LEVELS

→ General competence clause + strong länder

- Clause: 'Guaranteed the right to regulate all matters relevant for the local community under their own responsibility within the limits prescribed by the laws'
- Länder carry out **federal as well as Land legislation** as 'their own' matter = wide scope of action

→ Länder individually determines its administrative structure (2-and3-tier länder)

- Three-tier comprises of a central level(Land authority), a meso-level(Administrative district authorities) and lower level (lower Land authorities) -> The meso-level assume coordination and bundling functions so that a reconciliation of interests can occur
- Two-tier: Without meso-level:

Germany

**General comp clause
Strong lander**

**Autonomy lander to organize
their administration (2- and 3-
tier lander)**

**Most federal and land
regulation implemented by
municipalities**

Fused system municipalities

Municipal companies

**Strong directly elected mayors
vs council elected mayors
(dependent on land)**

Binding local referenda

→ Fused system municipalities

- Multi-functional local government model, also rooted in the 'general competence clause' for the municipalities and the counties
- Besides their own local tasks, they can also be put in charge of carrying out public tasks that are delegated to them by the state (by the Land or by the federal level)
- Genuine local government and delegated state tasks

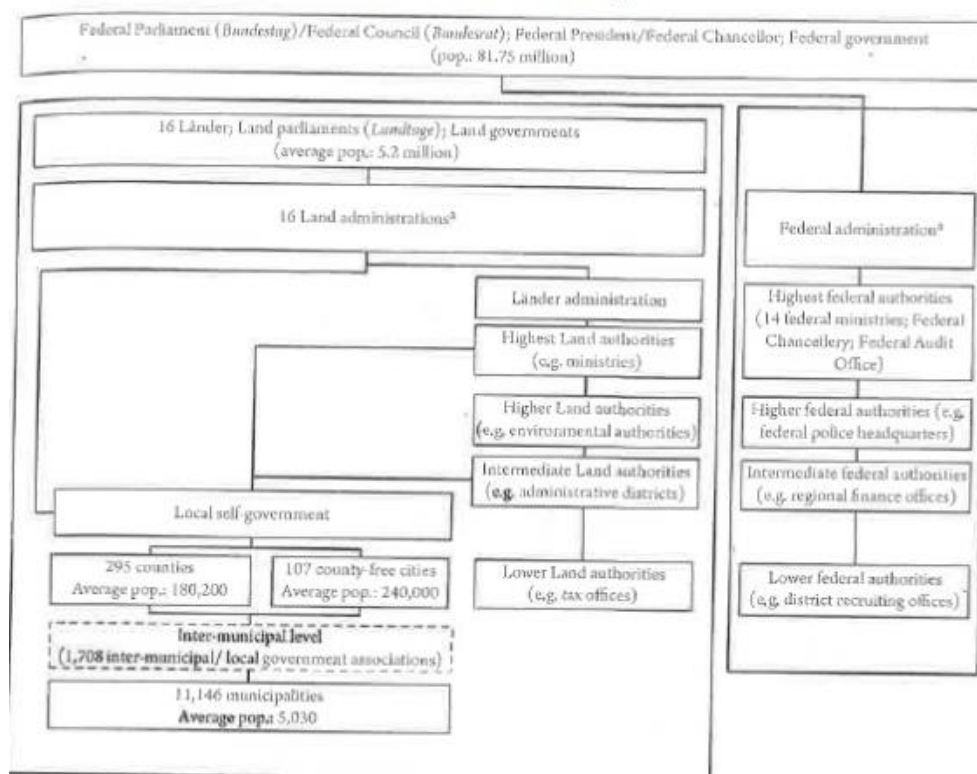
→ Municipal companies

- Local government being strongly engaged in the local economy and providing public services either by local government units and personnel or through municipal companies, particularly in the area of social services

→ Strong directly elected mayors

- <->The elected local council have comprehensive powers by assigning merely symbolic functions to the council-elected mayor acting under the guidance and supervision of the local council (North-German model <->South-German division of power between council and mayor) -> NOW everybody has the southern-German model with a dual distribution
- Besides direct elections of the mayor and the recalls, the legal possibility **to hold binding local referenda** was added to the municipal charters- even though procedural hurdles and regulations vary greatly from land to land.

Germany



3.3.4 CIVIL SERVICE

→ Employment under public law for civil servants

- Public sector personnel I only 10 percent = one of the smallest public services
- Distinction civil servant (ambtenaar) & public employees (arbeiders):
The status of a civil servants = public law because it has a 'sovereign function' (Possibly encroaching on the life and liberty rights)
 - BUT the employment relationships of employees and workers are based on private law and contracts (contractual workers, a bit the same as 'ambtenaren')
 - Lifelong appointment and a ban on strikes for civil servants

→ **Closed system:** The German public service can be classified as a closed system since 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)

- Reform of 2006: Each of the Lander gained the all but sole legislative power and responsibility of their own to regulate the employment and career conditions as well as the salary/payment schemes of their personnel and that of the local authorities
- Disparity between lander: 'rich' and 'poor' Lander widened to more than 10%

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.

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.



Bavarian Premier Edmund Stoiber

3.4 THE ANGLO SAXON MODEL: UK

3.4.1 BASIC FEATURES

- **Strong prime minister = Elective dictatorship:**
 - Assured of a *loyal and disciplined parliamentary* majority and powerful due to the cabinet structure (A Conservative- OR Labour-led one-party government) and by appointing party members to government office
 - *Elective dictatorship*: 'Hardly effective counterweights (such as a constitutional court) and power-limiting institutions (such as federal structures etc.)
- **Strong parliament: sovereignty** = 'The unwritten' and 'unprotected' Constitution is the expression of the principle of parliamentary sovereignty: Any constitutional issue can be settled by simple parliamentary majority
- **Competitive or majority democracy**: The power of the majority can assert itself against any existing resistance and hardly needs to take the veto positions of minorities into account

UK

Strong prime minister 'elective dictatorship':
-loyal parliament
-cabinet structure (ministers appointed in the party)

Strong parliament: sovereignty

Competitive or majority democracy 'winner takes it all'

3.4.2 STATE STRUCTURE AND ADMINISTRATIVE SYSTEM

- **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?
 - Iron Lady => Margaret Thatcher
- **No vertical separation of powers:** parliamentary sovereignty that does not permit any vertical separation of powers
 - The sovereign parliament may transfer the exercise of state authority to regional and local bodies BUT CANNOT do in an all-encompassing responsibility = parliament source of exercise of power
- **Since Blair quasi federal system** where an increasing transfer of sovereign rights to the parliamentary assemblies of non-English nations (Scotland, Northern Ireland etc.) takes place:
 - High politics Westminster: legislation and with 'governing'
 - Low politics counties and cities (Territorial bodies assigned to conduct all public tasks)

UK

No vertical separation of powers

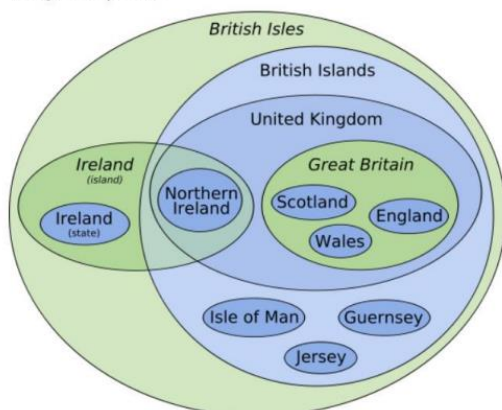
Since Blair quasi federal system (see next slide)

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)

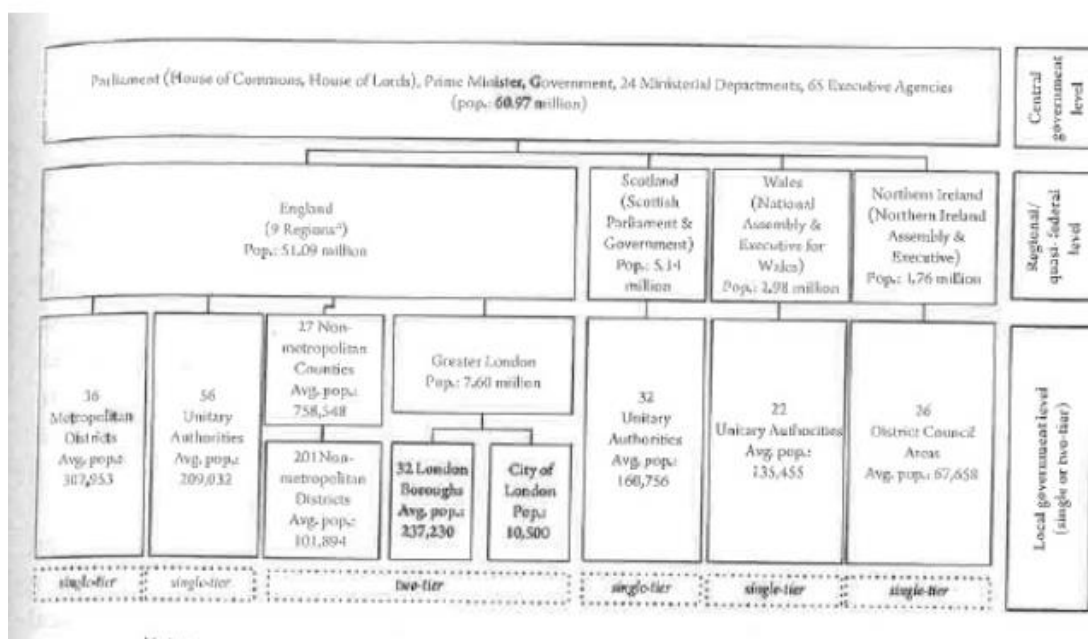
- **Dual polity:** Separation of central state and local government levels : Not installed territorial administrative units but only single-purpose authorities of territorially and administratively inconsistent jurisdictions
- Since 1945 much **centralization** (reason for NPM): Expansion of welfare state institutions
 - 1980: public sector consumed 45% of GDP/ 21% workforce in public sector
 - Whitehall monolithic apparatus
 - Local govt monopoly in social and health (cf.Scandinavia)

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



3.4.3 PUBLIC ADMINISTRATION AT SUBNATIONAL LEVELS

UK



UK

Ultra vires rule
Now 'new localism' (general power of competence)

Political regionalization
(‘disconnected union’)

Two tier (London + counties & districts) versus single tier system (unitary authorities – metropolitan districts)

Dual polity (separationist)

Local self government:
decisions + implementation

Strong councils (control mayors)

Weak local political profile
(weak mayor, no community identity, dual polity)

- **Ultra vires rule:** Regional and local authorities may carry out only such tasks that have been expressly assigned to them by parliamentary law, once assigned to them, can be withdrawn from them at any time
 - New localism: Local authorities were endowed with the task to promote the economic, social and environmental well-being of their areas = Granted a general power of competence
- **Since 1990 regionalization of administration** (Scotland, Wales, Northern Ireland = its own parliament)
 - UK developed into disconnected union with a highly centralized centre (England) and an asymmetrically decentralized periphery with Scotland, Northern Ireland and Wales
- **Two tier system in rural areas and in Greater London;** Single-tier system in urban centres and medium-sized cities
 - Two-tier system: Upper level of local self-government = 27 non-metropolitan counties ; Lower level of local self-government= 201 non-metropolitan districts
 - Single tier: unitary authorities combine county and district functions
- **Dual polity** (in contrast with Ultra vires rule and parliamentary sovereignty): In local governments having a broad range of tasks and exercising a significant degree of autonomy (still they've a lack of constitutional protection!)
- **Local self-government:** Decisions and implementation: Government includes political decisions and the control of elected bodies such as local councils = strong state-centred supervision: Elected local councils not only make relevant decisions, but are also directly responsible for the execution and control (<-> Common Continental European term of self-administration points to administrative core)
- **Strong councils control mayor**
- **No strong position for the executive mayor:** within a dual polity setting, local actors hardly able to influence national policy-making & community identity barely developed (ex. Low voter turnout in local elections)

3.4.4 CIVIL SERVICE

- **No public service law:** No explicit distinction between employment in the private sector and the public sector
- Employment relations of public employees are generally subject to free collective bargaining and contractual negotiations between parties

UK
No public service law
No strict career grouping
Civil service (central) vs public service (local) - duality
Party political neutrality – servants to the government of the day
Policy advice
Whitehall civil service elite (Oxbridge)
Generalists

- **Tradition of dual polity:** Civil service includes only the administrative staff on central state level (ministries and agencies). Local government employees, including teachers, are not part of the civil service but are public service employees. Separation between the civil servants (central government) and the public servants (local government)
- Civil service considered **party-political neutrality**: 'one that can serve any politically legitimate government' = Loyalty to give the best policy advice
- The higher ministerial elite is largely composed of Oxford and Cambridge University graduates = the so called **Oxbridge elite**
- **Civil service= Generalist** (<->Specialist): allowing a variety of professional background

3.5 SUMMARY !!

Op examen = kunnen vergelijken! Gelijkenissen en verschillen tsn de 3 landen

3.5.1 BASIC FEATURES

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'

3.5.2 STATE STRUCTURE AND ADMINISTRATIVE SYSTEM

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 (see next slide)
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		Since 1945 much centralization (reason for NPM): -1980: 45% GDP / 21% workforce -Whitehall monolithic apparatus -Local govt monopoly in social and health (cf. Scandinavia)

3.5.3 PUBLIC ADMINISTRATION AT SUBNATIONAL LEVELS

France	Germany	UK
General competence clause	General comp clause Strong länder	Ultra vires rule Now 'new localism' (general power of competence)
3 tiers (regions / dept / municipalities)	Autonomy länder to organize their administration (2- and 3-tier länder)	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)

3.5.4 CIVIL SERVICE

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

3.6 HOW TO COMPARE QUANTITATIVELY?

Three relevant criteria will be highlighted according to which the OECD administrative systems and public sectors can be compared to quantitatively:

- Leanness' of public administration
- Administrative structure according to levels
- Functional profile of administration

= Cross country comparison

3.6.1 'LEANNESS'

The scope and extent of the public sector are quantitatively reflected in two indicators: Firstly the public expenditure quota and secondly the public employment quota

- Public expenditure quota: Proportion of general public expenditure in relation to the GDP

- Public employment quota: Proportion of public employees in relation to overall employment

→Public expenditures / GDP

- Between 1995 and 2009 public expenditures decreased in relation to the GDP in most countries (except of France, Belgium, Greece, UK, Ireland, Portugal, Spain, USA and New Zealand where it increased)
- Strong versus small decrease (Germany from 55% to 48% <-> Denmark from 59 per cent to 58 percent)
- Public expenditure quota continued to shrink until the 2000
 - 2000s increased because of changed concept of the State and an abandonment of minimalist reform-guiding principles (post-NPM) because before it was a market-radical NPM during the 1980s
- In 2009 three groups: high – middle – low public expenditures
 - High scorers (public expenditures quota surpass 50 per cent): Scandinavian countries as well as Hungary, Italy, Austria, Netherlands and UK
 - Middle scorers (public expenditure quotas over 40 per cent): Germany, Portugal, Spain, Czech Republic and Ireland
 - Low scorers (Public expenditure quotas between 35-4_ per cent): non-European countries like USA, Canada, Australia as well as Switzerland and Slovak Republic

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

Notes:

→Public employment quota

(Less dynamic development and less congruence between the countries: this is an expression of the persistence of public institutions and administrative units)

- Group with increasing versus group with decreasing quota
 - Smaller group with increasing quotas: France, UK, Belgium, Italy,

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

Source: OECD (2009, 2011) and authors' own compilation.

Spain, Finland, Switzerland and Slovak Republic, Turkey

- Lager group with declining quotas: All the other countries
- Three groups: extended – medium – small public service
 - Expanded public sector = Scandinavian countries: France, Hungary, UK and Belgium (20-30 per cent)
 - Medium: Ireland (Anglo-Saxon group), Italy, Portugal and Spain (Napoleonic group), Czech republic(Central Eastern European countries), USA (12-15 per cent)
 - Small: Turkey, Slovak Republic, Switzerland, Greece and Germany (7-11 per cent)

⇒ Sectors in OECD countries have been expanding and shrinking: also for the countries listed below in the table (4 increase, 2 decline)

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:

- ⇒ The most striking cuts were made by Germany (reduction of 10%)
- ⇒ France had the ambition in 2007 under Sarkozy to review the public tasks by replacing only every other vacant position ('un pour deux') during the retirement process. These reform goals are slightly sidelined but personnel reform will be necessary because of their deep budgetary crisis

3.6.2 ADMINISTRATIVE STRUCTURES

To measure the varying degrees of the (de-)centralization of administrative tasks. Whereby table 3.5. compares the share of personnel employed by the central state in relation to the other administrative levels.

→ Number of personnel per level

- UK 17% state level
 - This seems remarkable low considering the centralization-prone administrative reforms and unitary structure. But this contradiction can be explained because a

lot of public tasks have been transferred to local authorities but are still regulated and controlled by central government

- France 50% state level: Regardless of decentralization attempts, still presence of Napoleonic provenance
- Germany federal 12%, Lander 50% :The administrative role of the federal government and the significant administrative salience (opvallendheid) of the Lander. (They have a quasi-state status)

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	—	—	—
UK	21.9	21.4	16.8	—	—	—	55.0	53.0	56.0	18.0	20.6	19.0
S	—	17.3	17.0	—	—	—	—	84.7	83.0	17.6	20.8	26.0
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	—	—	—

Notes: a. For UK: National Health Service; for France: hôpitaux publics; for Italy: aziende sanitarie locali and (since 2005) enti pubblici.

Source: Wollmann (2010a, p. 229), with further references and authors' own summary.

- ⇒ Napoleonic state countries: their regions have been strengthened with responsibilities but they hardly carry out any administrative activities of their own
- ⇒ Local levels comprise mostly of two tiers, but also single-tier local government: this latter is the case for county-free cities in Germany and the unitary authorities in England

→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), Wollmann (2010a, p. 245).

- In France it's the higher with 85 per cent (Fiscal centralization) and in Sweden the lowest with 60 per cent (Fiscal decentralization)
- Lander it's 24,6% : personnel costs for teachers and police
- English local authorities 29,5%: despite political centralization, activities of local level cover the financing of schools (big business)

3.6.3 FUNCTIONS AND COMPETENCES

The tasks and functions assigned to public administration and the individual administrative levels can be identified by two indicators: Distribution of public personnel & distribution of public expenditure according to areas of activity

Distribution of public expenditure per area of competence

- Social services like education:
 - In Scandinavian countries (UK) = done by local authorities ; Napoleonic unitary countries (France) = Central government ; Germany = third sector
- Overall sectors such as social security, education, public administration are very important

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	Central state	Sub-national	Central state	Sub-national	Central state	Sub-national	Central state	Sub-national	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.

- More piecemeal changes in decentralized states?

4. ADMINISTRATIVE REFORMS FROM A COMPARATIVE PERSPECTIVE

4.1 REFORM DISCOURSES

- Administrative modernization in European countries has been shaped by different reform discourse cycles over the past decades
- Since the **1980s: reform hype** that is international in scope, and attracted a lot of political salience => why has this been the case? **The NPM discourse** in particular significantly influenced the reform agenda in the 80s and 90s
- The following **factors can be identified as shaping the patterns and profiles of the discourses on administrative reform policies** = building a model of public sector reform with 5 forces at work:

- Elites:

- Legal and political decision making *structures and procedures* of the country as institutional framework conditions
- Administrative structural structure
- Institutional structures and basic cultural properties of state and administration

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.



- Socio-economic:

- = budgetary framework conditions that in a crisis situation can suggest urgent administrative reform action
- *Global economic forces* (zie figuren)

Global economic forces: international trade

Table A.3 International trade in goods and services as a percentage of GDP

Country	1995	2000	2005	2008
Australia	19.4	22.5	21.0	24.6
Belgium	63.5	76.8	78.2	85.3
Canada	35.7	42.7	35.9	34.3
Finland	32.6	38.7	39.6	45.0
France	22.2	28.1	26.5	27.7
Germany	23.7	33.2	38.5	44.1
Italy	23.8	26.6	26.0	29.1
Netherlands	56.5	67.3	65.4	72.6
New Zealand	28.6	34.7	28.9	32.8
Sweden	36.4	43.4	44.9	50.5
UK	28.3	28.6	28.1	30.4
USA	11.6	13.0	13.2	15.2

Source: OECD Factbook 2010.

⇒ In stijgende
lijn doorheen de tijd

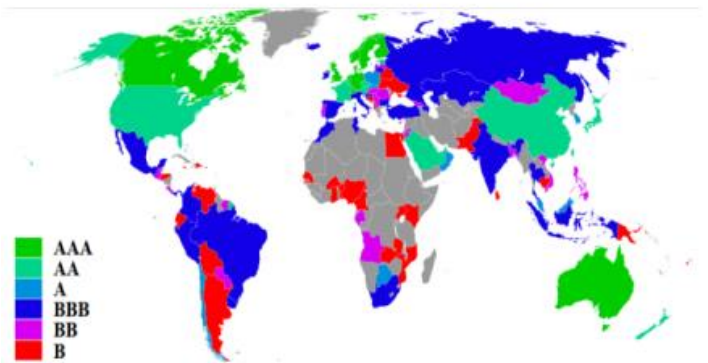
Competitiveness of countries

Rating Action: Moody's downgrades Greece to C from Ca

Global Credit Research - 02 Mar 2012

London, 02 March 2012 – Moody's Investors Service has today downgraded Greece's local- and foreign-currency bond ratings to C from Ca and has not assigned an outlook to the ratings. Today's rating decision was prompted by the recently announced debt exchange proposals for Greece, which imply expected losses to investors in excess of 70%, which is consistent with Moody's criteria for a C rating.

Credit ratings countries



- Socio demographic change (zie figuren)

Socio-demographic change: ageing populations

Table A.6 Population aged 65 and over as a percentage of the total population

Country	2000	2005	2010	2020	2050
Australia	12.4	12.9	14.3	18.3	25.7
Belgium	16.8	17.2	17.6	20.7	27.7
Canada	12.6	13.1	14.1	18.2	26.3
Finland	14.9	15.9	17.3	22.8	27.6
France	16.1	16.4	16.7	20.3	26.2
Germany	16.4	18.9	20.4	22.7	31.5
Italy	18.3	19.6	20.5	23.3	33.6
Netherlands	13.6	14.2	15.5	19.8	23.5
New Zealand	11.8	12.0	13.3	17.1	26.2
Sweden	17.3	17.3	18.5	21.2	23.5
UK	15.8	16.0	16.5	19.0	24.1
USA	12.4	12.4	13.0	16.1	20.7

Source: OECD Factbook 2010.

Socio-demographic forces lead to altered policies

THE TIMES THE SUNDAY TIMES

Archive Article Please enjoy this article from The Times & The Sunday Times archives. For

From Times Online

August 8, 2009

UK retirement age could rise to 70

Robin Henry

The retirement age in the UK could rise to 70, the chairman of the Pensions Regulator is warning.

David Norgrove said a rise in the retirement age was inevitable as people lived longer and saved less.

Norgrove believes a report by Lord Turner four years ago, which recommended a rise in the state pension retirement age to 68 by 2044, is just the starting point.

At the moment men can claim their pension when they are 65, while women can claim at 60.

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⇒ Pensioenleeftijd verhogen door vergrijzing (reform)

- Socio economic policies

- Political:

- = party political actor constellations and their ideological, political and so forth action interest and intentions
- Structural elements (constitution, political system, nature of the executive, ...)
- Dynamic elements (new mgmt. ideas, pressure from citizens, party political ideas)

Political and intellectual forces: efficiency of the system?

15/02 **Opinion** Voor ondernemer en ex-politicus Roland Duchatelet gaat het in België, en zeker in Vlaanderen, de verkeerde kant op. De overheid is veel te duur en om dat systeem te handhaven, bestaat in België één van de hoogste fiscale aanslagvoeten ter wereld. De politiek heeft daarbij ook een verkeerd beeld van ondernemers, zo zegt Duchatelet in Actua-Expert op Actua-TV.

Hij raadt jonge mensen aan het land te verlaten "als hier zo verder gaat". "De komende decennia gaan mensen en bedrijven veel meer kiezen waar ze willen wonen en werken en produceren. De markt is daarin ook belangrijk", zegt Duchatelet.

Landenconcurrentie

"De landen gaan veel meer in concurrentie treden met elkaar. Politici hebben de tendens te geloven dat ondernemers kunnen overtuigd worden om hier te blijven en dat ze dan gaan mee strijden op hetzelfde schip, tegen de andere schepen van de Walen en tegen de rest.

Maar zo werkt het niet. De ondernemers, die gaan gewoon naar het schip dat het beste vaart. En als het schip van Vlaanderen heel slecht aan het varen is, dan gaan die gewoon naar een ander schip. Dat is een heel groot politiek misdenken over hoe de wereld in elkaar zit".

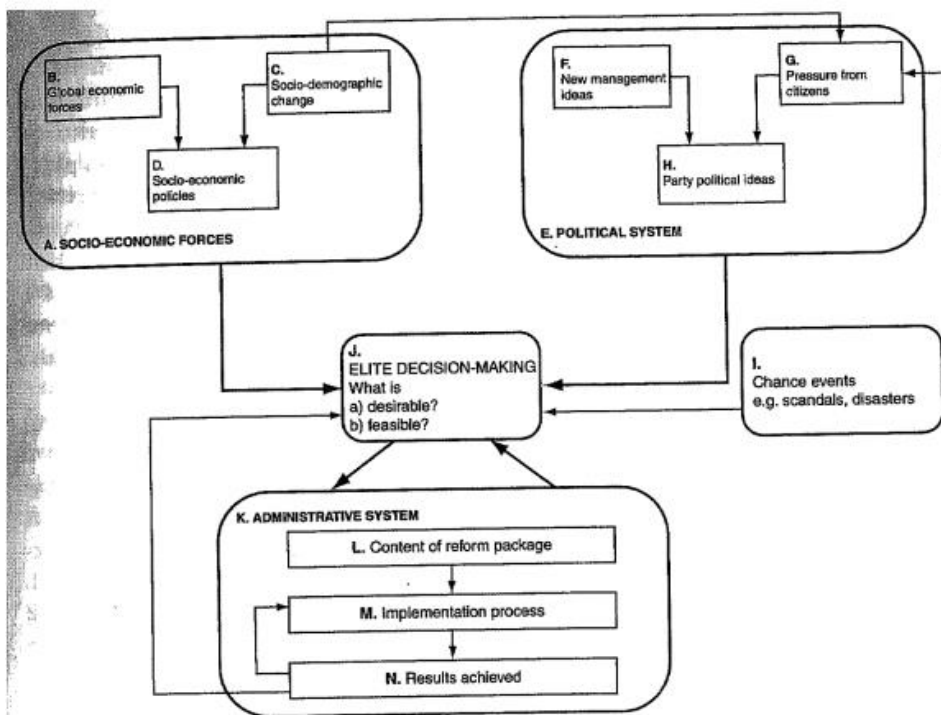
Te hoge fiscale kosten in België (landen treden in concurrentie met elkaar) nieuwe ondernemers zullen in andere landen gaan ondernemen als het zo blijft duren

- Events:

Bv Dutroux => hervorming politie

- Administrative system:

- *Structural:* administrative cultures, administrative structures, rules & regulations (eg personnel)
- *Dynamics of systems:* content of reform, implementation of reform, results of reform



A = socio economic

E = political

K = elite decision

⇒ **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's 'Culture's consequences' => 5 critical cultural elements:

- 1) Power distance
- 2) uncertainty avoidance
- 3) individualism vs collectivism
- 4) masculinity vs femininity
- 5) long term vs short-term orientation

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	27
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.

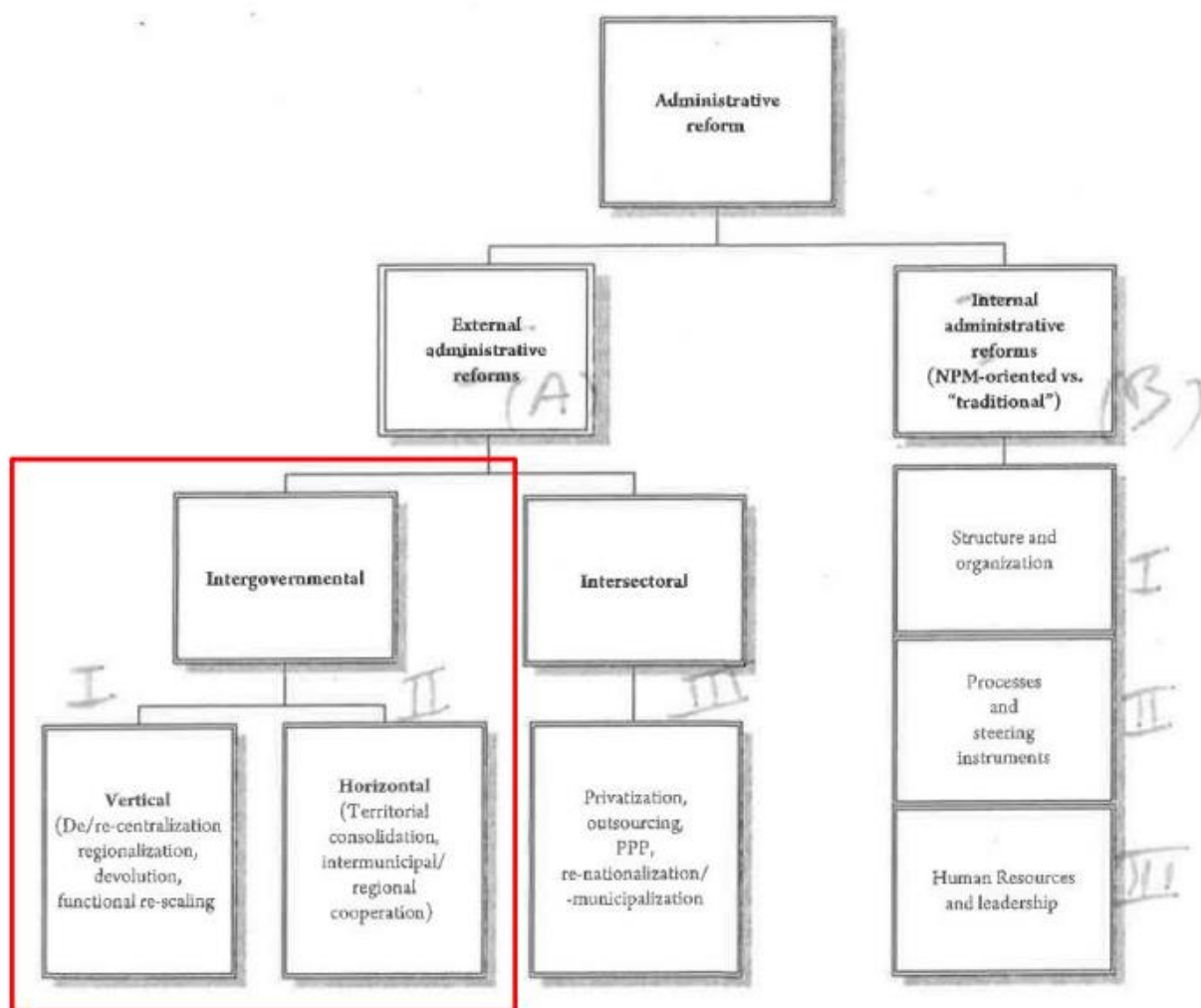
Hypotheses to think about ...

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

4.2.ADMINISTRATIVE REFORMS (1): INTERGOVERNMENTAL EXTERNAL ADMINISTRATIVE REFORMS

=> no details, only countries & examples on slides

The devolution of policy-making responsibilities and administrative functions on the subnational level has become the main point of reform in almost all advanced democracies. First focus on regionalization and federalization and second on the redistribution of tasks between the state and local self-government levels.



4.2.1. CONCEPTS AND DEFINITIONS

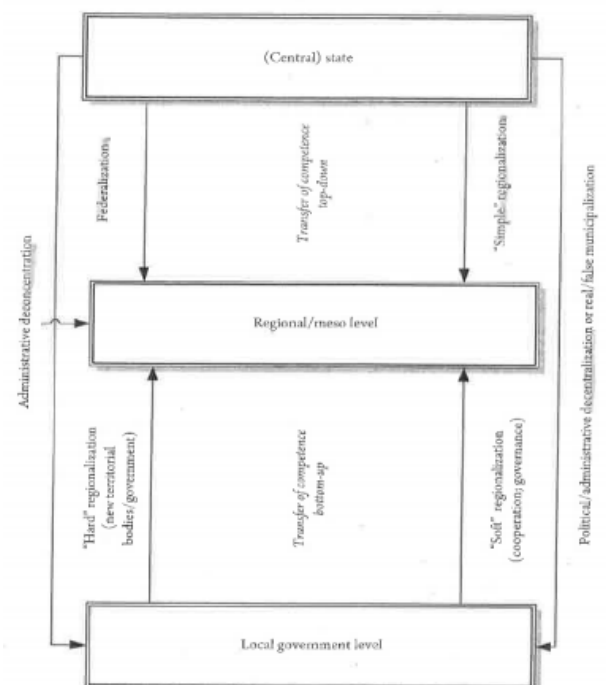
Federalization	Regionalization
Transfer to autonomous lower meso-level: -democratically elected -own legislative and policy making powers	Transfer to lower meso-level without own legislative and policy making powers 'Simple regionalization' to existing regions
	New regions (bottom up): -hard: new territorial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

- **Federalization:** '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 to' (From federal to an intermediate/meso-level) => when powers are transferred to a regional, intermediate or meso-level located between central and municipal/local

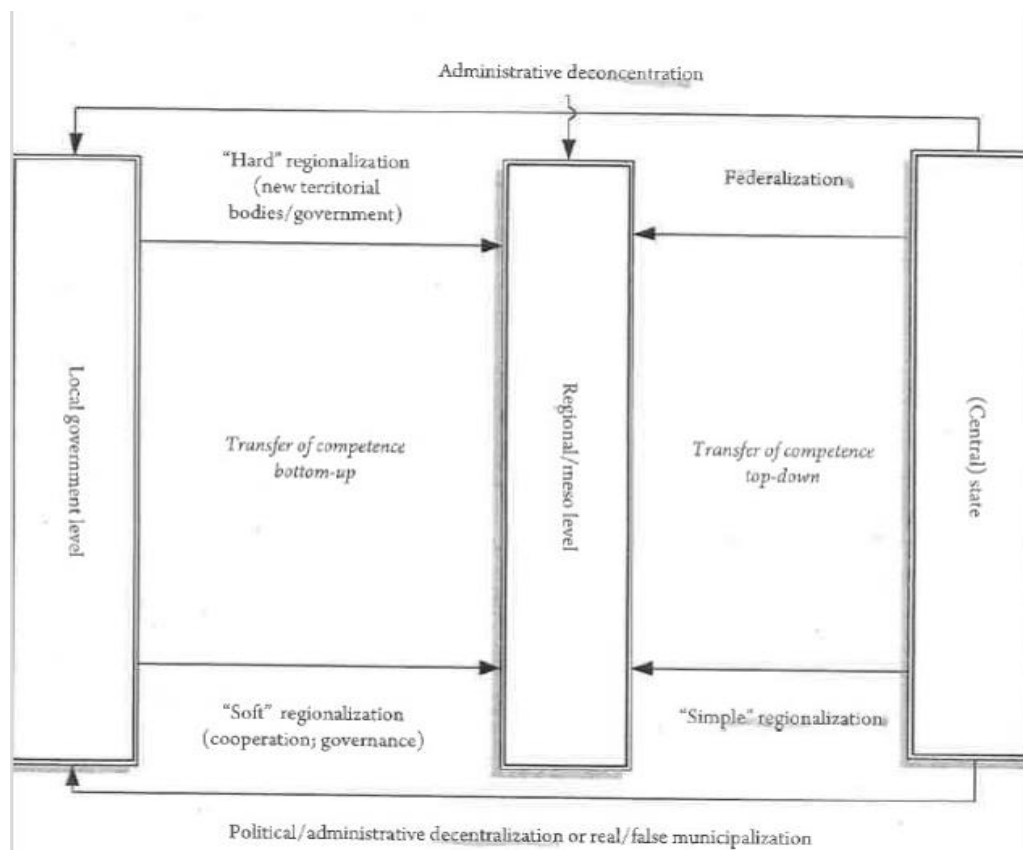
levels

- **Regionalization:** 'When the intermediate/meso-level is not accorded autonomous legislative and policy-making responsibilities'
 - Newly established regions
 - *Hard regionalization:* 'the creation of new regional territorial entities while abolishing related previous structures'
 - *Soft regionalization:*
 - 'The creation of flexible, largely mono-functional regional cooperative forms in integrated spatial areas' **or**
 - in planning/grant-target regions that do not have the status of territorial bodies
 - Transfer of regional functions **bottom-up** (=centralizing effect ex. From county to regions) <-> Transfer **top-down** (=decentralizing ex. From state authority to the region)

⇒ Variants of state and administrative reform in a multi-level system



- **Decentralization and municipalization:** Reform strategies in a multi-level system whereby a devolution of responsibilities occur from the central administrative level to the local self-government levels(=Counties, departments, municipalities, districts etc.)
 - Types of decentralization depending on 'upper' or lower' local government level
 - *Political decentralization:* 'Political decision-making powers and responsibilities are transferred along with the respective administrative functions' (So no supervisory control by the state administration anymore!)
 - ⇒ Germany refers to as 'real' or 'full' municipalization
 - *Administrative decentralization:* State tasks are transferred to the local authorities to be carried out, but elected local representatives/councils have neither influence nor control over the conduct of such delegated tasks (=administrative supervision)
 - ⇒ Germany refers to as 'truncated' or 'false' communalization
- **Administrative deconcentration:** An administrative concept referring to the transfer of state functions (including budgetary and sometimes human resources) from central state institutions to subnational and local state
 - 'Classic deconcentration': 'national administration in the form of territorially located state authorities and offices
 - 'State agentification': NPM-inspired



4.2.2. FEDERALIZATION, QUASI-FEDERALIZATION, REGIONALIZATION

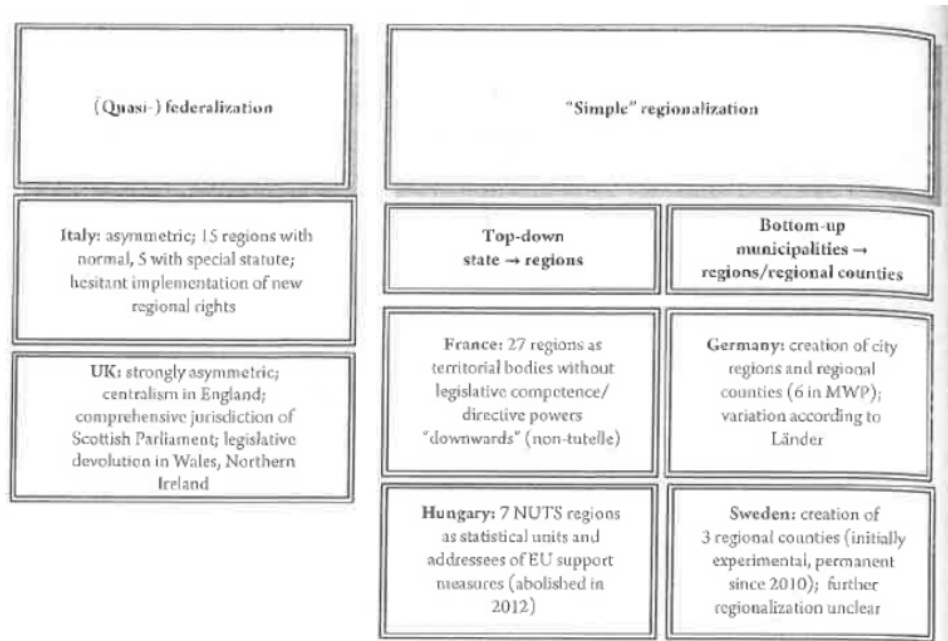
(QUASI)-FEDERALIZATION

- **Belgium**
 - 1831: bore the traces of a *unitary centralized Napoleonic* state organization and largely retained this until recently
 - In order to cope with *tensions between Walloon and Flemish population groups* = federalization of the country!
 - *Constitutional reform* of 1993
 - Now: complex political structure & not comparable with other federal states
 - Three regions of Flanders, Wallonia and Brussels & three additional communities
- **Spain**
 - Napoleonic provenance
 - Regional existence of *different cultural and linguistic nationalities*, the country undertook several attempts during the late nineteenth and early twentieth centuries to move towards a federal constitutional setting
 - Now: 18 regions
- **United Kingdom** (Notion of a unitary state with parliamentary sovereignty remained untouched) => good example!
 - 1990's New Labour government introduces a devolution policy by establishing elected regional parliaments in Scotland and Wales
 - The new powers and responsibilities that were granted to the regional parliaments and executives are ONLY delegated powers and can be revoked
 - As exception of the 'ultra vires': Scotland was accorded a kind of general competence clause (in UK : 'once tasks are assigned the central government can always withdrawn from them at any time')

'SIMPLE' REGIONALIZATION

- **France** (also normal a unitary centralized state)
 - *Regionalization*: the regions were accorded to a status of territorial bodies with local self-government and democratically elected
 - HOWEVER an amendment of 2003 stipulates '*regions represent a subnational level that is hierarchically equal to the two already existing self-government levels*' (Regions = Departments = municipalities => **Non-tutelle**)
- **Germany** (old countries have been replaced by (quasi)-regional structures = hard regionalization)

- A new regionalization movement has evolved within the existing federal administrative structure
- City-regional structures in urban centres *eg region of Hanover*
- Quasi-regional counties in less densely populated areas



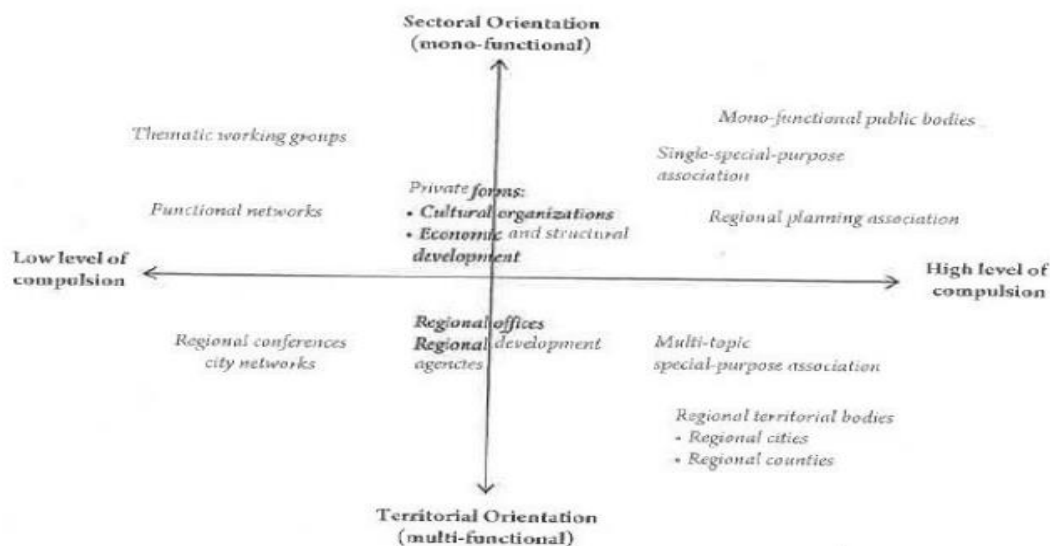
PRELIMINARY CONCLUSION AND COMPARISON

→ Wide range of **variants in the area of regionalization/federalization**

- Napoleonic legacy(except. France) and the UK = federalization models
- Central Eastern European and Scandinavian countries= regionalization

Regionalization exists in numerous facets that can be classified according to

- 1) Territorial VS sectoral orientation and
- 2) degree of commitment: Hard VS soft regionalization



Source: Bogumil and Grohs (2010, p. 94)

Figure 4.4 Variants of 'hard' and 'soft' simple regionalization

4.2.3. DECENTRALIZATION AND DECONCENTRATION

Decentralization	Deconcentration
Transfer to local self-government level (pro's and con's table 4.3)	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)	

* *Deconcentrated tasks remain under political control and responsibility of the state*

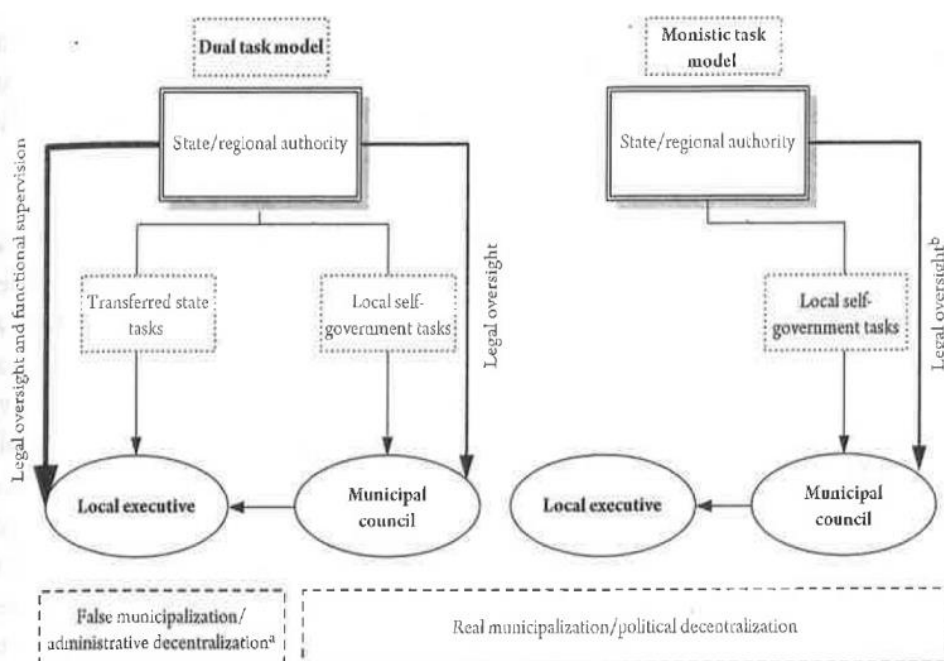
* **Administrative deconcentration goes hand in hand with the expansion of sectoral state administration hinging on the principle of mono-functionality**

Distinction between monistic and dualistic task model

1) Monistic model: All functions assigned to the municipalities are 'real' local self-government tasks = Political decentralization

2) Dualistic task model:
Two types of tasks:

→ 'real' local self-government tasks (derived from general competence clause => local council is responsible for these tasks)



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.

→ *taks of carrying out functions that are delegated to them by the state.* => responsibility lies with the local government's executive (mayor) AND NOT THE ELECTED LOCAL COUNCIL = Administrative decentralization

→ Administrative decentralization influences the internal and external relations

- Internal relations: The local executive is solely responsible for implementation of 'false' local tasks, elected council no influence at all
- External relations:
 - Local administration is subject to a functional/administrative supervision that goes beyond the legal oversight ('merits' and adequateness)
 - The elected council is internally the highest body while externally the municipality stands only under the legal oversight by the state authorities.

→ **Example to show the difference:** The issuance of building permits

In a monistic model, the issuing is a 'real' local government task that is decided by the elected local council. In dualistic model, this function is assigned to an carried out by the local government executive without any say so from the elected council.

→ **Advantages and disadvantages**

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

⇒ Decentralization policy is often premised on the assumption that the level to which public tasks are assigned and the one that is responsible for their implementation does have an influence on the performance of the delivery of public services. However the findings and information available on the effects of decentralization are highly contradictory.

⇒ Thus there is evidence for **positive as well as negative effects**

✓ **Germany: 'false' municipalization with withdrawal of resources = special case!**

→The transfer of administrative functions from the state levels to the local authorities mostly effected by 'delegated tasks' (based on dualistic task model) = false municipalization (any involvement of elected council, and supervision by state authorities beyond the legality review)

→Länder are responsible for municipal legislation = no uniform decentralization legislation

→Communalization refers to the municipalities and counties (in Germany)

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.

Administrative decentralization (ex. Land of Baden-Württemberg)

- Transfer of state functions identified as a false municipalization
- Led to a simplification of the subnational institutional landscape and reduction of the density of authorities and of the number of institutional actors
- Functional upgrading of the local government level (counties and county-free cities)

Administrative deconcentration (ex. Lower Saxony)

- The four meso-level administrative district authorities were completely abolished
- Decentralization effects minimal: after the abolition only 10 per cent of their functions have been municipalized
- Expansion of the single-purpose state authorities (121 Land authorities in total, including those 4, have been 'replaced' by 21 new single-purpose authorities
- =Expansion of deconcentrated, sectorally organized Land administration instead of strengthening decentralized local self-government

Regionalization (No explanation in the book)

✓ **Sweden: a front runner in monistic political decentralization**

- Monistic task model is still in place a remarkably pure form since the elected local councils are responsible without exception for all tasks assigned to local governments
- Decision making are 1) framed by the existing pertinent legislation BUT ARE ALSO 2) ultimately and politically reached by the local council

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

COMPARISON

Convergence

- **Trend towards decentralization/regionalization:** Development of the meso level
 - Previously unitary-centralized countries within the Napoleonic country group experienced a convergence towards federal constitutional arrangements
 - Quasi-federal variant: Autonomous legislative and administrative responsibilities for the regions' powers
- **Trend towards a stronger local self-govt** (traditionally the Northern model)
 - 'Multi-functional, politically responsible and institutionally ensured local self-government level'

Divergence

- Taking a closer look one must differentiate the assumption of convergence with regard to specific reform trajectories and reform results
- **UK:** Far-reaching disempowerment of its local authorities (exception in European cases)
- **France:** simple regionalization instead of federalization
 - Napoleonic country group where the regions are assigned a fully-fledged norm-setting powers
- **Sweden:** stronger (political and monistic) decentralization vs. weaker German (administrative) decentralization
 - Below the meso-level, decentralization policy shows distinct variance: Sweden in the monistic model is different from the 'false' municipalization in Germany within dualistic model

EXPLANATIONS

- **Sociological institutionalism:** Isomorphistic trends = institutional imitation
 - Normative isomorphism: 'doing what seems 'appropriate' (copying because it has proven successful OR doing it because it appears to be expected and desired) OR
 - even 'coercive' isomorphism (EU of the regions): EU policy prompted the centrally ruled countries to install decentralized/regional institution or they would face sanctions

- **Rationality** = economic institutionalism
 - National actors in Europe react to similar external challenges with similar institutional strategies because these strategies are 1) maximizing institutional benefit and 2) creating an approximation to an economic optimum
 - Integration and concentration processes resulting from Europeanization and globalization create external pressure on national administrative systems
 - A balance between EU supra-national centralization vs national decentralization
 - A balance to ensure the stability of the expanding supra-national construction of the EU 'from below' AND legitimize this internally against the background of their inadequate democratic legitimization
- **Actor constellations!** Plea for political self-determination (e.g. *Flanders, Catalunya, Scotland, ...*)
 - Federalization and regionalization has been driven by the search to achieve a space for political and cultural self-determination
- **Interweaviness:** eg *France* (normally actor-centred institutionalism) embraced a decentralization policy?
 - National legislature often influenced by local interests, especially because of the cumul des mandats: interweaviness of local and national politics (Local mayors can also be elected member of the National Assembly of the Senate)
- **Historical institutionalism** (e.g. *Sweden*) with tradition of strong and monistic local government
 - Persistence of traditional structures and the institutional interweaving that reach back to earlier institutional decisions

4.3. TERRITORIAL EXTERNAL ADMINISTRATIVE REFORMS

4.3.1. CONCEPTS AND DEFINITIONS

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

European countries, as a rule, have two-tier local government systems. Upper-level is termed counties and the lower-level municipalities. Historically, municipal level is small-sized and fragmented structure:

- **Northern upscaling:** National governments acted to reinforce the administrative efficiency of local government = Enlargement in scale to enhance the efficiency
- **Southern transscaling:** Small-sized fragmented territorial structure of local government remained unchanged, reform attempts has failed as those reforms were dependent on the consent of the municipalities = aims at ensuring the operative viability of the very small-scale municipalities by establishing inter-municipal bodies
- **Central and Eastern European countries:** restructuring of the subnational level for the development of democrati and efficient decentralized structures, influenced by the territorial NUTS scheme promoted by the EU = countries chosen partly Northern European and partly Southern European

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-Länder; 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 Subordination of local self-government to parl. decision-making powers	Massive local resistance against territorial reform Inter-municipal formations as a substitute (<i>intercommunalité</i> ; associated municipalities; administrative cooperation)

Source: Authors' own presentation.

4.3.2. NORTHERN EXAMPLE: SWEDEN

- **Reduction of number local communities since WW2:** Two phases of territorial reform without needing the approval of the local government
- Reforms aimed at enabling municipalities to act as a local agent delivering services attached to welfare state
- National level power to issue local government reforms: no consent of lower level needed
- 20 counties with an average of 420.000 inhabitants

Table 4.7 Population figures of Swedish municipalities (2007)

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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

Source: Lidström (2010, p. 63).

⇒ 75% of municipalities have more than 10.000 inhabitants in Sweden!

4.3.3. SOUTHERN EXAMPLE FRANCE (TRANSSCALING)

- **Small local communities** (37000 municipalities with average of 1600 inhabitants)
- **1971:** attempt to **voluntary amalgamation failed (!)**
 - 'This reform attempt completely failed because it was premised on the 'voluntary' principle = dependent on consent of the affected municipalities
- Instead over time a **complex system of intermunicipal cooperation established:** (see table 4.8 – EPCI's) – voluntary principle where the consent of the affected municipality is needed
 - Complex system with multi-layered and complex institutional system of inter-municipal cooperative bodies (EPCI)
 - New institutional form of inter-municipal cooperation = urban associations with again a voluntary principle
- **1999:** attempt to streamline in **three types = institutional consolidation**
 - This 'loi chevènement' was designed to simplify the 'gathering together' of the municipalities by laying down in statute three types of inter-municipal formations (CU – urban associations, CA - agglomerations, CC - intercommunales)

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

Form of Cooperation (EPCI)	1993	2000	2003	2011
<i>Development of EPCI with taxing authority</i>				
<i>Communautés urbaines (CU)</i>	9	12	14	16
<i>Communautés d'agglomération (CA)^b</i>	–	50	143	191
<i>Communautés de Communes (CC)^c</i>	193	1533	2195	2387
<i>Syndicats d'agglomération nouvelle (SAN)</i>	9	9	8	5
<i>Districts^d</i>	252	241	–	–
<i>Communautés de villes (CV)^e</i>	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.

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- Promoted by financial incentives, all these formations have taxing power
- **Weaknesses of the system:**
 - It complicates the subnational network(institutional network)
 - Lack of direct election of the decision-making bodies (boards EPCI's)
- **Reform Act 2010 (Sarkozy):**
 - Partly direct election boards: the individual inter-municipal formations shall be directly elected in member municipalities that have more than 3500 inhabitants, fewer than 3500 inhabitants retain the indirect election
 - Establishment of Metropoles (includes the largest cities and surrounding municipalities) with tasks of communities, departments and regions (functional integration of three levels)
- But **implementation uncertain** since new government in **2012 (Hollande:** new parliamentary majority appear to be set to rewrite the agenda and legislation on France's subnational institutional structure)

4.3.4. REFORM HYBRID: GERMANY

- Some Lander 'southern', other Lander 'northern' model (autonomy of Lander to organize local government – cf. Belgium)
- Nord Rhein – Westfalen *e.g.: amalgamations*
 - The previously existing municipalities are preserved as fully-fledged local self-government units BUT also constitution of a fully-fledged local self-government with directly elected councils
- Schleswig Holstein *e.g.: inter-municipal unions*
 - Directing boards of the inter-municipal formation are appointed indirectly by the member municipalities
- Most Lander (*e.g. Bavaria*) have chosen for a **mix**:
 - Implies a clearly more restrained reduction of the number of municipalities and inter-municipal formations

- ⇒ Amalgamations and inter-municipal unions are two variants of inter-municipal reforms: '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 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:

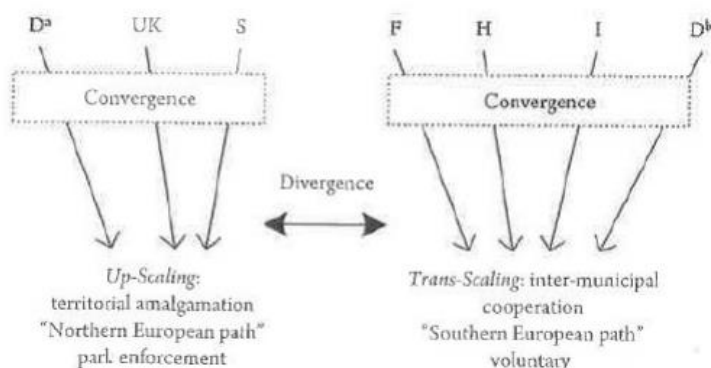
a. Population figures of county-free cities are included in the calculation.

b. IMF = Inter-municipal formations (administrative associations; *Amt*, *Verwaltungsgemeinschaft*, etc.).

- ⇒ Northern Lander: 0.0 %
 ⇒ Southern lander: 92.6% member municipalities

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

COMPARISON



Convergence

Within clusters (North: amalgamation e.g. / South: intermunicipal cooperation= putting in place a layer of inter-municipal formations)

Divergence: territorial structures signals differences

- Territorial structure also influencing the population size (very large vs. very small local communities)
- **France:** 1.720 population of municipalities
- **Denmark:** 55.480 population of municipalities

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*	500

EXPLANATIONS

- **Historical institutionalism:**
 - Parliament power to enforce a local government territorial structure through binding legislation and the overriding 'common good' in the face of rejection
 - Political-cultural assumption that amalgamation only can be achieved with the consent of the affected local government units = 'voluntary' principle
- **Economic institutionalism:** Enhance the improvement of the operative planning, action and coordination capacity of the local authorities through their territorial and demographic enlargement
 - East German Länder perception existing small municipalities were 'bleeding empty' demographically, politically, economically and financially: inter-municipal formations need a high coordination, cooperation etc. (high costs), external pressures by economic or fiscal crises
- **Actor-centred institutionalism** Different scope and speed of reforms reflect the different goals and intentions of the relevant (party-) political actors
- **Sociological institutionalism:** In Northern countries the local government is assigned the crucial role for national welfare / Southern countries the central government assigned with the welfare state and local level focus on serving the political arena and express the local identity

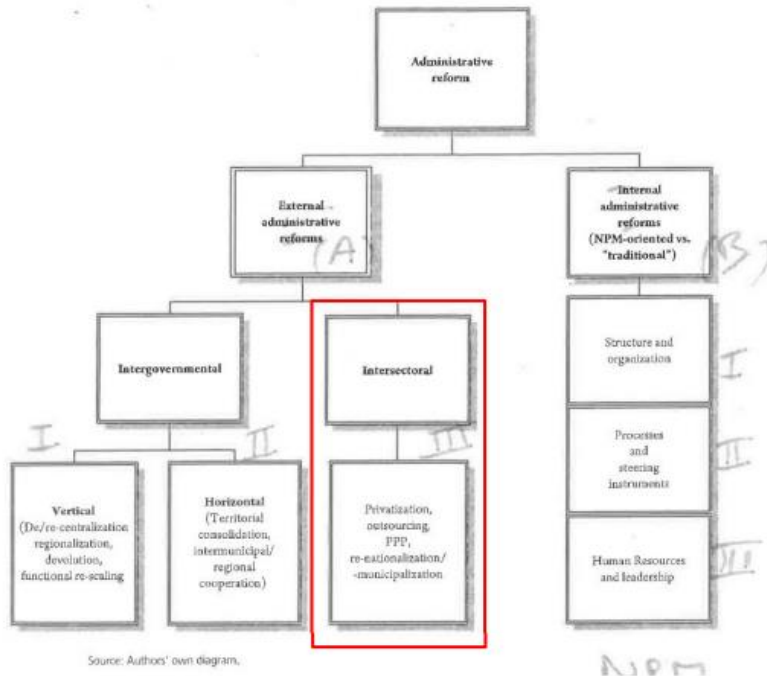
Table 4.11 Theoretical explanations for territorial reforms

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

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

Types of administrative reform

Belangrijk schema doorheen de cursus!



4.4.1 CONCEPTS AND DEFINITIONS

- The **readjustment of the relationship** between state/public administration, market and civil society has always been one of the **key issues of administrative reform**
- **'intersectoral external administrative reforms'**
- Historically: (see table)
 - 1960s and 70s: *expansion of state activity* and development of modern *welfare state*
 - 1980s: NPM driven reform (Anglo-Saxon inspired) => privatization, outsourcing and delegation = minimalist state
 - 1990s: EU driven reform (liberalization)
 - 2000s: EU driven reform (financial and economic crisis)
- **NPM in Anglo-Saxon world (UK, USA)=> drivers:**
 - Economic crisis
 - Strategic political elections (Thatcherism in UK and Reaganomics in USA) => party political ideas

Table 3.2 Public expenditure quotas by international comparison (%)

Country	1985	1995	2000	2009
Denmark	—	59.22	53.68	58.42
Ireland	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*	41.56	38.32	41.91*
Slovak Republic	—	48.64	52.14	41.51
Australia	39.54	37.42	35.52	35.30*
Switzerland	—	35.00	35.10	33.74
OECD Average	—	—	41.94	46.24

Notes:

- **EU-driven reform:**

- 1990s: EU policies market liberalization & freedom of competition
 - o *common market* => art. 3 EU treaty 'Maastricht'
 - o services of general public interest like *energy, water, public transport*
 - o *free movement of services*
 - o states as *enablers*, rather than providers (to enable and not only a deliverer)
- 2000s: Financial and economic crisis, two developments/answers
 - o Since *international financial crisis*, which made the general public dramatically aware of the negative consequences of an overly deregulated politico-economic system, *critics of liberalization and privatization* have received increasing attention => answers:
 1. *Reregulation of the market by the state* = come back of the public
 2. *A new wave of privatization in the public services sector* (answer to budgetary crisis)
 - ⇒ *Troika demand* = the ECB (European Central Bank) and the IMF (International Monetary Fund) -> they sell public assets (publieke goederen), including municipal facilities and companies in order to reduce the public sovereign debts

- **Functional privatization**

- *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*
- This results in a separation of *principal* (state/local gvt) and *agent* (executing org)
- providing agent to the public actor takes place by means of a *contractual arrangement* (concession, leasing, operation contracts)

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, ...	-Organizational autonomy ('agencification') -Formal privatization: private law company but public ownership -Asset privatization: sale of public property to the market

- **Organizational privatization**

- The legal and/or ownership status of public enterprises and institutions is changed and which can take place formally or materially
- Three sub-types:
 1. *Organizational autonomy:*
 - o Administrative units becoming more autonomous in terms of budget and/or organization while still retaining public legal forms

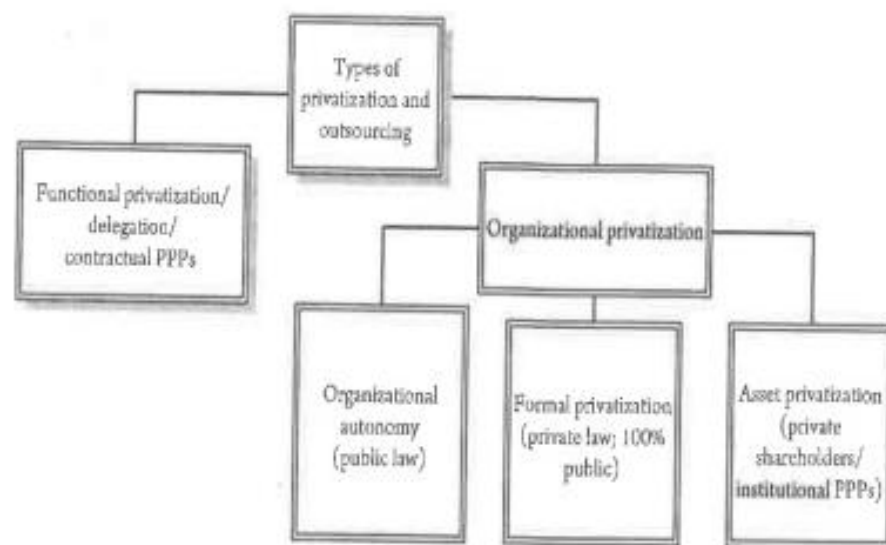
- = agencification

2. Formal privatization :

- Public enterprises/institutions are transferred to a private law form (without a change in ownership)
- = private law company but public ownership

3. Asset privatization:


- Refers to the partial or complete sale of public property to the market
- The complete sale of local enterprises and institutions to private parties, which cannot be reversed (in contrast to functional privatization)



4.4.2 PRIVATIZATION OF PUBLIC CORPORATIONS

- Corporatization => *Eg water and power* (video)

Organizational privatization (national level)

UK	France	Germany
Deliberate policy (Thatcher) Cf. video + table 4.12	Tradition of public intervention, 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) 	Mitterand: far reaching nationalizations	Kohl: earmarking organisations for privatization
Not so succesful 'history of failures' -lack of competition -no performance improvement -job losses & social polarization -productivity wins unclear	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'

UNITED KINGDOM

- In the UK, a declared policy goal of the **Thatcher government** was to **privatize**, preferably in their entirety => deliberate policy (bewust beleid)
- **Weaken the trade unions** and promotor a kind of **people's capitalism**
- Most rapid transformation, **very radical privatization** (3/4) of public companies)
- A forerunner, **role model in the EU**
- *Eg British steel, Telecom, British Airport Authority, ...*
- Problematic and unintended **consequences**: history of failures
 - Lack of competition
 - No performance improvement
 - Jobs losses (eg in electricity sector 58% of jobs were lost)
 - Social polarization (maatschappelijke polarisatie, verscherping van tegenstelling tussen groepen mensen)
 - Productivity wins unclear (little evidence) => lack of competition
- *Eg Telecommunication in UK*
 - 1998: complete liberalization
 - 2005: massive price increases

FRANCE

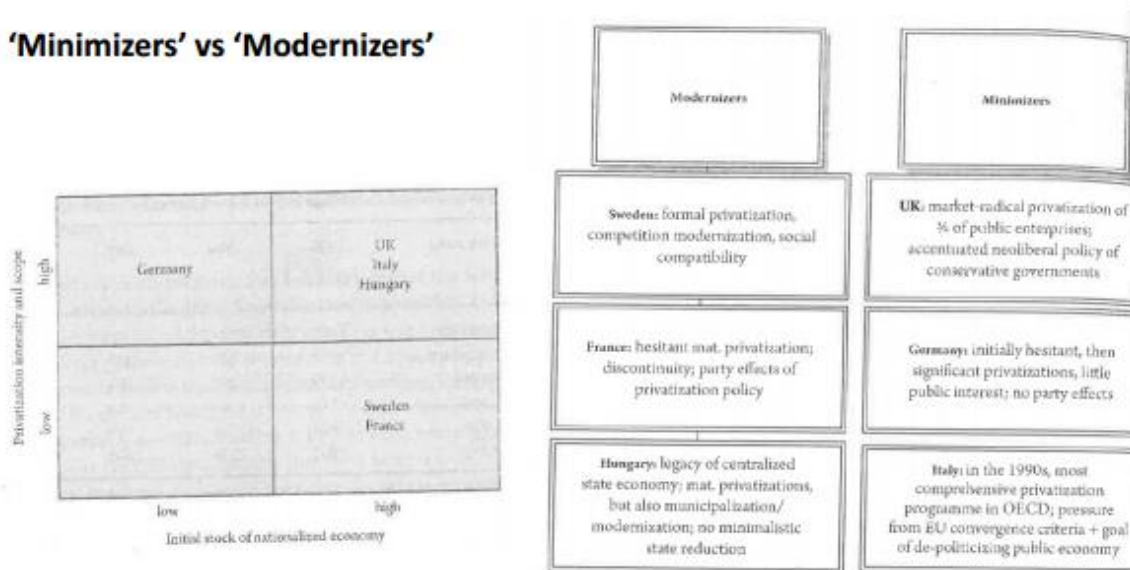
- **Tradition of public intervention**, public services (significant discontinuity in the entrepreneurial activity of the state)
- **History**: in early 1980s: France's social government = nationalization (Mitterand) => conservative Chirac (1984-1988) wanted privatization => 1988 socialists returned to power (nationalization with Mitterand) => 1993 privatization was once again placed on the political agenda with the comeback of a conservative government (La Poste, Air France)
- **Mitterand** (far reaching nationalizations) <-> **Chirac** (privatization)
- **Legal hurdles** (juridische obstakels):
 - ⇒ Because of this public monopolies were initially excluded from privatization and the market was gradually opened in the 1990s
 - ⇒ *Eg Air France*
- **Strong public unions!** => public pressure, wielded not least of all by the public sector-related trade unions (to secure employment relations and pension plans)
- Conclusion: France is the **most hesitant and restrained country** in which European liberalization requirements have been implemented at the latest possible time

GERMANY

- In the **mid-90s**, the **combined effect** of European influence, financial constraints and a growing ideological opening towards market competition, triggered a **privatization** policy also in Germany, **later than in Anglo-Saxon world**.
- **1982** When the conservative-liberal coalition under Helmut **Kohl** (friends with Thatcher) came to power => privatization
- **From slow (1980s) to fast privatization:**
 - Postal services
 - Telekom
 - Railways
 - Energy
- The **privatization-friendly policy continued** also after the Red-Green coalition government under Chancellor **Schröder** in 1998), the grand coalition government formed in 2005 by **Merkel** adhered to this overall privatization friendly policy line
 - ⇒ **rise and continuity of the privatization**

PRELIMINARY CONCLUSIONS AND COMPARISON

'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

- **Minimizers/marketizers** (Germany/UK)
 - ⇒ includes countries that have undertaken particularly far-reaching asset privatization measures on the national level and have thereby drastically slashed the (economy-related) public sector
- **Modernizers** (France)
 - ⇒ Comprises those countries that have embarked upon marketization and competition, but have largely forgone extensive asset privatization and minimalist dismantling of the state
- **Maintainers**
 - ⇒ Encompasses those countries that have essentially maintained the status quo (with regard to privatization policy) => this does not apply to any of the countries under consideration

4.4.3 FUNCTIONAL PRIVATIZATION AND CONTRACTING OUT

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)	
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)

UNITED KINGDOM

- Can again be considered as a **pioneer** (eerste die iets nieuws doet/trendsetter)
- **Starting situation:** local government monopoly services => Until the 70s the local government sector held a de facto monopoly position in the provision of services
- Under the conservative government led by **Thatcher**, this traditional local organization model was changed by legally obliging the local authorities to put out numerous local public services (waste removal, street cleaning, ...) to tender in market competition (compulsory competitive tendering = **CCT** = verplichte openbare aanbesteding)
- *For example, residential care* is provided to a growing extent by private and non-profit providers
- CCT was abolished under **New Labour** and replaced by the **Best Value system**
 - ⇒ Tenders (aanbestedingen) dropped, although even under this new system, the local authorities were obliged to compare their services with private providers and outsource them
- **Results :**
 - Jobs losses (*eg in construction: - 48.2%*)
 - Slashing wages and benefits (verminderen van lonen)
 - Short term contracts (employment insecurity)
 - Raising workload
 - ...

FRANCE

- **Starting situation** (quite different from starting situation in the UK):
 - ➔ Since long time system of local contracting out (zie week 2)
- **Generalization of the delegation**
 - ➔ Many municipal companies that had been established in some municipalities vanished and private providers have acquired a leading role, which is divided up among three large private companies
 - ➔ *Eg: waste removal* (only 13% of enterprises are run by local authorities' governments, while a large part is delegated to private companies, in particular to two large companies)
- The companies with which the local governments make concession contracts belong almost entirely to the same large corporations; this evinces the high degree of concentration and **integration on the part of the service suppliers in contrast to the institutional fragmentation on the local government demand side**

- **Social services:**

- ➔ Non-profit organizations became more and more important in the 1960s
- ➔ Since *early 1970s*, the rapid growth of non-profit organizations (NPO) has been referred to as a regular baby boom of NPOs
- ➔ 1990: this was termed a '*welfare mix*'
- ➔ *Between 1970 and 2000*, an average of 48 500 NPOs were founded every year

GERMANY

- **Social services:**

- are a preferred field of activity for contracting out to external providers
- local social services are traditionally provided by NPO = *principle of subsidiarity*
- recently: market opening to pluralizing the provider sector (see table: 60% of care services in Germany are done by private players)

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

Sources: Statistisches Bundesamt (2003c, 2005) and authors' own summary.

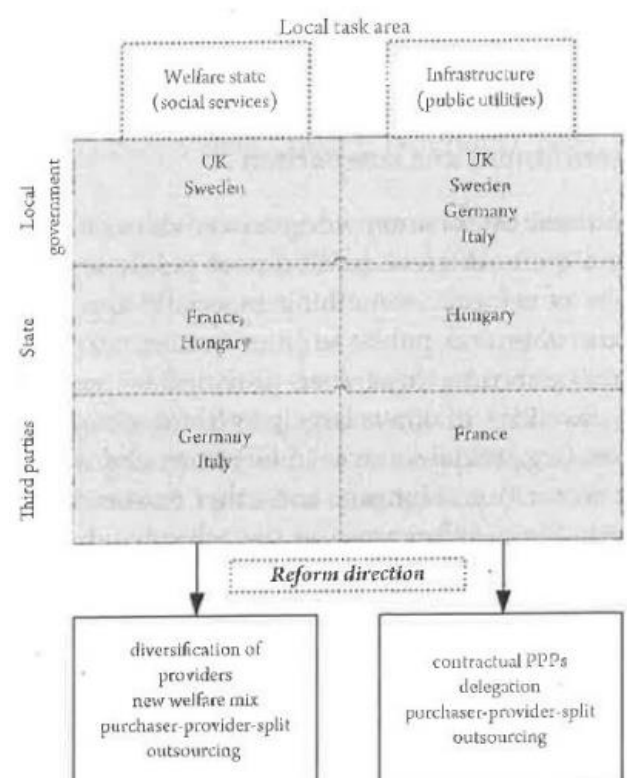
- **Public services:**

- Concessions (overbrennen) to private players
- Operator models (local govt companies)
- PPPs (public private partnership)

PRELIMINARY CONCLUSIONS AND COMPARISON

- Grijze boxen: starting position
- Country comparison shows that:

1. There existed quite **different traditions** of public service tasks and starting conditions of reforms (something especially apparent in the area of the local welfare state and public utilities eg water). In several countries, these were provided for exclusively by local authorities (UK)



in others largely by 3rd sector = non-profit, NGOs (Germany)

2. A **significant trend** has taken shape towards functional privatization, outsourcing and delegation across countries evinced in a general movement away from a service production focused role of local government and towards its 'enabling' responsibility and profile

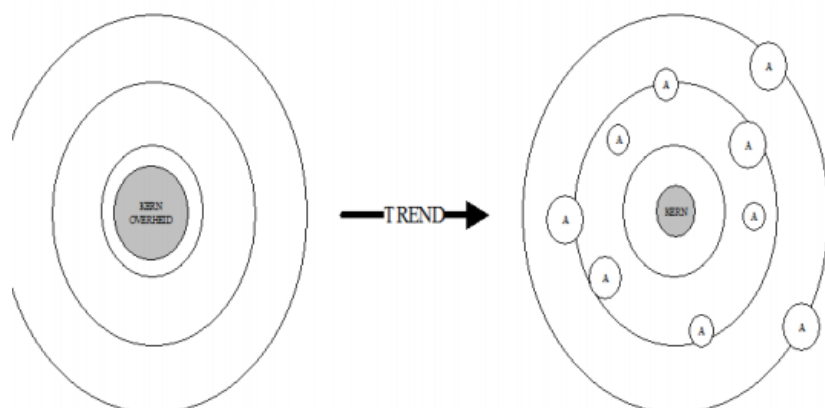
4.4.5 CROSS-COUNTRY COMPARISON: CONVERGENCE, DIVERGENCE, PERSISTENCE AND EXPLANATORY FACTORS

CONVERGENCE

- **Privatization** = one of the administrative megatrends over the past 30 years, both national and local governmental levels, EU wide
- As a result of this development, in many European countries the public sector has:
 - *shrunk* numerically
 - become, in terms of sectors, more *differentiated* and more fragmented
 - from government 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



DIVERGENCE

- notable **differences** exist in **scope, intensity and type** of the implementation of measures between the individual countries
- the UK can be seen as a prime example of market radical privatization model
- **4M – model (Pollitt & Bouckaert):**
 - Maintainers of the status quo
 - ⇒ Making current structures and practice work better
 - ⇒ Lightening the bureaucracy, saving money, streamlining

- Modernizers

⇒ *Eg France*

⇒ Privatization has occurred more moderately and is embedded into the respective existing administrative culture and welfare state tradition

⇒ *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 at first (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

⇒ *Eg UK/Germany (2) => see drop in public employment from 12.2% in 1995 to 9.6% in 2008*

- Minimizers

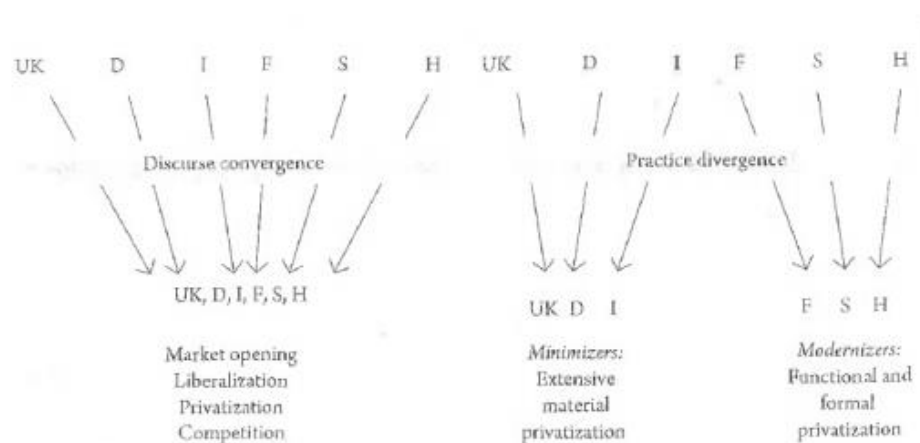
⇒ Privatization

⇒ Downsizing, a nightwatchman state

⇒ Not often observed, but often in rhetoric

⇒ *Eg Thatcher (UK), Reagan (USA)*

EXPLANATORY FACTORS



Source: Authors' own diagram.

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

- **Privatization as excellent example to theoretically explain**

- Sociological institutionalism (SI) explaining convergence = exogenous, top down
 - *Coercive isomorphism* EU-regulation (eg directives on liberalization of markets, procurement and competition law, prohibition of state aid)
 - *Normative pressure* via EU-promotion of organizational variants (privatization) and procedures (competition)
 - *Strong states (UK, Germany)* influence EU-policy via own liberalization policies
- Rational choice institutionalism (RCI) explaining divergence = endogenous, bottom up
 - Influencing actors, their preferences and the *vetoplayer* constellation (partypolitics minor role, e.g. Germany and UK)
 - UK: strong position of *Thatcher* + absence of veto-players (weak position unions)
=> Thatcher was considered to be anti-European, the influence of the British privatization model on the EU
 - *Germany* (local): slower process, due to interplay between federal and EU govt and local governments – even re-municipalization (referenda against privatisation)
- Historical institutionalism (HI) explaining divergence = endogenous, bottom up
 - 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

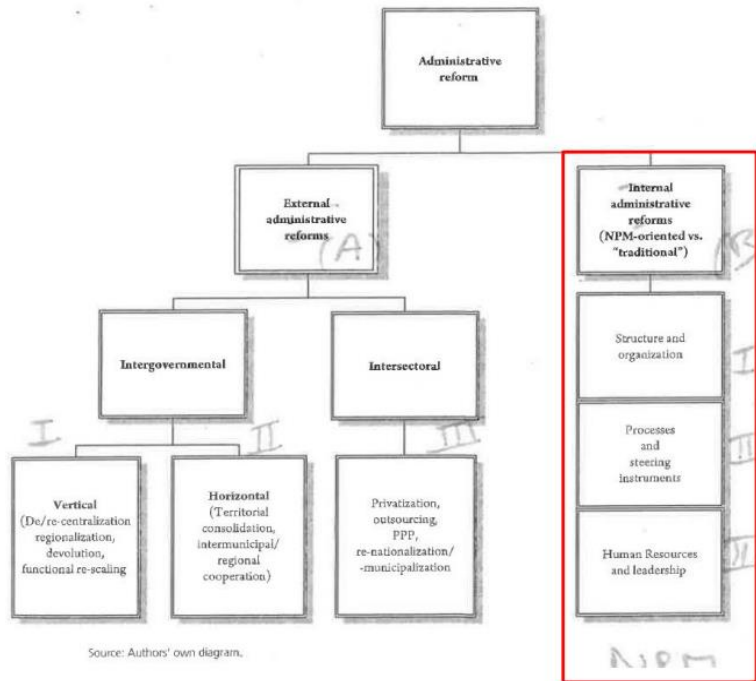
Table 4.19 Theoretical explanations for reform development in the area of privatization

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

Source: Authors' own compilation.

4.5 MODERNIZING ADMINISTRATIVE ORGANIZATION, PROCEDURES AND PERSONNEL

4.5.1 CONCEPTS AND DEFINITIONS



The international modernization strongly influenced by NPM. Transform the rule-based administration into a customer-friendly service enterprise. Efficiency and effectiveness were to be increased by decentralizing responsibility.

- **Background:** NPM as answer to deficits of classical *bureaucracies*
- Modernizing organizational structures and managerial procedures

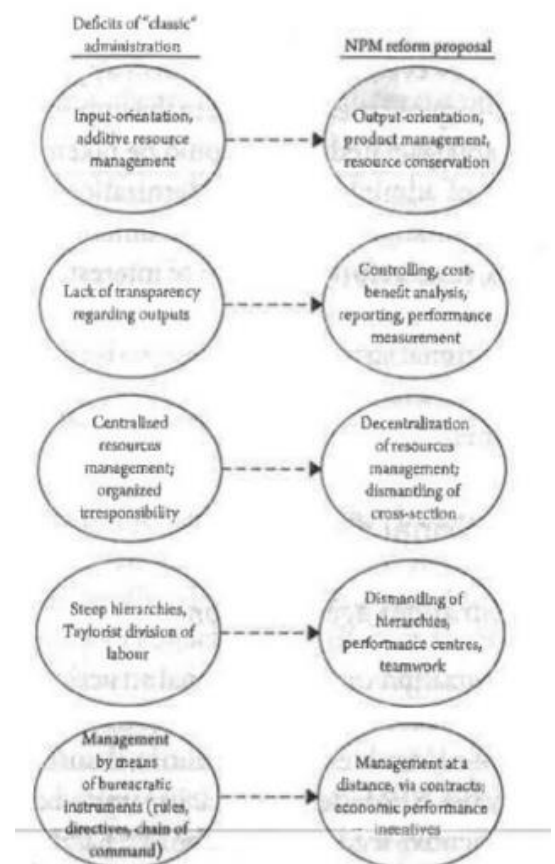
Broadly a convergent NPM-inspired reform discourse is apparent but differences in

implementation and use of instruments. → UK VS continental Europe

- **UK:** Radical NPM-guided and top-down implemented (rare)
- **Continental Europe:** Implementation of NPM not in a revolutionary matter but reform activities are therefore not minimal

A broad understanding of NPM has led in many cases to the neglect of other 'reforms'. Some reform steps are pre-NPM, but were absorbed by NPM.

-> Eg *The one-stop shops in Germany* not an NPM-invention but developed in 1980s in different context. But still it's frequently linked with NPM. This 'fact' should be taken into account in the comparison of: 4.5.2. Organizational structures & 4.5.3. Procedures and steering tools



4.5.2. ORGANIZATIONAL STRUCTURES: AGENCIFICATION

MINISTERIAL ADMINISTRATION: AGENCIFICATION

- **Modernization** linked with **decentralization** (NPM-inspired)

- *Flattening of hierarchies* and *autonomy* of organizational units

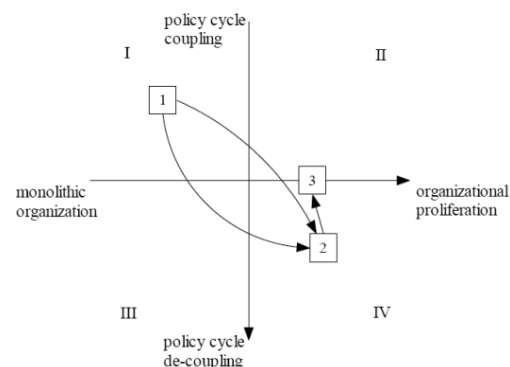
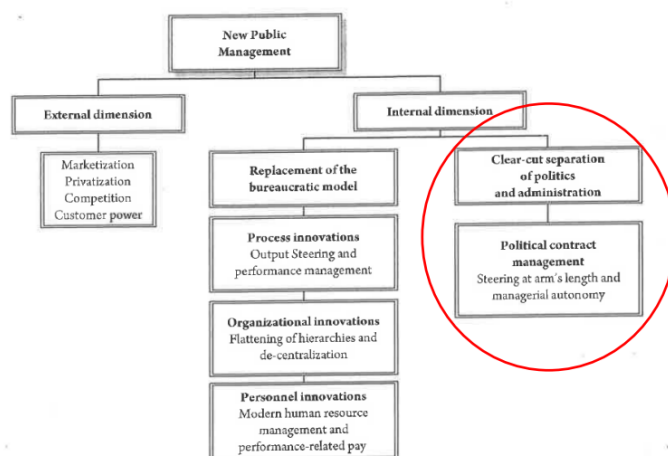
- NPM-inspired by **clear separation** between the political and executive leadership: Policy/implementation divide ('depoliticized administration')

- Agencies should be steered by political leadership **at arm's length** and no longer by classic-bureaucratic hierarchical command.

- **Instruments** from business management: *Contracts*, *performance-indicators* etc.

- The **functions** of agencies assume implementation (*service delivery*) and *regulation tasks* that previously had been located within ministries

NPM



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 legal independence but with some managerial autonomy	Examples: 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 statutes) with managerial autonomy, either based on public law (2a) or private law (2b)	Examples: 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)	Examples: 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)	Examples: 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’)

- **Agency fever:** 'The rise in the establishment of quasi-autonomous administrative units during the past two decades' ----- >

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

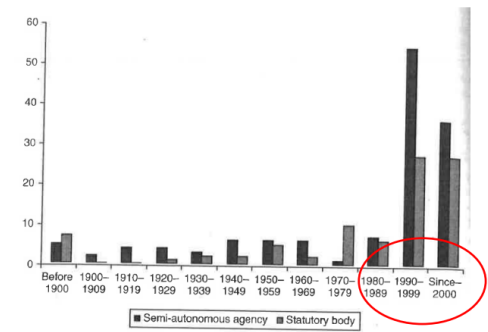
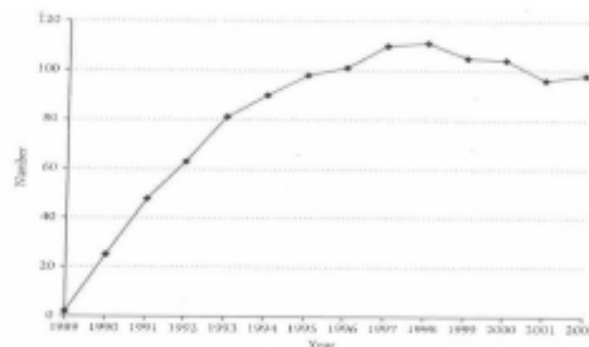


Figure 2.1 Increase in agencification over time, 21 countries

- **Germany** (*Not a unitary-centralized country*): First very hesitant towards agencies because:
 - The already existing high degree of administrative deconcentration and political decentralization = Due to the principle of subsidiarity whereby administrative implementation is already located at subnational levels (Länder)
 - From the point of view of the existing institutional 'layering' between ministries and implementation: the German federal administration is agencifiable to a limited extent
- **UK** (*Unitary-centralized country*): Thatcher restructured entire ministerial administration which was called the 'Next Steps' initiative = Radical approach:
 - Attempt of breaking up the highly centralized ministerial bureaucracy and weaken the British Civil Service (and its Labour Friendly trade-unions)
 - Because of agencification the British Civil Service subjected to Centrifugal tendencies → Resulting in a highly deconcentrated, fragmented central-state administration where overarching steering is extremely difficult
 - the implementation tasks of the ministries transferred to more than 100 Next Steps Agencies
 - Breaking the power of centralized Whitehall (weakening the civil service) => with the aim of breaking up the highly centralized ministerial bureaucracy in Whitehall and in the evident political intent of Thatcher to weaken the civil service
 - Framework agreements: Management tool between the minister and the chief executive of the agency that specifies the key points of performance: budget, time frame, performance indicators

--- > UK: measured by the number of existing agencies, agencification in the UK reached its peak in the late 1990s, although since then, there has been a slight decrease



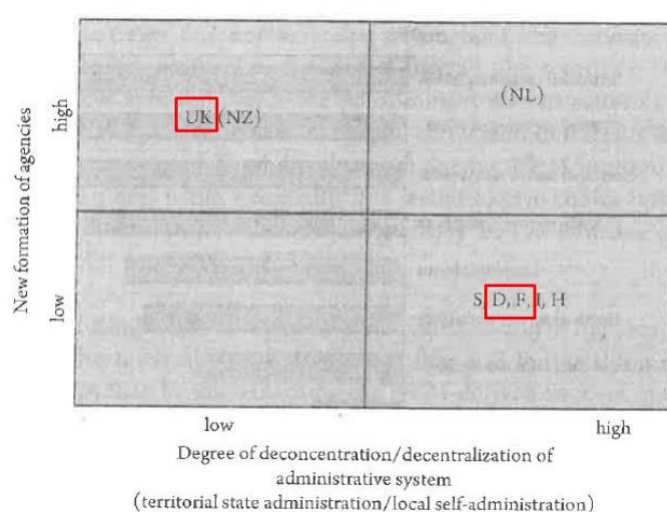
• **France** (*Unitary-centralized country*): Long

tradition of local implementation units (state administration deconcentrated):

- Those units are called '*services extérieurs de l'état*': Substantial freedom
- Long tradition = not much need for additional unbundling, therefore limited
- The approaches of output and *contract management* (linked with agency model) is rather new.

-----> the reform developments of agencification can be summarized in terms of the following country groupings

---- > D = Germany?



LOCAL LEVEL ADMINISTRATION: ONE STOP SHOPS + BUNDLING TASKS

✓ Especially on the **subnational and local level**: establishment of one stop shops providing bundled tasks (of local administrative services) under one roof

- Local government: bundling tasks in one stop shops = customer orientation (citizens not have to travel far)
- The establishment of a single point of contact has been prescribed to all Member States by the 2006 EU services directive. = Facilitating the interaction between foreign investors and companies and the respective national administration

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, departements, regions, ...)	Reason: many citizen oriented services are carried out by state agencies (e.g. registering births)
Succes: - Dissemination accross 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 = frontrunner** with 'citizen shops': In 58% of all local governments, 80% of cities over 50000 residents => most successful reform in Germany
 - ✓ **France: 'Service centres'**: Because of the fragmented French administrative system, primary function of these centres is bundling of services of various levels and institutions
 - ✓ **UK: Restructuring of local administration** is less characterized with task bundling and creating one-stop shops
 - One-stop-shop less attractive: One-stop- shops have a classic registration functions (ex. Registering births/deaths). But in UK the state agencies are responsible for this, therefore if organization bundling takes place, **if at all**, it's beyond and outside the local authorities
 - Instead focus on NPM-derived concepts such as chaser-provider split and practicing competitive tendering = diversification and pluralization of providers
 - NPM concepts imposed top-down by central government = no citizen-oriented bundling
- Germany the one-stop shops in the form of single counter access has spread furthest in Germany (Called the Bürgeramt)
- UK one-stop-shop approach limited to state administration(agencies) and applied in the Job Centres Plus (=Standard points of contact for unemployment as well as for social security)
- France one-stop-shops somewhat implemented experimentally, but the use of it appears to mount. = fall between Germany (a lot) and UK (none)

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

Source: Author's own compilation.

4.5.3. PROCEDURES AND STEERING INSTRUMENTS: MANAGING FOR PERFORMANCE

THE MEASUREMENT OF PERFORMANCE

(convergence towards a managerial state)

- Central feature of NPM-like public sector reforms is measuring performance, and performance management (=steering by means of performance information)
 - under the assumption that classical bureaucracies are 'underperforming'
- Also citizens and taxpayers expect 'performance', value for money (also especially in times of crisis)
- According to Pollitt and Bouckaert, the 'performance movement' has unfolded along several dimensions
 - More extensive (more levels and more fields, see article)
 - More intensive (more management functions included)
 - More external (outward looking)

PM ON MANY FIELDS: MORE EXTENSIVE

Police crime detection rates fall to new low

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

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 follow in March's footsteps and see the results of the exercise that followed in March's footsteps. 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 follow in March's footsteps and see the results of the exercise that followed in March's footsteps.

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

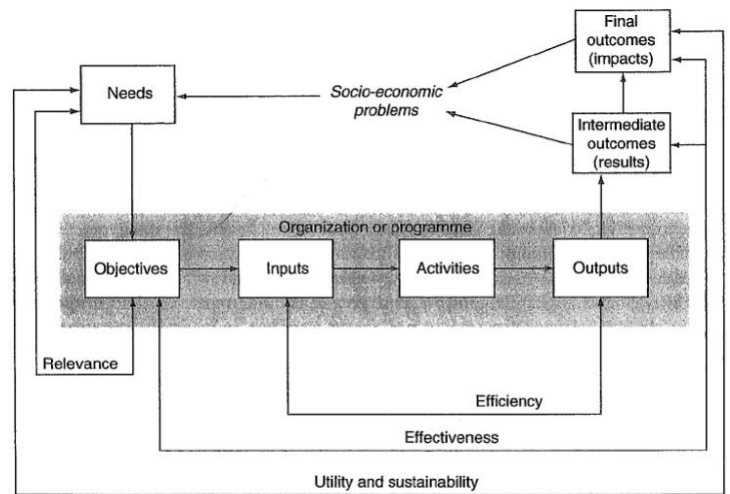
Joe Kelly | The Australian | March 04, 2010 9:22AM

A+ A- Share

⇒ PM on many fields!
⇒ More extensive

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

- Analytical sense of measuring: more complex measurement ----- >



PM FOR MANY MANAGERIAL FUNCTIONS: MORE INTENSIVE

- More intensive in an analytical sense (see 5.1.)
- 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

PM ALSO OUTWARD LOOKING: MORE EXTERNAL

PM also for external use, for different stakeholders external to organisation:

- Legislatures
- Taxpayers
- Service users
- ...

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](#)

COMPARISON BETWEEN COUNTRIES

Convergence in rhetorics: The principle of a managerial state

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

- What is measured by the performance indicators? EXTENSIVITY?
- External transparency of performance data and sanction effects (sanctions/rewards)? EXTERNALIZATION?
- Managerial use of performance information? INTENSIVITY? *Ex. For decision-making*

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 deconcentrated 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:PM as extensive state control

- Variant of PM that is central state-directed, mandatory, installed nation-wide and subject to sanctions.
- Administrative units required fulfil the objectives specified in target agreements (Public Service Agreements) and contracts → Observed and monitored by external institutions
 - PSA : How, by whom and until the performance targets must be reached and how it's measured and specified over a three-year period
- Performance measurement and comparisons have been made mandatory for all local councils: **PSA** concluded between local councils and central government, thus the latter can centrally steer and control the performance efficiency of the local authorities by evaluation.
- Also on the local level central government 'steers' local government on performance => info used for 'steering purposes' see table! ----- >
- Poor performance gets penalized and good performances get rewarded, but major **problem** lies in:
 - Huge transaction costs: continuous performance inspections and maintaining the state audits and inspection authorities

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

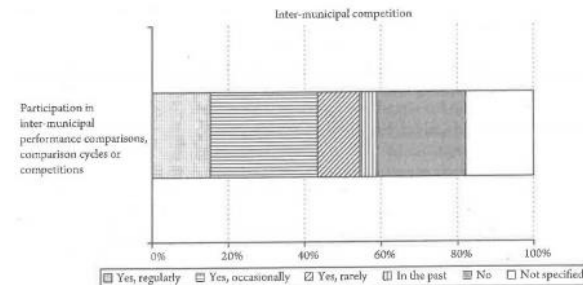
Note: Inspectors make judgements based on the following scale: 4: outstanding/excellent; 3: good; 2: adequate; 1: inadequate.

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

- Widespread antipathy and growing resistance against the control by the central auditor, have been evoked by the local authorities = leading to subversive strategies(*gezagsondermijnende*)
- Inspections generate anything but valid and reliable performance information
 - Process is too artificial and local actors show creativity in displaying convenient results, as it's more about the style than substance.
- Recently from 2010 on (Conservative-Liberal coalition), decision to disband the Audit Commission and transfer its tasks to private companies etc. Justifies these ideas by referring to the expenditure and bureaucratization

Germany

- New Steering Model: this reform concept made their entry in a bottom-up manner, starting at local level and then taken up by the Länder and in a lesser degree by the federal level.
 - Rule and procedure-based towards output and performance-based steering
- Local government define their products, to write up product catalogues and to fill these in with indicators and performance data
 - Local government working with product definitions, haven't established a link between the products and the key instruments of the NSM.
- Starting at the local level, performance comparison and benchmarking has been established, there's also an inter-municipal performance comparison which is voluntarily => see figure ----- >
- Municipalities have been withdrawing from the benchmarking project
 - Time and effort that municipalities have to put into this project exceed its benefits, as performance information is not used for steering purposes + no external use (results are made available to local parliaments and local public in limited form)
- Federal and Länder administration: Municipal audit offices in some Länder with more an 'obligated' character (benchmarking have been anchored in Federal constitution, strengthening the parliamentary control by performance information)



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

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

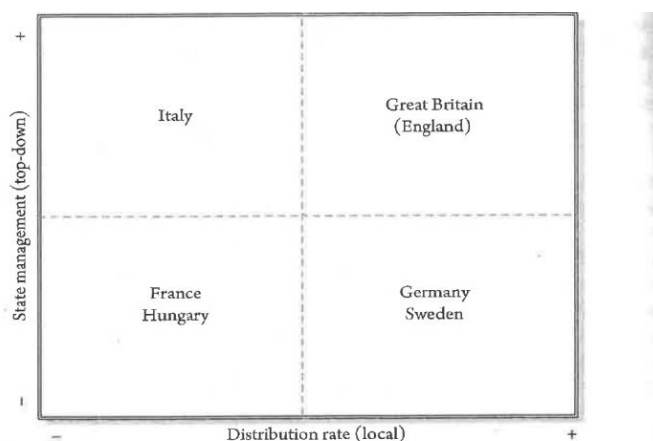
France

- Bottom-up story of implementing performance management (even though Napoleonic centralized →top-down), especially local-level initiatives with also cost accounting (see tableaux de bord as example ----- >)
- State didn't play a leading role, therefore heterogeneous territorial structure leads to unevenly distribution on local level. Also few availability of information out of the municipalities and therefore inter-municipal comparison or sanctions are limited.
- National legislation of Performance management : **LOLF** → Framework for public finances, resources management and budgeting providing new forms of global budgeting based on programme and performance targets, contract management and performance evaluation
- LOLF
 - Power of parliament is restricted by making general decisions according to the missions programmes and budget targets of the LOLF, implementation to ministries
 - Deconcentrated states are upgraded as a result of global budgeting and thus steering losses of the ministries vis-à-vis the deconcentrated state
- New bureaucratization via performance indicators
 - Local authorities more dependent of the state administration because the former is dependent on the budget allocation of the state administr. In addition an indicator frenzy (dolheid van indicatoren= veelheid) has emerged in the state administration (Power over local authorities)

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

4.5.5. CONVERGENCE, DIVERGENCE, EXPLANATIONS

CONVERGENCE

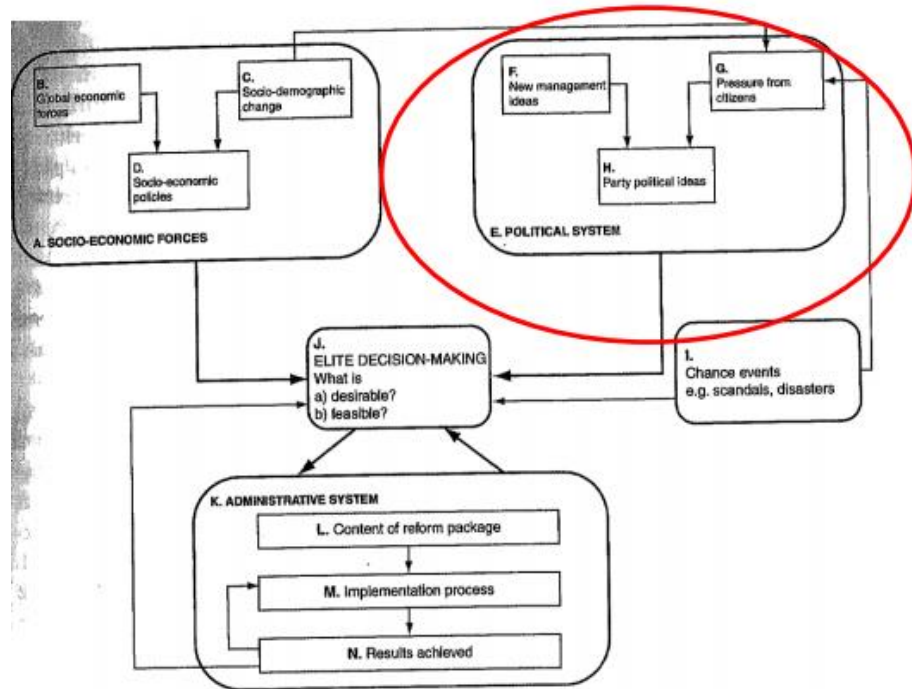
A clear **convergence** between the countries with regard to since the NPM doctrine in the 1980s

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

Toolbox: performance-related pay, decentralization, flexibility of employment, performance comparisons etc.

NPM as a way to modernization because:

- The 'norm': sociological institutionalism: 'logic of appropriateness'
- Promoted by international institutions: Actor-centred institutionalism such as OECD and EU (especially in the EU accession countries)
- Economic optimization: measuring against economic efficiency has become a decisive evaluation criterion



DIVERGENCE

Organizational reform:

- UK: radical transformation and new agencification vs. other countries only 'modernizing' existing organization, historically evolved (e.g. Scandinavia)
- Continental countries less 'agencifiable', e.g. federal countries already decentralized implementation structures, unitary countries state administration is already highly deconcentrated. Thus potential here for additional agencification is limited. But still introduction of new steering mechanisms.

Procedures:

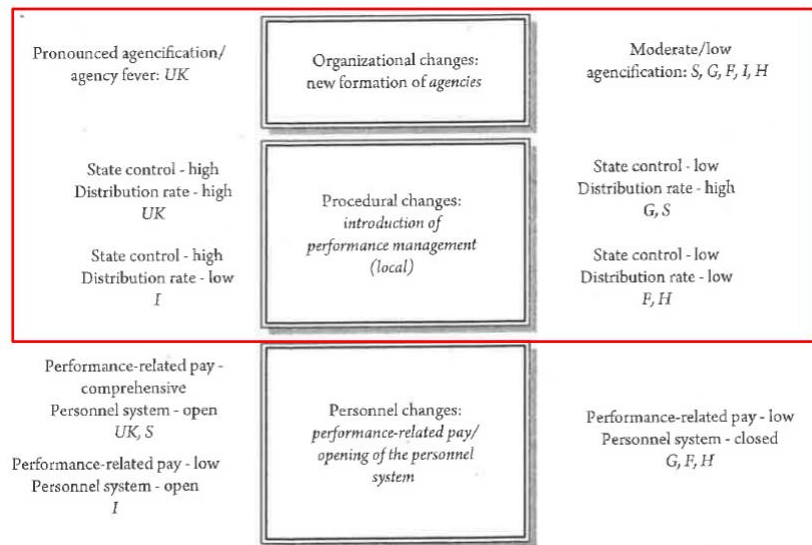
- PM as top down state control, compulsory and with sanctions (UK) vs. more voluntary bottom models (e.g. Germany, Scandinavian countries)
- Externalization of results, making public of results (UK), in contrast to France/Germany

EXPLANATORY FACTORS (FOR INTERNAL MODERNIZATION AND PERSONNEL REFORMS)

- **Sociological institutionalism** (pressure from the outside)

- **Historical institutionalism:** path dependency, historically established administrative structures and culture

- UK: easy because its pragmatic-instrumental use of the rule-of-law
- Continental Europe: rule-of-law remains a conditionally programmed implementation of legal provisions (=raising problems concerning managerial steering, output orientation etc.)



Source: Authors' own diagram.

Figure 4.23 Practical divergence of the internal modernization and personnel reforms by country comparison

- **Actor-centred institutionalism:** focus on relevant actors, their pursuit of power, political strategies etc.
 - Evident for UK: 'war against local government' (traced back to Thatcher)
 - Germany, France: implemented because of the broad consensus of relevant actor groups and reform participants = significant influence of veto players = cautious and moderate implementation

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

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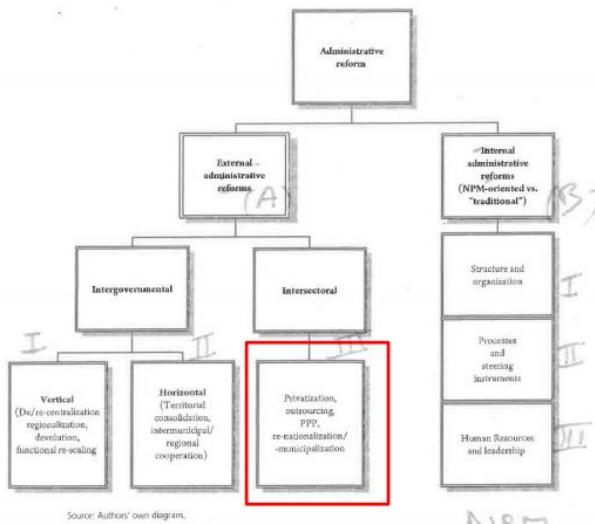
Factor	Explanation	Neo-institutional Theory Approach
<i>Exogenous explanatory factors (supra-/international)</i>		
NPM discourse dominance	Normative pressure, logic of appropriateness, framing	Sociological institutionalism
Economic and financial crisis		The norm (discursive)
Influence of international 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	Consensual system with veto players (e.g. France/Germany)
(In-) compatibility of administration and management	Administrative/legal culture; cognitive-cultural character of administration	Actor-centred institutionalism
National policy crises; political shocks	Critical junctures 'When something happens'	Political ideology (e.g. Thatcher)
		Historical institutionalism Public interest vs. rule of law countries

Source: Authors' own compilation.

WEEK 9: CLASS DISCUSSION ARTICLES

1) JILKE & VAN DE WALLE (2012) ON LIBERALIZED PUBLIC SERVICES

⇒ Article can be found in the scheme (rode kader)



JILKE & VAN DE WALLE (2012)

CONTEXT / TOPIC / RQ

- **Research question:** Is there evidence for the emergence of 'two-track' public services, where the wealthiest, best-informed and most assertive customers get the best quality service because of liberalization?
=> social economic factors ---- > complaints about public services *eg electricity* (are people happy with this public services now that it is liberalized?)
 - Private or semi-private provision of services of general interest = Liberalization = Competition = vulnerable people are the victim?
 - Competition, giving 'voice' to citizens
- **Assumption:** vulnerable people (=weak social economic status) are weaker in this 'supermarket state model' and thus complain more
- **Idea** was to have competition and that people have the choice (liberalizing)
 - ⇒ Is there a relation between citizens' socioeconomic status, and their complaint behavior? Complaints = Less satisfied with service

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

SCOPE & METHOD

- 15 EU countries, period 2000 – 2004
- Eurobarometer data
- Dependent variable:** 'complaints' (binary: yes/no) → *What do we want to explain?*
- Independent variable:** social economic factors of people, how to measure? => age – education → *Influencing dependent*
⇒ *The higher you're educated, the higher your position in social economy s*
- Controls:** country – perceived service quality – gender – survey year
- EXAM: explain the table!
 - 0.17 = 17% has answered yes to this question
 - N = more than 30.000 people were included in this surv

RESULTS

- Results (descriptive): ----- >**
 - Horizontal = services
 - Vertical = percentages
 - Overall *increased* complaints (2000 --- > 2004) = assumption could be here: liberalized services => more complaints (but we will nuance this)

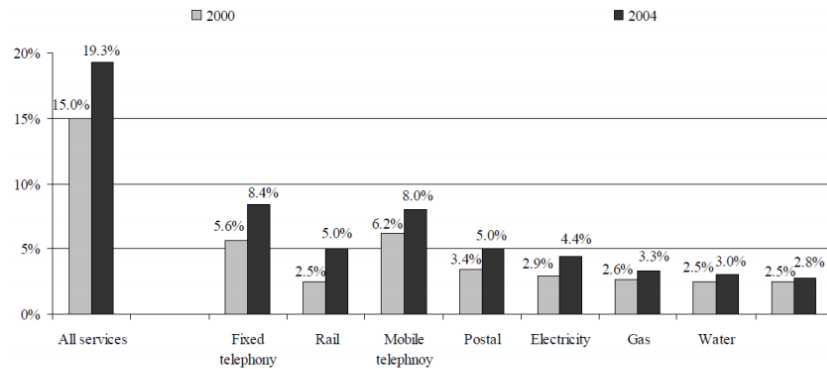
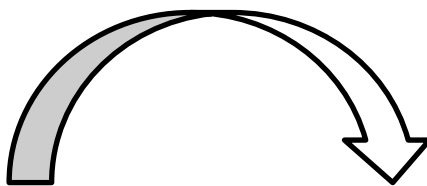


Figure 1: Complaints made in the last 12 months (EU15)



INCREASE

- Results (explanatory)**
 - Dependent variable: number of complaints
 - Independent variables: Socio-economic factor => does this lead to a complaint or not?

Table 2: Binary logistic regression for reported voice behavior

EU 15		
	B	Exp(B)
Control variables		
Country (Ref. Ireland)		
France	-.856	.425***
Belgium	.036	1.037
The Netherlands	.125	1.133
Germany	-.116	.891
Italy	-.278	.757
Luxembourg	-.999	.368
Denmark	.198	1.219
Austria	.146	1.157
United Kingdom	.354	1.425*
Greece	-.206	.814
Spain	-.145	.865
Portugal	-.825	.438***
Finland	.375	1.455
Sweden	.797	2.218***
Year 2004 (Ref. 2000)	.287	1.332**
Service Quality	.079	1.082***
Gender (Ref. male)	-.049	.953

Independent variables

Education (Ref. high)		
Education low	-.636	.529***
Education medium	-.279	.757***
Age (Ref. 55+ years)		
15-24 years	.416	1.516***
25-39 years	.393	1.481***
40-54 years	.412	1.509***

Interaction Terms

Year X Education low	.434	1.544***
Year X Education medium	.024	1.024
Year X 15-24 years	.106	1.112
Year X 25-39 years	.229	1.257*
Year X 40-54 years	-.081	.022
Constant	-2.626	.072***
Nagelkerke R ²		.084
Pseudo R ²		.050
Correctly predicted		82.9%

N 30,488
*** p<.001; **p<.010; *p<.050

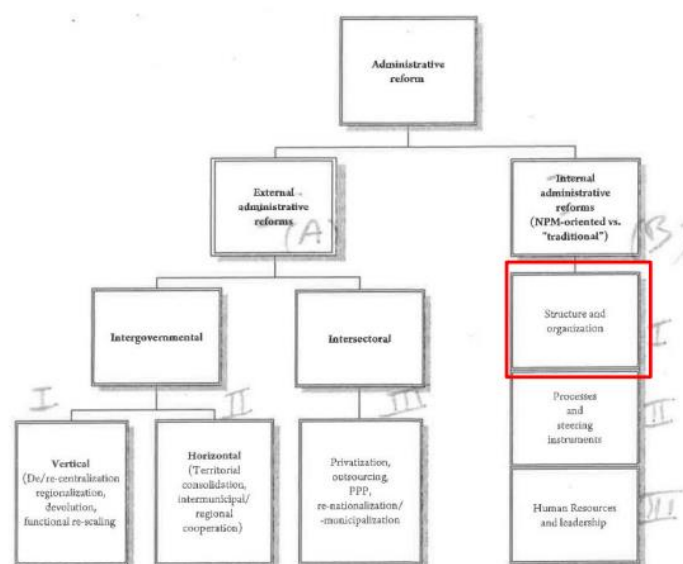
Gap in complaining between young and old increases over time
Gap in complaining between educational groups decreases over time

- First thing to do => Nagelkerke R2
= extent to which all this variable together can explain the variation in the dependent variable (number of complaints) => only 8% (0.084) can be explained by all this variables
-
- Then => control variables
 - *eg France people tend to complain less (because of the minus before the number 0.856)*
 - *Eg Portugal people also complain less compared to Ireland (=referentiepunt)*
 - *Eg Sweden (significant results 0.797 more complaints because of the plus)*
- ⇒ **Differences between countries? YES!!** => assumption (in France and these kind of countries the liberalization is less strong so that's why there are less complaints => but we are very careful with these conclusions!!)
- Other control variable: year
 - People complain more in 2004 than in 2000 (0.287)
- Other control variable: service quality
 - Happy with the service but still complaining (you always want better things) (0.079)
- Gender no influence
- Independent variables: socio eco
 - High education: more complaining => Low educated complain less than high educated
 - Age: the older you are the less you complain
- Interaction effect:
 - Year and education low: people who are low educated and interact this with year (they complaint more over the years) 0.434
 - Year and age: middle age people (25-39) complain more in 2004 than in 2000
- Conclusion:
 - the gap between young and old (age) this even increases over time. In 2004 the gap is bigger than in 2000
 - Gap between educational groups decreases over time (in 2004 the gap was smaller)

DISCUSSION

- **Only general results, and partially confirming the assumption**
 - Partially: Social status doesn't always have an effect on complaints in liberalization context = Lower educated less likely to submit complaints than high educated, Older more complain than younger
 - the gap between complaints among different education groups decreases over time, of age (younger & older) it increases
- **Some methodological weaknesses:**
 - You cannot diversify between sectors (they did the complaints with all services together => you have take this into account!)
 - Composite measure of voice (quid different countries and sectors)?
 - Ex. More complaints in energy in country A and more complaints in ...
 - Can findings be attributed to liberalisation?
 - 1) No ex ante/post measures: too short time interval (2000-2004) so the degree of liberalization might be only a slightly different => only 2000 – 2004 there is indeed more liberalization in 2004 than in 2000 but in 2000 there was already liberalization
 - 2) 4 years very short, different degrees of liberalization in different sectors and in 4 years sometimes little change
 - Perceptions of people at one-moment in time(= influenced by expectation; High→Easily dissatisfied) , no real observations of quality of services
 - Other socio-economic variables influencing 'voice-behavior' such as wealth, class: You can be low-educated but rich

2) VAN THIEL (2011) ON AGENCIFICATION



 CONTEXT / TOPIC / RQ

- **Agencification**
 - **Research question:** difference between Western and Eastern countries in Europe of the agencification
 - ⇒ Differences in agencification reforms between CEE (Eastern) and Western European countries on Timing, Scope (how many), Formtype
 - **Assumption:** CEE = >Timing more recent, high variety in agency types and large scope/size for agencies
 - ⇒ 3 most common types of agencies
 - ⇒ There are actually 5 types of agencies but they took the 3 most used ones (zie table ----- >
- | 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
- **Two patterns of agencification assumed** = A lot of studies use this patterns but it's too broad: incremental always considered as the rest of the world, therefore use the 4 M-model and expand and refine it
 - Radical (Anglo-Saxon: UK, Australia, New Zealand)
 - Incremental (Continental= 'rest of the world')
 - **4 M model:**
 - Maintain (low NPM reformers) => the ones that are maintaining are mostly federal countries *eg Germany* (it is due to the fact that these countries are federalized that the reforms are going very slow)

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).

- Modernize (moderate NPM reformers)
 - *Modernization 1*: Longstanding tradition of agencification, recent reforms focused on reforming the EXISTING agencies (ex. Splitting up or more business-like) => **Nordic countries**
 - *Modernization 2*: Napoleonic tradition, favoring corporatization and decentralization of agencification = prefer agencies with clear legal basis (public law)
 - *Modernization with a twist*: After fall of communism + the accession to the EU= speeding up process of agencification in a large scope. But not new phenomenon: during communism many agencies already had legal personality but not yet financial and personnel autonomy => **CEE countries**
 - ⇒ Similar to Nordic countries but less harmonic because CEE countries lack of administrative capacity + speed differences
- Marketize (radical reformers) => **Anglo Saxon!**
- Minimize (nightwatchman state, very small government)
- ⇒ Countries can be attributed to 4M- classification and two patterns: Assumption that CEE countries have a modernization with a twist and have the same reforms after communism
- Questions: 1) How alike are CEE countries in agencification? 2) How different are they with Western Eu? 3) Fundamental difference and similarity?

SCOPE & METHOD

- 25 tasks, 18 countries
- Experts in sectors have been asked which tasks have been put in agencies, at which degree and when it was established (= Agency? Type? Year?)
- *Eg Belgo Control* = agency of the federal government (example of a task that has been agencified in the airport business in Belgium)
- How did they measure all this stuff? Year (timing), scope (agency) and types => they asked it to experts with a survey

Scope & method

- 25 tasks, 18 countries
- Expert surveys: Agency? Type? 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

RESULTS (NUMBERS)

- Resulting in 278 cases (of 450 possible combinations between sector/country)
- Proof of 'agency fever':
 - ⇒ Graph: number of agencies (horizontal) & countries (vertical)
 - ⇒ Especially in Lithuania, Romania and Estonia = a lot of agencies
 - ⇒ Larger in CEE & Nordic (Type 1 preference)
 - ⇒ **Less in Federal countries** (eg Belgium and Germany): More decentralization rather than agencification (Also only observed in federal level and not Flemish level = otherwise there would be more agencies, if it would have been measures in Flanders we would be at the same level like Sweden for example) + no preference in agency type

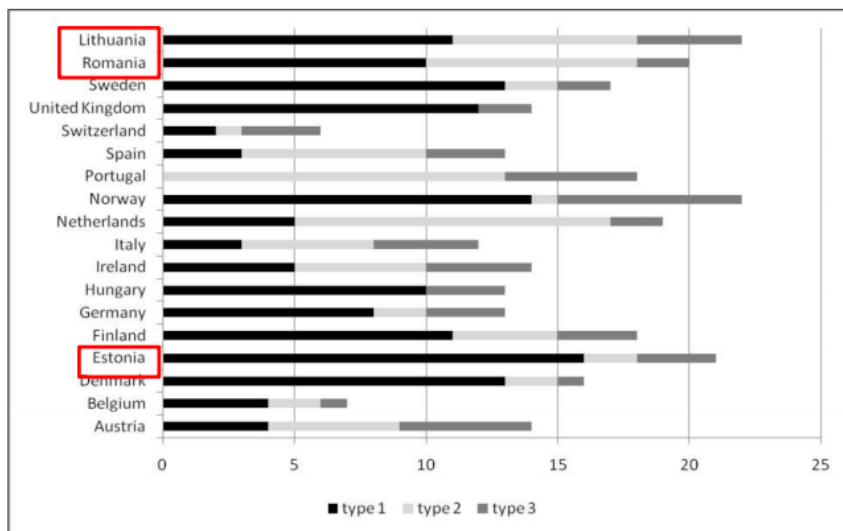
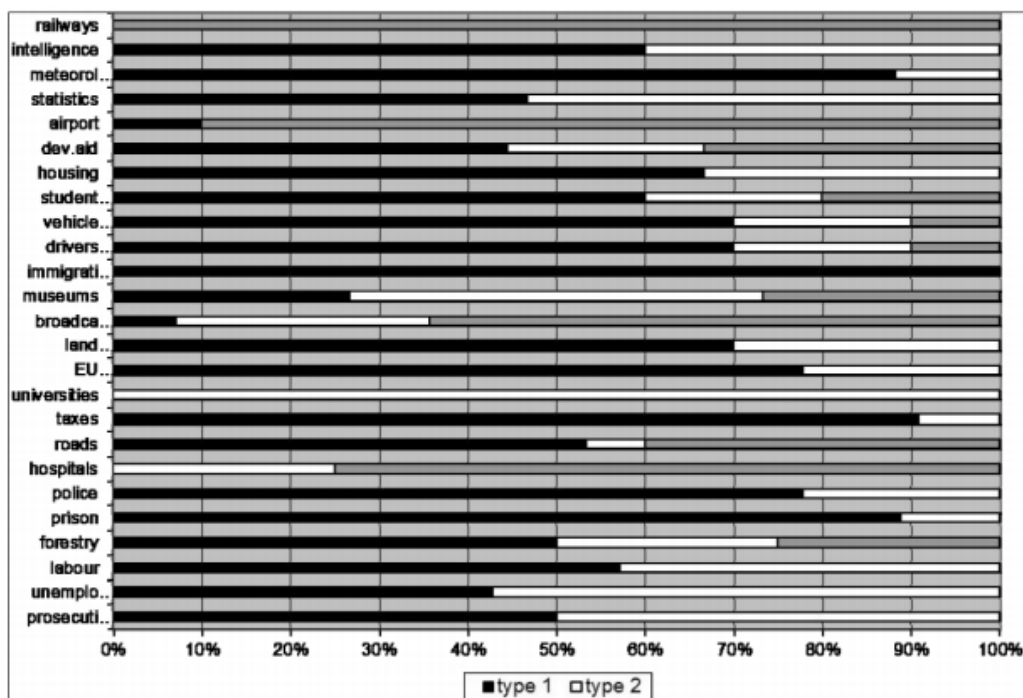


Figure 1: Number of tasks (out of 25) charged to different types of agencies in 18 countries

RESULTS (TASKS OF AGENCIES)

- Vertical: 25 tasks
- Black = type 1, white: type 2, grey = type 3
- No correlation between agencification of specific tasks and country: CEE Countries same way of agencification (in CEE there are same kind of tasks that are identified as in other countries)
- Ex. Railway mostly type 3, Universities type 2



RESULTS (TIMING OF AGENCIFICATION)

- Longstanding tradition in Nordic (Before NPM kicked in)
- UK and NL later: NPM programmes (Next Steps Agencies programme (UK))
- G, B, Italy => Much slower pace
- *Danish* (Denmark) agencies average year of establishment was in 1950s: prove of this long stand tradition of the Nordic countries (see lesson last week also)
- *UK and Netherlands*: average establishment was much later in the 90s (agencification was typically NPM type of reform)
- *Lithuania, and Romania*: eastern countries later establishment

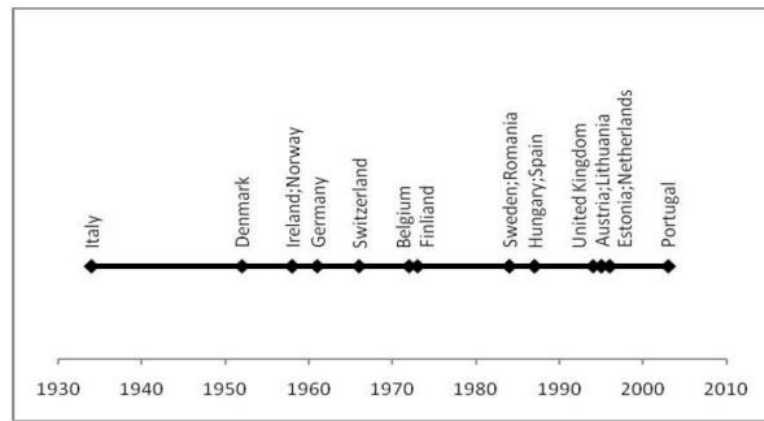


Figure 3: The average year of agencification per country (for 3 types of agencies, 25 tasks, in 18 countries)

DISCUSSION

Some assumptions can be confirmed:

- Federal and 'legalistic' countries: less agencification, incremental reform (GER, BEL, SW)
 - Longstanding tradition of agencies in Nordic
 - Radical reform in UK (deliberate NPM reforms)
 - CEE pattern is different from Western pattern:
 - More recent (CEE)
 - More frequent (CEE)
 - CEE: Preference for type 1, without legal independence (contradict assumption of belong to several types)
 - Agencies have been in existence well before the fall of communism: Agencification part of two major reforms: 1) Become a modern democracy 2) Become and EU member
- ⇒ Individual CEE countries make individual choices, based on their history, traditions and political-administrative culture

BUT No different pattern concerning which tasks should be agentified

LIMITATIONS

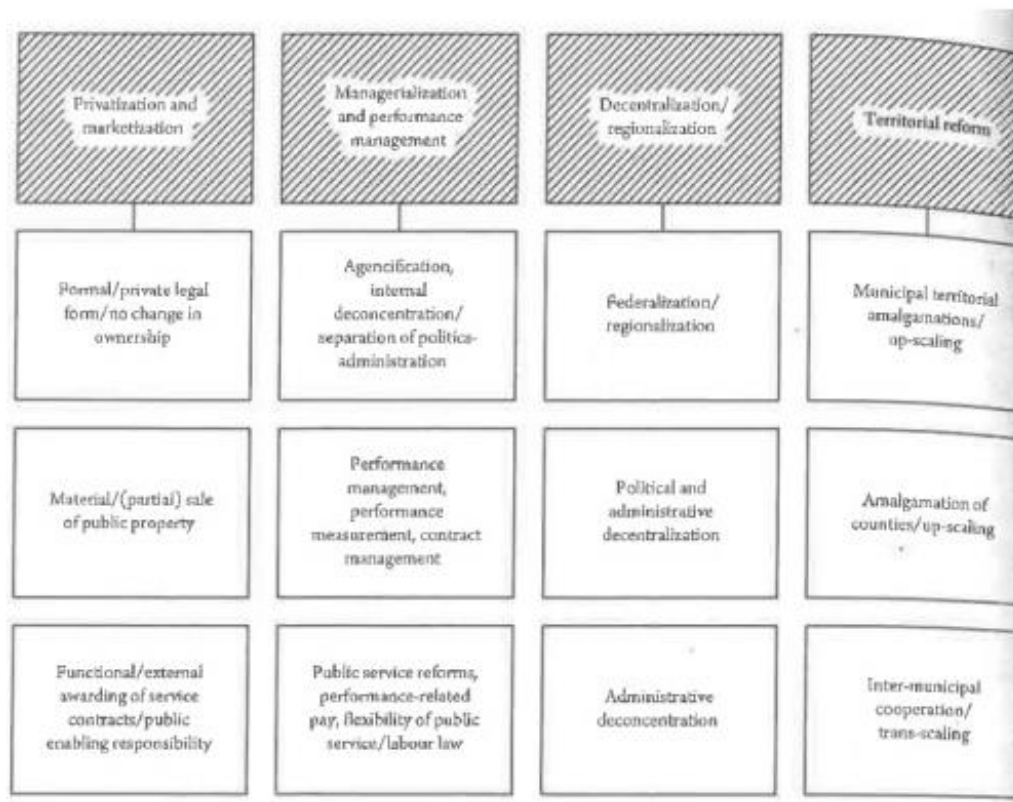
- 25 selected executive tasks: regulatory tasks were not included, however EU requirements concern creation of regulatory agencies: Imply inclusion of these tasks = higher number of agencies
- 'Year of establishment IN ITS CURRENT LEGAL FORM: Therefore overestimating the recentness of agencification (Agencies can change form)

5. COMPARATIVE SUMMARY

5.1 ADMINISTRATIVE REFORM DISCOURSES

- 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).
- **Convergent patterns** become more visible in the area of reform discourses, concepts and ideas and they may fade away while on the way to concrete administrative decisions, material institutional and practical implementation measures
- **New public management (NPM) = decrease public sector**
 - = *dominant reform principle in 1980s* (in anglo saxon world and lesser degree in Scandinavian countries) and in 1990s (in continental Europe)
 - *Retreat of the state* = terugtrekken van de overheid
 - *Enabling state*
 - *Privatization* and liberalization of public sectors = 'private is better than public' => in UK broad privatization => 'government is the problem'
 - ⇒ Discourse more prominent in UK than in other countries with a more prominent public sector tradition (Sweden, France)
 - ⇒ NPM was taken up in all countries = convergence
 - ⇒ Concrete implementation and effects of NPM shows very different profiles = divergence
- **Modernization and managerialism**
 - Private sector inspired
 - Performance mgmt. (measurement and comparison)
 - Performance measurement
 - Benchmarks
 - Deconcentration and autonomy of administrative units (dismantling of hierarchies)
 - ⇒ Despite this obvious convergence in the Europe-wide debate on administrative reform policy, there are also striking differences and divergence that stand out
- **Decentralization and deconcentration**
 - Administrative deconcentration to agencies (UK)
 - Decentralization of competences to lower tiers of government (France)

- **Territorial reform = scale up**
 - Enlarging the local scale to strengthen these, to enable these to deal with challenges



5.2 REFORM IMPLEMENTATION

- While the **administrative reforms discourses** (zie hierboven) shows a noticeable degree of convergence and similarities between countries, albeit with some variance in details, a closer look at the actual implementation of measures and the **reform practice** in those countries under consideration here reveals a more strongly differentiated picture

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
Territorial reforms						
Territorial amalgamation	1	0	0	0	0	0
Inter-municipal cooperation	1	2	1	0	0	1

- **Divergence in implementation**

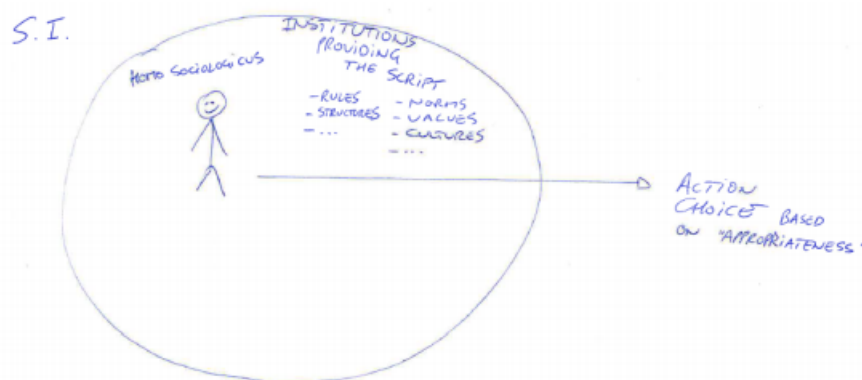
- Vertical administrative reforms (trend: decentralization)
 - Political decentralization (*Belgium, Spain*) = federalization
 - Regionalization (*France*) – still levels of subordination
 - Deviant case (afwijkend) = *UK* => the decentralized local levels has not been strengthened, but on the contrary has been hollowed out
- Municipalization (trend: more power to local governments)
 - Political decentralization to local government (*Sweden*) => state tasks have been transferred to the local government levels
 - ⇒ *Genuine (=real) 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
 - Delegation to local government (*Germany*) => transfer of public tasks to the local government levels is often effected by way of 'delegating' the tasks, meaning that they are carried out by the local executive (+- = mayor)
 - ⇒ *False municipalization* => to integrate local administration into state administration
- Local territorial reforms (trend: scale enlargement)
 - Mainly 'southern' story ('Northern' already large scale local government)
 - *France*: voluntary amalgamations (=fusies) + intermunicipal cooperation
 - *East German Lander*: amalgamations (= fusies)
- Privatization, outsourcing, contracting-out (trend: from government to governance)
 - ⇒ Convergence within the administrative systems is evinced in the privatization of nationalized industries and municipalized companies through the growing involvement of private-sector/commercial service providers and the limitation of public/municipal institution to an 'enabling function' => **BUT divergence within convergence does exist:**
 - *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)

- Internal modernization (trend: agencification & performance)
 - o *Radical agencification in UK, **versus** more institutional persistence in France and Germany (less agencifiable due to decentralized and subnational characters)*
 - o *Low levels of PM in France loc gov (too small?), **versus** obligatory PM in UK loc gov (instrument of central govt)*

5.3 !!!! EXPLAINING CONVERGENCE, DIVERGENCE AND PERSISTENCE!!!!

5.3.1 SOCIOLOGICAL INSTITUTIONALISM: COERCION, NORMATIVE PRESSURE, MIMICRY

Sociological institutionalism



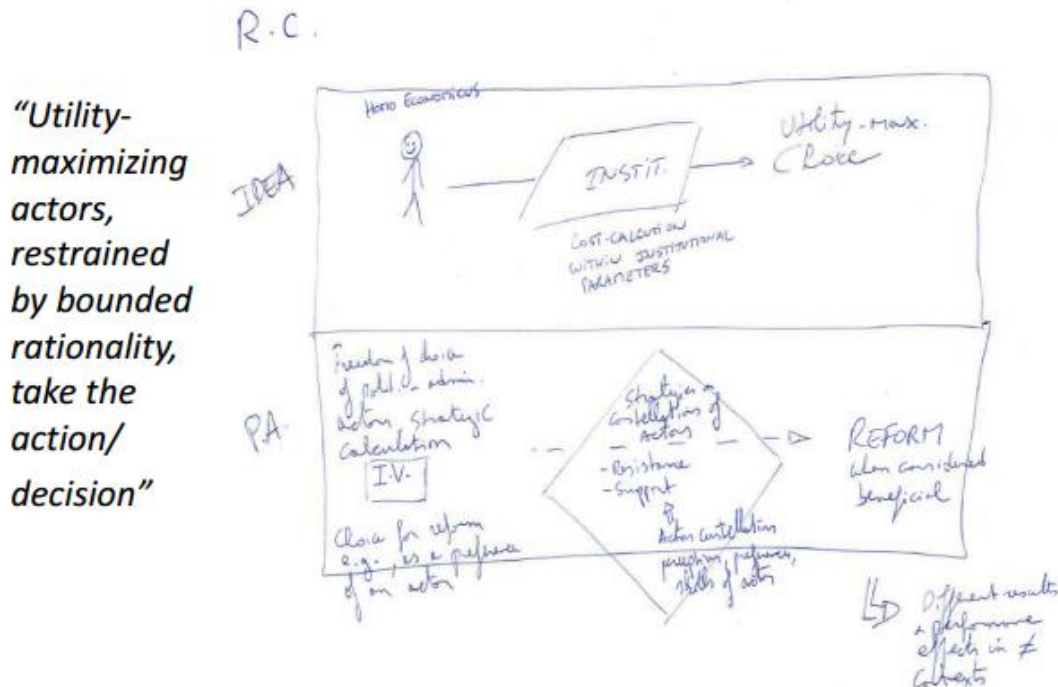
"Actors act/decide based on cultures, norms, rules and cognitive scripts that are in the mind of the actor"

- ↳ 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

- ⇒ **This theory is good to explain convergence**
- ⇒ Convergence of reforms, mechanisms of imitation (mimetic isomorphism)
 - Best practices copied / Learning => they have proven to be successful elsewhere
 - Logic of appropriateness
 - Normative pressure (EU, World Bank, OECD) => mutual learning, framing
- ⇒ Convergence of reforms, mechanisms of coercion (coercive isomorphism)
 - Legal EU obligations (e.g. liberalization policies)
 - "Downloading" EU-policies to national level = the adaption of EU requirements into the national systems and the corresponding (top-down) adjustments

5.3.2 RATIONAL CHOICE INSTITUTIONALISM: FUNCTIONAL ADAPTION, VETO PLAYER CONFIGURATIONS AND VOTE MAXIMIZATION

Rational choice institutionalism



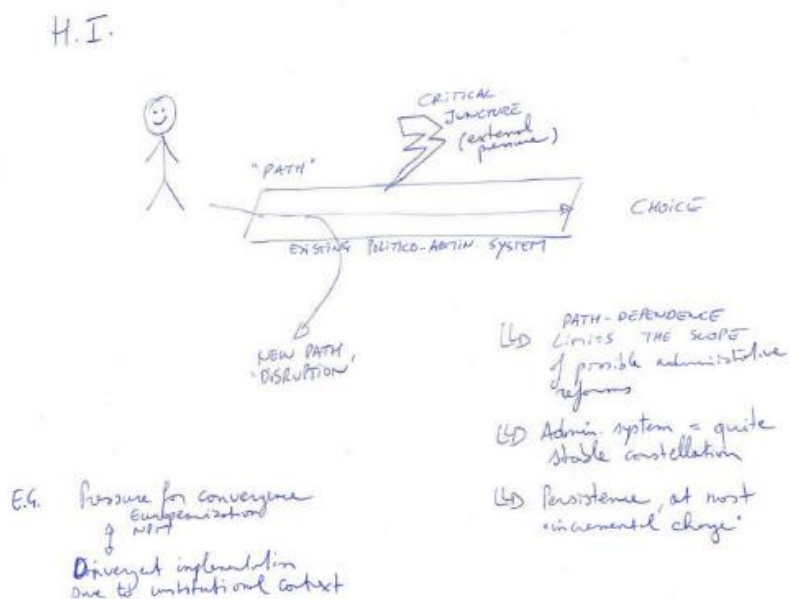
- ⇒ This theory is good to explain **convergence** and **divergence**
- ⇒ **Convergence**, as actors are confronted with similar challenges: reform = looking for 'optimal' solutions => justified by the maximization of personal advantage and the approximation to an (economic) optimum
 - Economic crisis: performance, privatization
 - Declining trust levels: decentralization (closer to citizens)
 - Economies of scale and capacity-building: re-territorialization
- ⇒ **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: Thatcher uploaded NPM model cause she was the 1st to implement it)
- ⇒ Element of **divergence**, depending on constellation of veto-players => reform strategy choices by actors and veto player configurations in the individual reform areas have proved to be significant explanatory variables for concrete institutionalization decisions
 - Germany: low resistance from unions to privatization

- UK: political system tending to absolute power for PM (combined with neo-liberal ideology: NPM!)
 - Contrast with Germany (many veto-players in a federal constitutional context: the German federal constitutional context contains numerous veto positions that make the abrupt and radical administrative reform change of the British type difficult)
- ⇒ Element of **divergence**, depending on endogenous (internal) factors => endogenous determining factor in the individual countries can be considered as the result of politico-strategic action choices of national/local actors
- Federalization as attempt to restrain political conflict (Belgium)
 - Decentral system in France remains strong: power of local politicians with national influence

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

Historical institutionalism

"Existing structures and past decisions and actions lead to persistent – 'path dependent' institutions"



- ⇒
- ⇒ This theory is **good** in explaining **convergence** but **not good** in explaining **divergence**
- ⇒ Explanatory factors with origins in the 'past', having an effect on the 'path' of administrative reform ('**persistence**' and '**inertia**' = volharding en traagheid)
- ⇒ Observing micro-trends in the administrative system of individual countries, under the radar of the big **convergent** macro-trends (decentralization, performance management, agencification etc.) with country-specific differences and **divergence**:

- **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
- ⇒ 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

RESULTS OF REFORM

See 2.2.3

Does an institutional change lead to performance and does performance change also lead to outcome change? Difficult to measure!

Evaluating administrative reform policies

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

Effects on three levels:

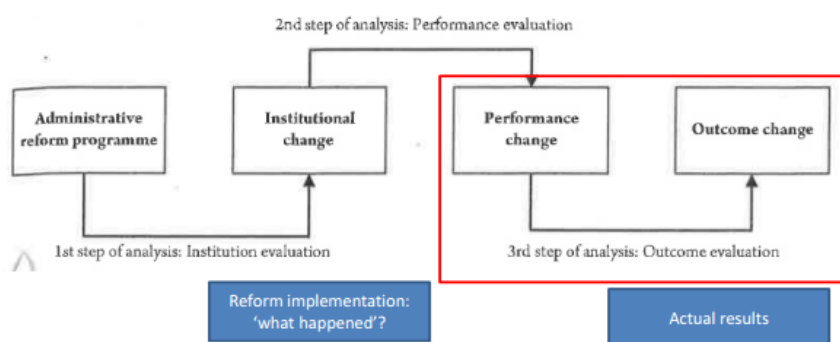
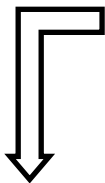


Table 1.2 Researching public management reforms

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

Some figures on actual results :

- **Challenges in identifying actual 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) *eg book written in 1 month or 1 wee but has it been read?*
 - "What is measured gets attention", at the cost of neglecting other activities ('number of students with degrees' vs. 'quality of degrees')
 - 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)
- **'Measurable' types of results:**
 - Economy ('saving on inputs')
 - Efficiency ('doing more with less')
 - Effectiveness ('reaching policy goals, societal impact')
 - Citizen satisfaction and trust



Economy (savings)

- Different meanings of 'saving':
 - 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 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)
 - ...
- 'Small states' (US) versus 'big states' (Sweden)
- In most countries GDP (bbp) share has fallen (1995-2006)
- Rise in the UK! Because in '92 Thatcher resigned: 42.1 => 44.2

see table 5.3 (hieronder)

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

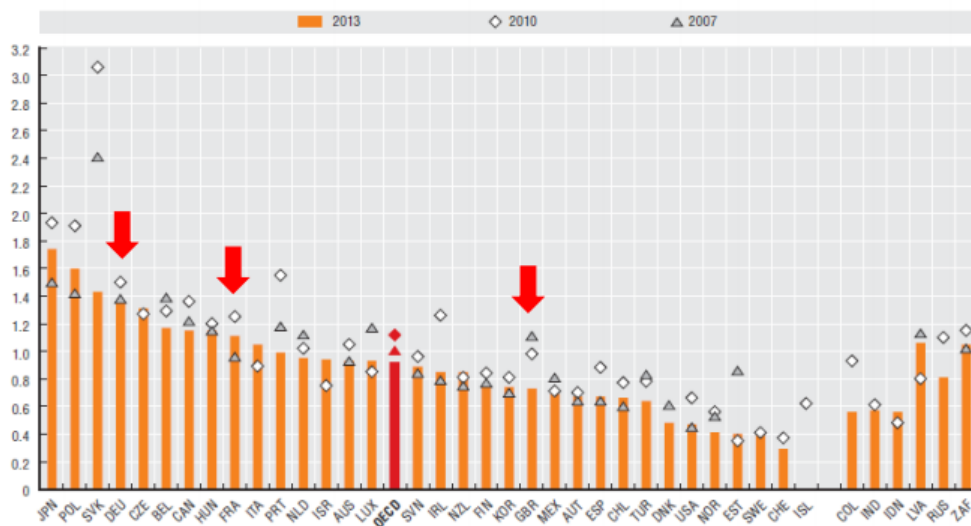
Note: The figures for 1980, 1985, and 1990 come from OECD (1992), *OECD Economic Outlook: Historical Statistics, 1960–1990*, Paris, OECD, but the figures for 1995 and 2006 are on a somewhat different basis and come from OECD (2009), *Government at a Glance 2009*, p. 53.

- 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

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
- ⇒ Zie grafiek = ratio van de belastingsadministratie kosten in vgl met belastingsinkomsten:
 - verschillen tussen landen: horizontaal = landen (!) rode pijlen = Duitsland, Frankrijk, UK
 - verticaal = ratio
 - Verschillen doorheen tijd: oranje balken (2013), witte driehoekjes (2010), zwarte driehoekjes (2007)

11.10. Ratio of tax administration costs as a share of tax revenues, 2007, 2010 and 2013



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Effectiveness (policy impact)

- Measures of country effectiveness: hard to find!
- **Healthcare: grafiek 11.11**
 - ⇒ Vertical: life expectancy at birth in years
 - ⇒ Horizontal: total health expenditure per person

11.11. Life expectancy at birth and total expenditure on health per capita, 2012

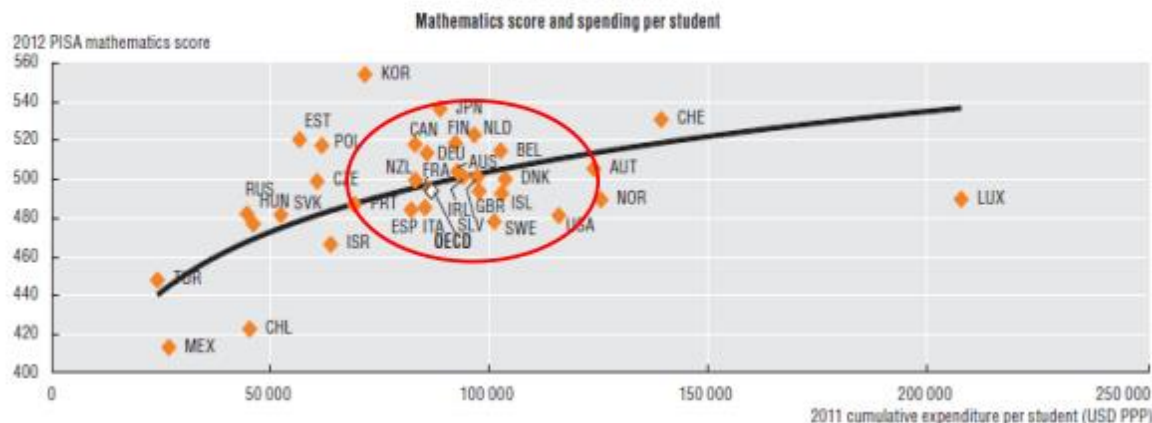


- ⇒ USA!! Life expectancy is low , it is not effective (a lot of money spend but life expectancy is low)
- ⇒ **But are these results of management reform or of policy changes, or of external circumstances? This is, again, the attribution problem**

- **Education: graph 11.12**

- ⇒ Vertical: PISA (programme for international student assessment => study!) mathematics score

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- ⇒ Horizontal: cumulative expenditure per student
- ⇒ Luxembourg low score but a lot of expenditure!
- ⇒ **But are these results of management reform or of policy changes, or of external circumstances? This is, again, the attribution problem**
- 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'

Citizen satisfaction & 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:

- ⇒ Confidence in civil service: no clear pattern (3 down = FI, FRA, NL and 3 up = GER? IT, SW)

- ⇒ Not an international collapse of confidence

- Eurobarometer:

- ⇒ Zie tabel ----->

- ⇒ Trust in civil service (up in most countries, down a little in FRA and NL)

- ⇒ Belgium dramatically up(explanation: first measure in Dutroux – period

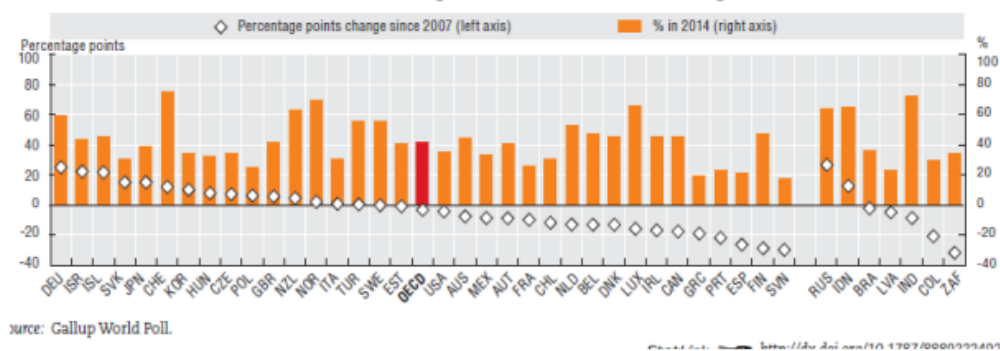
Table 5.9 Trust in the civil service (Eurobarometer surveys)

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

All figures (except dates) are percentages of respondents saying that they tended to trust their national civil service.

Source: Adapted from Van de Walle et al., 2008, p. 59, Table 2.

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



Vertical: landen

Horizontal: %

-Balken: procent
vertrouwen in OH in 2014-Ruitjes:
% verandering sinds 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

legal system in 2000 in
Belgium: dropped to 36.4 %
because of the Dutroux case
in 1996

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

France: declined a bit

Germany: risen

Great Britain: same

All figures are percentages of those expressing 'a great deal' or 'quite a lot' of confidence in their national civil service.

Source: Adapted from Van de Walle et al., 2008, p. 58, Table 1.

⇒ Conclusion: **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

EXAM:

Questions

- 2 open questions (2 * 5/20)
- 5 multiple choice questions (1 * 5/20)

Some questions EXAM last year

OPEN QUESTION (5 pt.) – During the last decades we have observed a lot of public sector reform world-wide. According to the model of Pollitt and Bouckaert, part of the explanation lies in socio-economic forces and in political forces. Please explain and illustrate both forces, and how these forces may lead to the decision to reform the public sector.

OPEN QUESTION (5 pt.) – Comparing politico-administrative regimes: Belgium and the UK are fundamentally different on some key features/variables of public administration regimes. Please illustrate by positioning both countries on these features/variables.

MULTIPLE CHOICE QUESTIONS

The 'ideal typical' state as defined in the rhetoric of Thatcher (UK) in the 1980's was:

- ☐ a participatory modernized state
- ☐ a marketized state
- ☐ a maintained state
- ☐ a neo-Weberian state

'Performance measurement is becoming more intensive' means:

- ☐ that more management functions are included in the measurement, for the purpose of informing specific decisions.
- ☐ that more governmental levels and policy fields are included in the measurement.
- ☐ that results of the measurement are used for both internal (organizational) and external (for the legislature, public, ...) purposes.

Multiple choice answers:

-Marketized

- that more mgmt. functions are included in the measurement, for the purpose of informing specific decisions

