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TOWARDS GOVERNMENT AT A GLANCE: DETAILED OUTLINE WITH IDENTIFICATION OF MAJOR THEMES AND INDICATORS

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TABLE OF CONTENTS

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EXECUTIVE SUMMARY

1. This is the third paper in preparation of the *Government at a Glance* publication which is planned for November 2009. *Government at a Glance* intend*s* to fill the current gap in evidence-based information on how public administration, the "machinery of government" works and how it contributes to the performance of governments. It aims to create the opportunity for governments to benchmark their existing public management practices, and, over the longer term, to assess the impact of those practices on their performance.

2. The first publication of Government at a Glance is proposed to be divided into thirteen chapters, feature 38 themes with 83 indicators.

3. This document contains a detailed outline of the proposed publication, identifying the major areas that *Government at a Glance* plans to cover with a brief reasoning for the inclusion of each theme and the selection of indicators. In addition, for each indicator we identify the year(s) and the number of countries that it covers and list the countries for which data is currently not available. For the themes and indicators that have not yet been described in detail in the previous two working papers - such as e-government indicators, some integrity indicators, and some composite indicators, more detailed information is provided.

4. As part of the indicator-set for *Government at a Glance* we are also proposing the cautious utilization of some descriptive composite indicators in narrowly defined areas. These composite indicators represent the best way of summarizing discreet, qualitative information on key aspects of public management practices such as openness of HRM systems. The suggested composite indicators adhere to the OECD guidelines for the development of composite indicators. Appendix 1 describes in detail the composite indicators in the HRM area.

5. We are seeking the Public Governance Committee's (PGC) agreement for the list of themes and indicators suggested for inclusion into *Government at a Glance*. The draft *Government at a Glance* containing all the data will be presented to PGC at its April, 2009 meeting.

6. This document was prepared by Zsuzsanna Lonti based on contributions from Elsa Pilichowski (production costs, employment and HRM practices), Ian Hawkesworth and Teresa Curristine (budget practices), Greg Bounds (regulatory management practices), Janos Bertok (integrity), Gwendolyn Carpenter and Jean Francios Laruste (e-government) and Joanna Caddy (open and inclusive government). Statistical support was provided by Laurent Nahmias. Useful comments were provided by members of the Steering Group to the project (see Appendix III on membership details), Knut Rexed, Wouter van Dooren (University of Antwerp), Joachim Wehner (London School of Economics) , Enrico Giovannini (OECD,

STD), Isabelle Joumard (OECD, ECO), Barry Anderson, (OECD, GOV) and Monica Brezzi (OECD, GOV).

1. MAJOR DESIGN FEATURES OF GOVERNMENT AT A GLANCE, 2009

7. Based on the decision of the PGC in October, 2007 the focus of Government *at a Glance* is on *public administration,* the so called *"machinery of government",* where evidence-based information is hard to come by and in line with the mandate of PGC. The various policy sectors, such as education, health care, law enforcement and transportation are examined in detail in other OECD publications and/ or by other organisations.

8. *Government at a Glance* in 2009 will contain the *best available data* adhering to the request of the member countries that new data collection be minimized. Given the focus on public administration and the PGC's decision to minimize new data collection, most of the data is about inputs and processes, while output and outcome measures are in this first edition still largely absent. This is also partly due to the difficulty of identifying meaningful output and outcome indicators for public administration. Member countries are in different stages in the development of their own output and outcome indicators for the public sector. However, outputs and outcomes are more readily identifiable and measurable in the various policy sectors, such as number of students taught or student achievement in the case of the education sector. There are also differences of opinion on whether outputs and outcomes could meaningfully be defined for the "machinery of government", or whether indicator development in this area should focus on the quality dimensions of the various public administrations process indicators. These will therefore be challenges for future editions of *Government at a Glance.*

9. The first publication is proposed to contain thirteen chapters organized around 39 major themes with approximately 82 indicators. The theoretical underpinning of *Government at Glance* is the input - process - output - outcome model[1] that over time will allow the investigation into the efficiency and effectiveness of public management practices. It also utilizes the *Building Blocks* framework which facilitates the use of data for benchmarking in country reviews, thematic reviews as well as in the accession process that follows the same framework, and dealing with the enhanced engagement countries and other non-member countries.

10. An introductory chapter will describe the major objectives of the publication, its significance and will briefly enumerate the challenges in measuring government activities and performance. It is proposed that each edition of the publication include a *feature topic* that covers a subject area that has special policy relevance in the field of public administration and where significant advances in measurement have been achieved. It is suggested that in 2009 the feature topic should showcase and analyze the differences in the

1 . The theoretical basis for the selection of themes and indicators have been based on the work carried out as part of the preparations for GaaG, including OECD Working Papers on Public Governance 2007/1 "Towards Better Measurement of Government", Working Paper 2 "Towards Government at a Glance: Identification of Core Data and Issues related to Public Sector Efficiency" as well as the four accompanying technical papers on the subject.

production costs of public services in OECD member countries. This area has special importance at a time when less and less public services are provided directly by government employees and are outsourced but still paid from the government purse and governments ask the question whether these approaches provide value for money.

11. As an introduction to comparing different countries, we focus on the *context* in which governments operate, describing in one chapter the political and administrative structures of member states. Regarding *inputs*, there are separate chapters on government revenues; government expenditures; and employment in the public domain. *Processes* are represented by chapters on budget practices; human resources management practices; regulatory management practices; integrity; e-government; and open and inclusive policy making.

12. Each chapter will include an introductory page that explains the importance of the area, the main principles for themes and indicator selection for the chapter and some general methodological issues. This is followed by the presentation of the key themes and indicators, each amounting to two pages: one page of text describing the theme and indicators, its importance and a short description and analysis of the data with a separate box describing the methodology of data collection. The second page will contain figures/graphs/tables depicting the indicator(s) for the member countries. This structure follows the established pattern in other … at Glance publications of the OECD. A camera-ready example of the theme "employment in the public domain" is presented in this format in Appendix 2 of this paper.

13. Most of the data planned for this publication has already been collected by the OECD, but in areas where OECD data does not exist, and after careful quality consideration, other data sources will be suggested such as revenue data from the IMF, e-government indicators from Eurostat, European Commission, and corruption indicators from the World Economic Forum. Information on public management practices are collected by several, separate survey instruments developed by the Public Governance and Territorial Government Directorate, e.g. the Budget Practices Survey, the Strategic HRM Survey, the Regulatory Management Survey, that were carried out in different years and due to some non-response issues they may not provide data for all OECD member countries for all selected indicators. The publication will also include a detailed methodological Appendix.

Outline of Government at a Glance 1

Contents of GaaG 1	Countries available	Date	Countries missing	Data Source
Chapters : 13- Themes: 38 - indicators 83				
Chapter II. Feature topic : Production costs and compensation costs				
II.1. Production costs 1995 & 2005				
II.1.1. Indicative production costs in the public domain as % of GDP	27	2005	Australia, Switzerland & Turkey	OECD - National Accounts
II.1.2. Comparison of indicative production costs in the public domain as % of GDP , 1995 & 2005	22	2005 & 1995	Australia, Greece, Hungary, Iceland, Japan, Portugal, Switzerland & Turkey	OECD - National Accounts
II.1.3. Compensation costs of employees as a % of GDP and a % of total government expenditures	27	2005	Australia, Switzerland & Turkey	OECD - National Accounts
II.1.4. Intermediate consumption as a % of GDP and a % of total government expenditures	27	2005	Australia, Switzerland & Turkey	OECD - National Accounts
II.1.5. Social transfers in kind via market producers as a % of GDP and a % of total government expenditures	29	2005	Switzerland & Turkey	OECD - National Accounts
II.2 Comparison of compensation costs in the public sector to the whole economy				
II.2. 1 Compensation costs : ratio of compensation costs per employee between general government and salaried employment in the whole economy	8	2005	Australia, Austria, Canada, Czech Republic, Denmark, Greece, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, Netherlands, New Zealand, Poland, Portugal, Slovak Republic, South Korea, Switzerland, Turkey & UK	OECD - National Accounts
Chapter III. Contextual factors				
III.1 Public sector core values				
III.1.1 The 10 most frequently stated core public values in OECD countries , 2000 and 2008	**Work in progress**	2000 & 2008		**Work in progress**

III.1.2 Communicating values in OECD countries, 2000 & 2008	**Work in progress**	2000 & 2008		**Work in progress**
III. 2. Electoral systems and coalition governments				
III.2.1 Bicameral system and elected Upper House	30	2007	-	Government Websites
III.2.2 Election system for Lower House and number of political parties represented	30	2007	-	Government Websites
III.2.3 Frequency of coalition governments	26	2007	-	Government Websites
III.2.4 Frequency of elections	30	2007	-	Government Websites
III.3 Other political and institutional features				
III.3.1 Executive power	**Work in progress**			**Work in progress**
III.3.2 Existence of term limits for Presidents	30	2007	-	Government Websites
III.3.3 Ease of constitutional amendments	**Work in progress**			**Work in progress**
III.3.4 Institution of judicial review systems	**Work in progress**			**Work in progress**
III.4 Administrative structures				
III. 4.1. State structure	30	2007	-	Government Websites
III. 4.2. Number of departments and agencies	30	2007	-	Government Websites
III. 4.3. Number of ministers	30	2007	-	Government Websites

III.4.4 Centre of government structures	30	2007	-	Government Websites
Chapter IV. General government revenues				
IV.1. General government revenues				
IV.1.1 General government revenues as % of GDP	28	2005	Korea & Turkey	OECD/IMF
IV.1.2 Comparison of general government revenues as % of GDP, 2000 & 2005	25	2005 & 2000	Korea, Mexico, New-Zealand, Slovak Republic & Turkey	OECD/IMF
IV.2. Structure of general government revenues				
IV.2.1 General government revenue structure (taxes, social contributions, grants)	28	2005	Korea & Turkey	OECD/IMF
IV.2.2. Changes in general government revenues structure 2000 & 2005	25	2005 & 2000	Korea, Mexico, New-Zealand, Slovak Republic & Turkey	OECD/IMF
IV.3. Revenue structure by levels of government				
IV.3.1 General government revenue structure by levels of government	28	2005	Central gvnt: Japan & Turkey Local gvnt: Korea, Turkey & USA	OECD/IMF
Chapter V. Expenditures				
V.1.General government expenditures				
V.1.1 General government expenditures as % of GDP, 1995 & 2006	26	2006 & 1995	Australia, Mexico, Switzerland & Turkey	OECD - National Accounts
V.1.2 Government expenditures per capita, 1995 & 2006	26	2006 & 1995	Australia, Mexico, Switzerland & Turkey	OECD - National Accounts
V.2. Functional structure of general government expenditures (COFOG Level 1) (1995 & 2006)				
V.2.1 General government expenditures by function (COFOG)	26	2005	Australia, Mexico, Switzerland & Turkey	OECD - National Accounts
V.2.2. Comparison of general government expenditures by function (COFOG) (1995, 2005)	26	2005 & 1995	Australia, Mexico, Switzerland & Turkey	OECD - National Accounts
V.3. General government expenditures by COFOG Special				
V. 3.1 Structure of government expenditures by collective and individual goods	10	2005	Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Japan, Luxembourg, Mexico, Netherlands, New Zealand, Slovak Republic, South Korea, Switzerland, Turkey & USA	OECD - GOV

V.3.2 Structure of government expenditures by collective and individual goods as % of GDP	10	2005	Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Japan, Luxembourg, Mexico, Netherlands, New Zealand, Slovak Republic, South Korea, Switzerland, Turkey & USA	OECD - GOV
V.3.3 .Structure of government expenditures by cash and in kind	10	2005	Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Japan, Luxembourg, Mexico, Netherlands, New Zealand, Slovak Republic, South Korea, Switzerland, Turkey & USA	OECD - GOV
V.3.4 Structure of government expenditures by cash and in kind as % of GDP	10	2005	Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Iceland, Ireland, Japan, Luxembourg, Mexico, Netherlands, New Zealand, Slovak Republic, South Korea, Switzerland, Turkey & USA	OECD - GOV
V.4. General government expenditures by levels of government				
V.4.1. Structure of central government expenditure by function	25	2005	Australia, Japan, Mexico, Switzerland & Turkey	OECD - National Accounts
V.4.2. Structure of state government expenditure by function	6	2005	Australia, Mexico & Switzerland	OECD - National Accounts
V.4.3. Structure of local government expenditure by function	24	2005	Australia, Japan, Mexico, Switzerland, Turkey & USA	OECD - National Accounts
Chapter VI. Employment in the public domain				
VI.1. Employment in general government				
VI.1.1. Employment in general government as % of labour force	21	2005	Czech Republic, Denmark, Greece, Iceland, Ireland, Italy, Luxembourg, New-Zealand & UK	OECD - GOV
VI.1.2. Comparison of employment in general government as % of labour force	13	2005 & 1995	Czech Republic, Denmark, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, New-Zealand, Norway, Poland, Slovak Republic, UK & USA	OECD - GOV
VI.1.3. Employment in general government and public corps as % of labour force	14	2005	Czech Republic, Denmark, Greece, Hungary, Iceland, Ireland, Italy, Luxembourg, New-Zealand, Norway, Poland, Portugal, Slovak Republic, Switzerland & UK	OECD - GOV
VI.1.4. Comparison of employment in general government and public corps as % of labour force	8	2005 & 1995	Austria, Belgium, Czech Republic, Denmark, Finland, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, New Zealand, Norway, Poland, Portugal, Slovak Republic, Switzerland, UK & USA	OECD - GOV
VI.2. Decentralization of employment				

VI.2.1. Employment in general government by level of government	17	2005	Czech Republic, Denmark, Greece, Iceland, Ireland, Italy, Luxembourg, Mexico, New Zealand, Poland, Slovak Republic, Switzerland & UK	OECD - GOV
VI.2.2. Comparison of the number of employees at national/federal level as a proportion of total employment in general government 1995 & 2005	14	2005 & 1995	Czech Republic, Denmark, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, Mexico, New-Zealand, Poland, Slovak Republic, Switzerland, UK & USA	OECD - GOV
Chapter VII. Workforce characteristics of the national civil service				
VII.1. Participation of women				
V II.1.1 Representation of women in the civil service at the national /federal level in 1995 & 2005	17	2005 & 1995	Australia, Canada, Czech Republic, Denmark, France, Greece, Hungary, Luxembourg, Mexico, Slovak Republic, Spain, Sweden & Turkey	OECD - GOV
VII.1.2 Representation of women in senior positions in the civil service at the national /federal level in selected OECD countries	11	2005	Australia, Austria, Canada, Czech Republic, Denmark, France, Germany, Greece, Hungary, Iceland, Italy, Luxembourg, Poland, Slovak Republic, South Korea, Spain, Sweden, Turkey & UK	OECD - GOV
VII.1.3 Representation of women in administrative tasks in the civil service at the national /federal level in selected OECD countries	10	2005	Australia, Austria, Canada, Czech Republic, Denmark, France, Germany, Greece, Hungary, Iceland, Italy, Luxembourg, Norway, Poland, Slovak Republic, Spain, Switzerland, Sweden, Turkey & USA	OECD - GOV
VII.2. Ageing workforce				
VII.2.1 Proportion of workers above 50 in the civil service at the national/federal level in 1995 & 2005	15	2005 & 1995	Belgium, Canada, Czech Republic, Denmark, Greece, Hungary, Italy, Luxembourg, Mexico, New-Zealand, Poland, Slovak Republic, Spain, Switzerland & Turkey	OECD - GOV
VII.2.2 Proportion of workers above 50 in the civil service at the national/federal level and the wider labour force in 2005	20	2005	Canada, Czech Republic, Denmark, Greece, Italy, New-Zealand, Poland, Slovak Republic, Spain & Turkey	OECD - GOV
Chapter VIII. Human resources management practices in central government				
VIII.1 Delegation of management in public services				
VIII.1.1 Index of delegation of management in public services (composite indicator)	29	2006	*Greece*	OECD - GOV
VIII.2 Openness in HRM system				
VIII.2.1 Index of openness in HRM system (composite indicator)	26	2006	*Canada, Czech Republic, Greece & Spain*	OECD - GOV
VIII.3 Performance related HRM practices				
VIII.3.1 Index of performance assessment in HRM (composite indicator)	22	2006	Canada, Czech Republic, Greece, Luxembourg, Norway, Slovak Republic, Switzerland & Turkey	OECD - GOV

VIII.3.2 Index of performance related pay at central government level (composite indicator)	26	2006	Belgium, Greece, New-Zealand & Turkey	OECD - GOV
VIII.4 Senior civil service				
VIII.4.1 Index on the intensity of separated group management for senior civil servants (composite indicator)	26	2006	Belgium, Greece, New-Zealand & Turkey	OECD - GOV
Chapter IX. Budget procedures				
IX. 1.Fiscal discipline				
IX.1 Multi-year expenditure estimates and targets/ceilings	30	2006	-	OECD - GOV
IX.1.2 Top-down budgeting techniques	30	2006	-	OECD - GOV
IX.1.3. Internal charging	30	2006	-	OECD - GOV
IX.2. Executive flexibility				
IX.2.1 Index on executive flexibility (composite indicator)	**Work in progress**	2006		OECD - GOV
IX.3. Budget transparency				
IX. 3 .1 Index on budget transparency (composite indicator)	**Work in progress**	2006		OECD - GOV
IX.4. Medium-term framework				
IX.4. 1 Index on medium-term framework (composite indicator)	**Work in progress**	2006		OECD - GOV
IX.5. Performance budgeting				
IX.5. 1Index on performance budgeting (composite indicator)	**Work in progress**	2006		OECD - GOV
Chapter X. Regulatory management				
X.1.Regulatory Impact Analysis				
X. .1.1 Uptake of overall RIA processes (composite indicator)	30	2005	-	OECD - GOV
X.1.2. Explicit RIA processes (composite indicator)	30	2005	-	OECD - GOV
X.1.3. Extent of RIA processes (composite indicator)	30	2005	-	OECD - GOV
X.2.Regulatory simplification				

X.2.1. Reduction and control of administrative burdens (composite indicator)	30	2005 & 1998	-	OECD - GOV
X.3. Transparency				
X.3.1. Quality of consultation processes (composite indicator)	30	2005	-	OECD - GOV
X.3.2. Quality of consultation processes - comparison between 1998 & 2005 (composite indicator)	30	2005 & 1998	-	OECD - GOV
Chapter XI. Integrity				
XI.1. Conflict of Interest - disclosure of financial interests by decision makers				
XI.1.1 Scope of disclosure	**Work in progress**	2008, 2003 & 2000	-	OECD - GOV
XI. 1. 2 Level of transparency	**Work in progress**	2008, 2003 & 2000	-	OECD - GOV
XI. 2. Whistle-blowing/ Public interest disclosure				
X.I. 2.1 Procedures for whistle-blowing/public interest disclosure	**Work in progress**	2008 & 2000		OECD - GOV
X.I. 2.1 Protection of whistleblowers	**Work in progress**	2008 & 2000		OECD - GOV
XI. 3. Preventing Corruption				
XI .3.1 Government activities vulnerable to corruption	30	2006	-	World Economic Forum
XI.3.2 Size of public procurement markets	28	2006 & 2002	Luxembourg & Mexico	OECD - GOV / Eurostat
XI. 3.3 Competitive tendering	**Work in progress**			**Work in progress**
XI.3.4 Irregular payments in awarding public contracts	30	2008 & 2006	-	World Economic Forum
Chapter XII. e-government				
XII.1 E-government readiness			-	
XII. 1 .1 E-government readiness (composite indicator)	30	2008 & 2003		United-Nations

XII.2 E-Government service Maturity				
XII. 2.1. E-Government Service Sophistication (composite indicator)	23	2007	Australia, Canada, Japan, South Korea, Mexico, New Zealand, United States	European Commission
XII .2.2 Full-Online availability (composite indicator)	23	2007 & earliest year available	Australia, Canada, Japan, South Korea, Mexico, New Zealand, United States	European Commission
XII.3 User Centricity				
XII. 3 .1 User Centricity (composite indicator)	22	2006	Australia, Canada, Japan, South Korea, Mexico, New Zealand, United States	European Commission
XII.4 Uptake of E-Government Services				
XII .4.1. Uptake of e-government services for citizens	23	2007 & earliest year available	Australia, Canada, Japan, South Korea, Mexico, New Zealand, United States	Eurostat
XII. 4.2. Uptake of e-government services for businesses	23	2007 & earliest year available	Australia, Canada, Japan, South Korea, Mexico, New Zealand, United States	Eurostat
XII. 43. Broadband Penetration & E-Government Take-Up by Citizens	23	2007 & 2002	Australia, Canada, Japan, South Korea, Mexico, New Zealand, United States	OECD - STI / Eurostat
Chapter XIII. Open and inclusive policy making				
XIII.1 Open government legislation				
XIII.1.1. Overview of current legislation and institutions for open government	**Work in progress**	2008 & 2004		OECD - GOV

2. CONTENTS OF GOVERNMENT AT A GLANCE

CHAPTER 1. INTRODUCTION

14. The introductory chapter will describe the strategic objectives of the publication and will situate it among other "….at a Glance" publications of the OECD as well as other public sector management data sources. It will also contain a short summary of the history of data collection efforts in the public administration area by the OECD and a discussion of the challenges faced in developing reliable and stable comparative public sector data over time and other measurement issues. In addition, it will briefly summarize the major public sector reform trends in OECD member countries - namely openness, the increase in managerial discretion, performance orientation, and the rise in contracting out - and indicate how they are reflected in various chapters of the publication.

CHAPTER II. FEATURE TOPIC: PRODUCTION COSTS IN THE PUBLIC DOMAIN

15. The feature topic chapter focuses attention on an area that has special policy relevance and/or where significant advances in measurement have been achieved. This area is discussed in more detail and in greater depth than other topics in the publication.

16. The major reason for suggesting production costs as the feature topic is that the high level and increase of the outsourcing and privatisation of public services in many member countries make it necessary to measure all the costs associated with the production of goods and services funded by government, not just the obvious direct compensation costs.

17. The methodology followed in this chapter has been developed recently in the Public Governance and Territorial Development Directorate and is built on the System of National Accounts (SNA) and uses OECD general government expenditures data. Data is available for 1995 and 2005.

18. *The production costs of goods and services in the public domain* include: (a) compensation costs of general government employees, (b) intermediate consumption (procurement of intermediate products required for public production), and (c) direct or indirect social transfers from general government to private economic actors in exchange for goods and services to citizens and households. In theory, fees and sales to users by concessions of legal monopolies that are not refunded to users by government should also be counted as well as transfers to (quasi) public companies. Gross fixed capital formation costs have been excluded from the definition of production costs because its inclusion would make international comparisons more difficult.

19. The public *domain* includes (1) the general government, (2) the private sector that produces goods and services that are funded directly or indirectly by General Government, (3) (quasi) public enterprises and (4) concessions to legal monopolies. General government includes central government, states, local government and the social security sector and comprises government units as well as privately owned units that are controlled be government and largely funded by government. [2]

20. Indicators planned to be included:

II.1 Production costs 1995, 2005

(1) Indicative production costs in the public domain as % of GDP, 2005
(2) Comparison of indicative production costs in the public domain as % of GDP 1995, 2005
(3) Compensation costs of employees as % of GDP and as % of total government expenditures2005
(4) Intermediate consumption as % of GDP and as % of total government expenditures 2005
(5) Social transfers in kind via market producers as % of GDP and as % of total government expenditures 1995, 2005.

21. These indicators show the total production costs of services funded by general government. In addition they also indicate the choices of governments in terms of whether they use government employees to produce goods and deliver public services or whether they contract out production and service delivery. Finally, they illustrate how governments approach in this regard has changed between 1995 and 2005. When country data is missing it is because it is unavailable from the Statement of National Accounts (SNA).

II.2 Comparison of compensation costs in the public sector and in the whole economy

(1) Ratio of compensation costs per employee between general government and salaried employment in the whole economy, 2005

22. What public sector employees are paid in comparison to all employees is a hot topic in every member country. This indicator, although complex to interpret, provides this information and demonstrates how member countries differ in this regard. However, in order to draw firm conclusions on whether public sector employees are overpaid or underpaid, more detailed data will be necessary on the differences in the characteristics of employees in the public sector compared to the whole economy, such as education level, occupational distribution, age, gender etc. Data is missing due to its unavailability in the SNA.

23. Starting with Chapter III, we are following context – inputs – processes logic in ordering of the contents of *Government at a Glance.*

[2] The data provided will only present an indication of the production costs in the public domain. Indeed, (b) and (c) are only a proxy for -(2)-the private sector that produces goods and services that are funded directly or indirectly by General Government. In addition, because the data is not available, fees and sales to users by concessions of legal monopolies that are not refunded to users by government are not counted, nor are transfers from General Government to (quasi) public companies. Finally, (quasi) public corporations are not included. However, an indication of the size of the sector of (quasi) public companies can be provided by data collected by GOV on employment in Government.

CHAPTER III. CONTEXTUAL FACTORS

24. This chapter includes information on public sector values and major institutional features - including both the political institutions and administrative structures - of OECD governments, providing the contextual framework for understanding how the "machinery of government" works in each member country.

25. The information has been collected from readily available secondary sources and is for 2008, with the exception of Centres of Government information which has been collected by the Public Governance and Territorial Development Directorate.

26. Themes and indicators suggested for inclusion are:

III.1 Public sector core values

(1) The 10 most frequently stated core public values in OECD countries, 2000 and 2008
(2) Communicating values in OECD countries, 2000 and 2008

27. Ethical values form the foundation of the public service. Values guide judgment about what is good and improper in serving the public interest. Values stated in public documents provide the basis for an environment where citizens know about the mission and vision of public sector organisations and they also give overall guidance for daily public service operations. The information on core values has been collected by a survey instrument developed by the Public Governance and Territorial Development Directorate and represents the opinions of public officials responsible for integrity issues in national governments.

III.2 Electoral systems and coalition governments

(1) Existence of bicameral system and elected Upper House
(2) Type of election system for Lower House and Upper House (electoral formula) and no. of political parties represented
(3) Frequency of elections
(4) Frequency of coalition governments

III.3 Other political and institutional features

(1) Executive power (parliamentary, dual executive, presidential)
(2) Existence of term limits for presidents or prime ministers
(3) Ease of constitutional amendments
(4) Institution of judicial review systems

28. Political institutions are fundamental to the proper functioning of democracy. This is reflected for example in the indicators on the election system, executive power, constitutional amendments and the judicial review system. They also affect the way a country's bureaucratic system works. For example, the frequency of elections and the existence of term limits both influence the behaviour of governments, determining the amount of time available for the design and implementation of policies and new management practices. In the same vein coalition governments need to work on a more consensual basis and may be more limited in their choices for action than single party majorities. The political and

administrative institutional structures also have a large influence on the nature of public sector reforms and their success; consequently they are instrumental for the political economy of reforms.

III.4 Administrative structures

(1*) State structure: federal or unitary, number of administrative levels*
(2) Number of departments and agencies at national level
(3) Number of ministers at national level, hierarchy of ministers
(4) Centres of government

29. The way that governments are structured, the division of responsibilities horizontally between-department and agencies - and vertically – across levels of governments – forms the institutional basis of the functioning of public administration. While the structure of the state is primarily determined by historical developments, whether it is federal or unitary has profound consequences on how governments function, including their effectiveness and efficiency.

CHAPTER IV. GENERAL GOVERNMENT REVENUES

30. Revenue data is sourced from the IMF, as it is the only institution that has revenue data that is consistent with the tax revenue data and reasonably consistent with the National Accounts. GDP data is sourced from OECD members *System of National Accounts***.** When country data is missing it is due to unavailability from the IMF or the SNA.

31. Suggested indicators are the following:

IV.1 General Government revenues

(1) General government revenues as % of GDP, 2005
(2) Comparison of general government revenues as % of GDP 1995, 2005

32. General government revenue data as % of GDP shows the redistributive choices of governments which, in the long run, also limits government spending. Across-country differences reflect policy alternatives regarding the role of the state.

IV.2 Structure of General Government revenues as % of GDP

(1) General government revenue structure, 2005
(2) Comparison of general government revenue structure, 2000, 2005

33. The structure of general government revenues differentiates between revenues raised by (1) taxes; (2) social contributions; (3) grants and other revenues.

IV.3 Revenues structure by levels of government

(1) Structure of general government revenues by levels of government, 2005

34. Levels of government consist of central, state and local governments, according to the classification of the *Statement of National Accounts*. Decentralization is generally shown to increase efficiency and effectiveness of public service provision. However, for decentralization to work the financial means need to be provided in order to allow local delivery of services. This indicator shows national differences in the provision of revenues for various levels of government. It also reflects how much independence various levels of governments in different member countries have in raising their own revenues.

CHAPTER V. GENERAL GOVERNMENT EXPENDITURES

35. Expenditure data is based on the OECD's *System of National Accounts* data (Source: OECD.stat). Country data is missing due to its unavailability from the SNA.

36. The following themes/indicators are suggested for inclusion:

V.1 General Government expenditures as % of GDP

(1*) General government expenditures as % of GDP 1995, 2006*

(2) General government expenditures per capita, 1995 and 2006

37. This indicators shows how much of the annual GDP governments spend and how that has changed over time.

V.2 Functional structure of General Government expenditures (COFOG Level 1)

(1) General government expenditures by function, 2005
(2) Comparison of general government expenditures by function, 1995 and 2005

38. General government expenditure is shown for the ten, COFOG Level 1 functions: (1) general public services; (2) public order and safety; (3) environment protection; (4) health; (5) education; (6) defence; (7) economic affairs; (8) housing and community affairs; (9) recreation, culture and religion; and (10) social protection.

V.3 General Government expenditures by COFOG Special 2005

(1) Structure of government expenditures by collective and individual goods
(2) Structure of government expenditures by collective and individual goods as % of GDP
(3) Structure of government expenditures by cash and in kind
(4) Structure of government expenditures by cash and in kind as % of GDP

39. The use of second level COFOG data with some special modifications (COFOG Special) that was developed by the Public Governance and Territorial Development Directorate allows to differentiate between expenditures on individual and collective goods, as well as between transfers in cash and in kind. The second level COFOG data is currently available for only 10 European member states through Eurostat.

V.4 General Government expenditures by levels of government, 2005

(1) Structure of central government expenditure by function
(2) Structure of state government expenditure by function
(3) Structure of local government expenditure by function

40. The divisions in spending power across levels of government are reflected in this indicator. It shows that decentralization of tasks and competencies to local governments follow different paths in OECD countries.

CHAPTER VI. EMPLOYMENT IN GENERAL GOVERNMENT AND PUBLIC CORPORATIONS

41. Labour is the most important input in the public sector production process and the size of public sector employment is always of special interest. Employment data has been collected by the survey - Comparison of Employment in the Public Domain (CEPD) – developed in the Public Governance and Territorial Development Directorate through its Public Employment and Management Working party (PEMWP). Data proposed for this section has already been published in GOV/PGC/PEM When country data is missing it is either because it was not provided by the country or because it has been deemed inconsistent with other responses.

Indicators suggested are:

VI.1. Employment in general government and public corporations

(1) Employment in general government as % of the labour force, 2005
(2) Comparison of employment in general government as % of the labour force 1995, 2005
(3) Employment levels in general government and public corporation as a % labour force 2005,
(4) Comparison of employment in general government and public corporations as % of the labour force, 1995, 2005

42. Linkages are often made between data on public sector employment, and the size and influence of government in the economy and society. These indicators measure employment in the part of public domain that is constituted by government -owned units and non-market, non-profit institutions financed and controlled by government as per the definition of the SNA. Regarding the SNA, General Government includes core ministries, departments and agencies, non market publicly owned hospitals, public schools, social security organizations etc. It includes all levels of government including regions, provinces and municipalities. The indicators also separate employment in publicly- owned and non-publicly owned units. In addition, one indicator shows employment in public corporations, according to the SNA.

VI.2 Decentralization of employment in General Government

(1) Employment in general government by levels of government, 1995& 2005
(2) Comparison of the number of employees in national/federal government as a portion of total employment in general government, 1995, 2005

43. This indicator shows the distribution of employment in general government between national and sub -national levels of government and illustrates how the share of federal /national government in general government is changing over time.

CHAPTER VII. WORKFORCE CHARACTERISTICS OF THE NATIONAL CIVIL SERVICE

44. Data on some basic characteristics of the workforce has been collected by the Strategic Human Resources Management in Government Survey, which was designed by the Public Governance and Territorial Development Directorate through its Public Employment and Management Working Party (PEMWP). Results have already been published in GOV/PEM/(2008)4/FINAL and in the book entitled Ageing and the Public Service (published by the OECD in 2007).

VII.1 Participation of women in the civil service at the national/federal level

(1) Representation of women in the civil service at the national/federal l level 2005, 1995
(2) Representation of women in senior positions in the civil service at the national/federal level 2005,
(3) Representation of women in administrative tasks in the civil service at the national/federal level 2005

45. Most countries recognize that increasing the participation of women in the public service is desirable for equity purposes. It also makes economic sense as many member countries face labour shortages and a big share of potential new entrants to the labour market is women. An analysis of data on

women's representation allows an insight into whether gender equity problems are at entry level or in career development and how different they are depending on the level of responsibilities.

VII.2 Aging workforce at the national level

(1) Representation of workers above 50 in the civil service at the national/federal level 2005, 1995
(2) Representation of workers above 50 in the civil service at the national/federal level compared to the labour force. 2005

46. While the public sector must respond to the changing demands of an aging society, in many member states public servants themselves are aging. This creates both opportunities and challenges for human resource management in government: it allows employment of staff with new skills, yet, at the same time, leads to a significant loss of institutional memory. The increased ratio of retirees also poses special financial challenges. The indicator on the representation of workers above 50 in the national civil service measures the aging process of the civil service and compares it to general aging trends in the labour force.

CHAPTER VIII. HUMAN RESOURCES MANAGEMENT PRACTICES IN CENTRAL GOVERNMENT

47. How labour is managed is key to the functioning of the public sector. Data related to human resource management practices includes the core public service in the national/federal level of governments and has been collected by a special survey instrument developed by the Public Governance and Territorial Development Directorate, through its Public Employment and Management Working Party (PEMWP) entitled the Strategic Human Resources Management in Government Survey. The data refers to 2005. They have been discussed on multiple occasions with PEMWP members and have been published in GOV/PGC?PEM (2008) 4/ FINAL.

48. The survey collected a wide range of data on the characteristics of the workforce and numerous aspects of HRM practices. We suggest that the information on HRM practices be grouped around major public sector HRM themes, namely (1) extent of delegation of HRM responsibilities from a central HRM body to line ministries, /departments/agencies; (2) openness in recruitment; (3) use of performance assessment; (4) use of performance–related pay practices and (5) senior civil service arrangements. The technical details on how these indicators have been created are described in more detail in the chapter on composite indicators and in Appendix 1. Here the significance of the concepts that the indicators represent is explained. Missing country responses are either due to country non-provision of data or inconsistency with other responses.

49. Suggested themes and indicators are:

VIII.1 Delegation in Human Resources Management

(*1) Index of delegation in Human Resources Management* **-(** *composite indicator)*

50. Most OECD countries have moved towards a more decentralized model of HRM. One of the features of this reform is the transfer of responsibilities for the management of human resources to line ministries, departments and/or agencies. In other words, delegation refers to the transfer of responsibilities regarding the implementation of HRM principles to line ministries/departments/agencies, defined by the

central HRM body. This has meant a change in the role of the central HRM body which is now focused on policy formulation and line ministries on policy implementation.

51. The extent of delegated authority over human resource management varies across OECD countries, and sometimes even across government bodies within the same country. There is thus no single model or common standard. It is also important to note, however, that a highly delegated system is not necessarily in itself more efficient or effective than a more centralized system. This index gathers data on delegation of establishment, compensation levels, position classification, recruitment and dismissals- , conditions of employment, and the actual impact on conditions of employment.

VIII.2 Openness in recruitment

(1) Index on openness in recruitment _- composite indicator)

52. The index indicates the level of openness of the recruitment process in central government, and more particularly its openness to applicants coming from outside the public service at all levels of the organisation. The openness index focuses on the possibilities individuals have to become part of the civil service throughout their careers. The modalities of entry into the public service vary from country to country and depend on the type of civil service system adopted. Whereas in career-based systems entry is based relatively more on academic credentials and formal group examination with limited possibilities for entering at mid-career level, in position-based systems access is more open, procedures tend to be more diversified and lateral entry is more common. However, in the OECD area there is no explicit example of either system since there is a tendency to adopt processes from both systems depending on the positions.

53. A system based on selection by competition early on in the public servants' career (and managed as a group throughout their careers) with no posts open to external recruitment corresponds to a low degree of openness of recruitment in the public service. By contrast, a system with direct application to a specific post and interview (with minimum degree requirement) and with most posts open to both internal and external applicants ranks high on the index. The composite includes measures regarding the rules of becoming a public servant in general, a system of appointment at entry level, a system for post allocation and recruitment of senior civil servants.

VIII.3 Performance related HRM practices

(1) Index on performance assessment in HRM (composite indicator)
(2) Index on performance related pay practices (composite indicator)

54. The institutionalisation of performance assessment in the public sector contributes to the development of public servants' careers. Assessing performance constitutes an important motivator as it allows rewarding 'good' performance under a more objective and fair perspective, recognising both individual and collective efforts. At the same time, performance assessments are also a recognised way of making the goals of the organisation clearer to staff, valuing their contribution and linking their roles to the objectives of the organisation, and helping implement changes in an organisation. The performance assessment index includes their use in career advancement, remuneration, and at contract renewal.

55. In recent years, the use of performance-related pay (PRP) has been more widely accepted as a management tool to increase individual and team rewards for good performance. Performance assessment is a form of individualization of HRM. Performance is assessed individually or collectively (teams or groups) to define increases in salary or amounts of bonuses. The index indicates the extent to which performance related pay is used both in terms of the range of public employees to whom performance related pay applies and the maximum proportion of base pay performance related pay may represent.

VIII.4 Senior civil service

(1) Index on the intensity of separated group management for senior civil servants–(composite indicator)

56. There is a growing tendency in OECD countries to have specific management practices for the senior members of the public service with growing leadership expectations put on this group. Senior civil servants determine the general principles to improve government's efficiency and effectives. The establishment of a senior civil service – which is becoming part of the new civil service arrangements in terms of HRM – is in line with individualisation and a performance-oriented culture in the civil service as a whole.

57. The index shows the level of institutionalisation of specific HRM practices that apply to the group of senior managers in OECD countries. It is based on data about the existence of a separate group of senior managers, the identification of future leaders early in careers, their recruitment process, the existence of a defined set of skills, the special emphasis put on the management of their performance, and the term of their appointment.

CHAPTER IX. BUDGET PRACTICES

58. The budgetary practices and procedures chapter is divided into six main themes: fiscal discipline, executive flexibility, budget transparency, medium-term expenditure framework; performance budgeting and fiscal stability. In recent years, trends in public sector reform in OECD countries have put the emphasis on improvement of public performance in terms of efficiency and productivity and these key issues have been identified by academics as well as policy-makers as some of the main drivers of change.

59. The data is based on the OECD Survey of Budgetary Practices and Procedures, which was collected by OECD's Budgeting and Public Expenditures Division in 2007. However, the composite indicators suggested below are currently being developed using the Survey data by others in the OECD.

60. Themes and indicators suggested are:

IX.1 Fiscal discipline

(1) Multi-year expenditure estimates and targets/ceilings
(2) Top-down budgeting techniques
(3) Internal charging

61. OECD countries face a number of fiscal challenges in the future. An ageing society with increasing pension liabilities and other unfunded welfare liabilities are expected to strain the public coffers. However, a diminishing work force makes it difficult even to maintain present tax revenue and in a globalised world it is difficult to increase the tax burden if the country wants to remain competitive for investment and skills. While solving these problems requires a number of reforms, tools that help maintain fiscal discipline are paramount in this situation. Tools such as multiyear expenditure ceilings and top down budgeting have shown their effectiveness in maintaining fiscal discipline in a number of OECD countries and are considered best practise today.

IX.2 Executive flexibility

(1) Index on executive flexibility (composite indicator)

62. The composite indicator on executive flexibility shows the degree of autonomy that line ministers and agencies managers have with respect to the execution of their assigned resources. It summarizes information on the extent of in-year reallocation, the degree to which ministers can reallocate their appropriations, whether ministers are allowed to transfer funds between line-items within their responsibility during the fiscal year; their end- year flexibility, concerning mechanisms such as carry-over of unused funds and overspending capacities which can help improve public sector performance by avoiding the waste of resources linked to the spending rush at the end of the fiscal year; ability to keep efficiency gains at the ministry; and the rules on overspending.

IX.3 Budget transparency

(2) Index on budget transparency (composite indicator)

63. Transparency is a key element of good governance; formally it implies openness about policy intentions, formulation and implementation. Its benefits are self evident, mainly through the legitimacy it vests in the decision making process by demonstrating the extent into which policy decisions reflect the interests of the society. In this regard, there is perhaps no other document which better reflects this relation than the budget since it is the most important policy document with the most wide-ranging effects on the population. Therefore, achieving budget transparency has become a central goal for most governments.

64. The budget transparency index contains information on the existence of independent reviews for the economic assumptions; inclusion of fiscal sensitivity analysis of the economic assumptions in budget documents; association of fiscal risks with entitlements evaluated in the budget documentation; existence of multi-year expenditure estimates in the annual budget documentation submitted to the Legislature; existence of multi-year expenditures forecasts; period covered by the multi-year expenditure forecasts; types of off-budget expenditure; existence of Government's contingent liabilities in the budget documentation; frequency of publication of revenues and expenditures information; Supreme Audit Institution findings availability to the public; frequency of dissemination to the public of the audit; availability and presentation of performance against targets.

IX.4 Medium-term expenditures framework

(1)Index on medium –term expenditure framework (composite indicator)

65. Countries develop medium-term expenditure frameworks in order to maintain sustainable public finances over the medium term. These frameworks shift budgeting away from the short-term time horizons of the annual budget process towards achieving stated fiscal outcomes over a number of years. Medium term budget frameworks can lend stability and credibility to the government's fiscal objectives.

66. In order to achieve this, they need to clearly state the government's medium term fiscal objectives in terms of high-level targets such as the level of aggregate revenue, expenditure, deficit/surplus, and debt. They then need to operationalise these high-level targets by establishing budget constraints for individual ministries and programmes over a number of years. Although the level of detail of such frameworks varies from country to country, they generally mirror the format of the budget.

67. This index measures the extent to which countries have developed a medium term focus in their budget process. This index contains information on whether countries develop and present multi-year

expenditure estimates in the annual budget; the number of years the estimates covers; how often are they updated; are there multi-year targets and ceilings; and how often are the targets revised.

IX.5 Performance budgeting

(1) Index on performance budgeting (composite indicator)

68. OECD countries are under pressure to improve public sector efficiency and effectiveness while controlling public expenditure. An important element of this is gathering objective information on the performance of government agencies, programmes, and policies. The majority of OECD countries develop performance information. Formal performance information refers to both performance measures (outputs and/or outcomes) and evaluations. More and better quality information on performance can facilitate improved policy, managerial, and budgetary decision making by politicians and civil servants.

69. Performance budgeting is concerned with the development and use of performance information in the budget process and in budgetary decision making. The approaches to developing and using performance information in the budget process vary across OECD countries. There is no one single model or approach.

70. This index examines the degree to which countries have established government-wide systems and frameworks for the development and use of performance information in the budget process. *This is not a measure of how successfully any given system operates in practice, but rather it is a measure of what type of frameworks and processes are in place. Success is better evaluated by whether the reforms are achieving their stated objectives and this cannot be captured by this index.* This index contains information on what type of performance information is developed; the processes for setting targets; for monitoring and reporting on results; and if and how, performance information is used in budget negotiations and decision making processes by key actors including the Central Budget Office

CHAPTER X. REGULATORY MANAGEMENT

71. Indicators of the quality of regulations are valuable to countries that are interested in ensuring that their regulations promote the welfare of their citizens and achieve environmental and social policy goals. The indicators of regulatory management systems are intended to provide a measurement of the extent to which OECD regulatory management systems meet the quality standards that reflect the best practices inherent in the Guiding Principles for Regulatory Quality and Performance developed by the OECD in 2005. The findings from the Survey of Regulatory Management Systems, that were developed by the Public Governance and Territorial Development Directorate are based on the proposition that the quality of rules is influenced to a great extent by the quality of the systems and processes by which rules are made. Each of the indicators represents a component of a well functioning regulatory management system, which taken together promotes improvements in the quality of the regulatory environment established by governments. Data is available for 1998 and 2005.

X.1 Regulatory Impact Analysis (RIA)

(1) Uptake of overall RIA processes (composite indicator)
(2) Explicit RIA processes in 2005(composite indicator)
(3) Extent of RIA processes in 2005(composite indicator)

72. RIA continues to be a fundamental tool of good regulatory management practices, but countries have methodological differences in their application. The exploration of some of these differences can reveal a range of good practices. Using the data from the 1998 and 2005 surveys, along with the thematic discussion on the elements of regulatory impact analysis that the OECD has developed in research papers, this section will look at the application of RIA to comment on differences in methodological approaches. The composite indicators suggested for inclusion into GaaG have been described and published in Working Paper 2, pp. 103-107.

X.2 Regulatory simplification

(1) Reduction and control of administrative burdens, 1998 and 2005 (composite indicator)

73. Simplification strategies are an integral part of regulatory reform to reduce the administrative burden on business. In fact in some OECD countries, it appears that simplification strategies are the pre-eminent policy approach to improving the regulatory environment. This contribution will look at what is suggested in the data in terms of simplification and the use of consultation to improve regulation and reduce regulatory burdens.

74. X.3 Transparency

(1) Quality of consultation processes, 1998 and 2005, (composite indicator)

75. Transparency is an important component of ensuring regulatory quality. Transparent processes lead to better rule making through informed contributions to the design of rules, and a transparent legal system is fundamental to promoting compliance and justice. This section will look at the components of transparency drawing on evidence among the indicators data. The suggested composite indicator has been included in Working Paper 2, pp. 108-109.

CHAPTER XI. INTEGRITY

76. Fostering integrity and preventing corruption in the public service is essential in maintaining public confidence in government and public decision making, as well as to support a level playing field for businesses. Achieving a culture of integrity – a keystone of good governance – requires coherent efforts at organisational, public management and governance levels in the following two areas: c*ore integrity measures* for setting and updating integrity standards, providing guidance, monitoring and enforcement in daily practice; and *prevention measures* for assessing the main risks to integrity and applying specific counter measures to prevent corruption.

77. Themes and indicators suggested are:

XI.1 Conflict of interest

(1) The scope of conflict of interest measures for elected officials
(2) The level of transparency

78. Personal bias by private interest of public officials in the decision making particularly weakens citizen’s trust in government in public institutions. Standards and measures for preventing and managing conflict of interest are crucial to ensure that the integrity of decision making is not compromised by public officials’ private interests.

79. Disclosing private interests is crucial to determine whether they could improperly influence the performance of official duties and responsibilities. Disclosures may also support the detection of illicit enrichment. The first indicator on the scope of conflict of interest shows which decision-makers are required to disclose what kind of information from both the executive branch and the legislative branch of government. The level of transparency indicator focuses on whether the disclosure by decision makers who are accountable to the public is available for public scrutiny.

80. This dataset would focus on elected decision makers including president, prime minister and ministers as well as members of Parliament and Congress. It will build on the information collected for *Trust in Government* (2000) and *Managing Conflict of Interest in the Public Service* (2003) publications and will be updated by members of the Expert Group on Conflict of Interest through responses to a tailored survey questionnaire in October, 2008.

XI.2 Whistle-blowing/ Public interest disclosure

(1) Procedures for whistle-blowing /public interest disclosure
(2) Protection of whistleblowers

81. The risk of corruption is significantly increased in a secretive environment. Facilitating the reporting of misconduct could substantially help public institutions monitor compliance and detect misconduct such as fraud and corruption. This dataset addresses whether governments provide 1) accessible procedures to raise concern of violation of laws such as fraud and corruption, and 2) adequate protection of whistleblowers.

82. The measures for GaaG 2009 will indicate whether countries have laws, policies or organisational rules on whistle blowing and whether they provide procedures and protection (e.g. legal protection, anonymity) for whistleblowers. Basic data available from *Trust in Government* (2000) will be updated by the Expert Group on Conflict of Interest through responses to a tailored survey questionnaire in October, 2008.

XI.3 Preventing corruption

83. Maintaining public trust requires a forward-looking approach that anticipates where risks to integrity are and applies specific measures that are adequately tailored to the type of risk – e.g. additional guidelines, specific restrictions, tightened control, regular rotation and background checks for certain positions, etc – in order to enhance resistance to corruption.

(1) Government activities perceived as highly vulnerable to corruption

84. Knowledge about the main sources of corruption helps decision-makers to effectively focus anti-corruption efforts and efficiently disburse available resources. This indicator shows the frequency of bribes connected to the top risk areas, namely utilities, taxation, procurement and judiciary. Data is sourced from the World Economic Forum's Executive Survey for 2006 and shows that public procurement is considered as a primary source of corruption in OECD countries and beyond. Data for 2008 should be available in the autumn of 2008.

(2) Size of public procurement markets

85. Public procurement is a key economic activity of governments and the financial interests at stake provide enormous potential for waste and corruption. This indicator measures the share public

procurement market represent in OECD countries. 2002 data available from the OECD; however more up-to- date information will be sourced from Eurostat for 2006.

(3) Competitive tendering

86. Ensuring open and competitive tendering is crucial to provide a level playing field for business. The frequent use of exceptions to competitive tendering may require other methods to ensure transparency and fairness in the procurement process. This measure shows the degree of competitive tendering used in countries to maximise transparency and competition in this key stage of the procurement process. This could also draw attention to increased risk[3] to integrity (e.g. as a "red flag" indicator) to support complementary mechanisms such as increased control and audit. Data is provided by Eurostat which is the European Commission for the EU states and the national statistical offices for other OECD countries.

(4) Irregular payments in awarding public contracts

87. Although tendering, the awarding of contracts, is the most regulated stage in the procurement cycle providing standards for interactions between the public and private sectors, the tendering process remains a major risk area because of its crucial effect on the allocation of public resources. This measure shows the extent of undocumented extra payments connected with the awarding of public contracts. Information is sourced from the World Economic Forum's Executive Survey for 2006, and more recent 2008 data will become available in the autumn of 2008.

CHAPTER XII. E-GOVERNMENT

88. E-government goes beyond the simple exercise of putting information and services online, and can be used as a powerful instrument to transform the structures, processes and culture of government, in turn making it more efficient, user-oriented and transparent. It has become a key tool to improve and enhance innovation in public service development and delivery.

89. The dataset for e-government for GaaG 2009 builds exclusively on data that is publicly available.[4] Member countries have strongly expressed the wish to minimize burden on data collection. No new data collection modules should be proposed if not thoroughly tested and accompanied by a clear business case. The proposed dataset (see below) for GaaG 2009 will be discussed and endorsed by the senior e-government Network's members in the near future. This approach does not preclude the development of OECD e-government indicators based on the OECD's experience of reviewing and assessing e-government performance from a governance perspective in the future.

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[3] Development of further "red flag" indicators would be particularly helpful where the close interaction between the representatives of public and private sectors take place in less transparent stages of the procurement cycle, in particular the contract management and payment. Suggested future indicators could focus on modification of contracts in the execution stage, late payments. Collection of data with the participation of national procurement authorities and national statistical offices for the implementation report of the OECD Principles that could be published in GaaG 2011.

[4] In the first phase of developing meaningful indicators, the OECD has worked closely with the European Commission

90. E-Government benchmarking means undertaking the review of comparative performance of e-government between nations or agencies. Of importance are indicators on readiness, service sophistication, the national portal, user centricity and take-up of services. The example chosen as an e-government readiness indicator is the UN e-government readiness indicator that evaluates both government capacity for e-government implementation and the country's readiness for e-government services. The European Commission has been measuring the supply of 20 core e-government services of its member states for the past 7 years. The next generation of indicators include the EC's pilot of the degree of user-centricity of e-government services. Here, more work clearly remains to be done. Finally, Eurostat has been systematically collecting data since 2001 on whether individuals, households and enterprises use e-government. For e-government indicators, missing data is confined to non-EU member countries, given that most of the indicators we suggest for utilization have been collected by the European Union.

91. Suggested e-government indicators for inclusion are:

XII.1 E-government readiness

(1) E-government readiness (-UN composite indicator)

92. This indicator measures the degree to which countries are in a position to implement and develop e-government services. It is an internationally agreed composite indicator developed by the UN. There are four sub indexes for this indicator: (1) a five stage sophistication development model, called the web measure index (2) the telecommunication infrastructure index, (3) the human capital index, (4) the e-participation index. In order to benchmark countries in terms of e-government readiness, the UN therefore centralizes data on the share of the population having access to a PC, telephone line, cellular telephone, the internet and broadband, but also literacy rate and education enrolment rates. The e-Government readiness index is developed within the framework of the UN Global e-government Survey. It is available for all 30 member states from 2002 till 2008 (bi-annual publication).

XII.2 E-government service sophistication and full online availability

(1) E-government service sophistication –(EC/Capgemini composite indicator)

93. The sophistication indicator benchmarks countries according to their development phase of e-government services. The higher the sophistication level, the higher the degree of availability and maturity of e-government services. This indicator is the core measurement of the European Commission's framework to analyse e-government supply.

94. This sophistication indicator, along with the full online availability indicator, is based on an online service maturity development model. It is a quantitative five-stage model, ascending in nature, and building upon the previous level of development of a government's service online availability. The model defines stages of e-government sophistication according to a scale of progressively developing services. They five stages are: information (basis provision), one-way interaction (downloadable forms), two-way interaction (electronic forms), transaction (full electronic case handling) and personalisation (pro-active, automated). This method has been applied on a consistent basis over previous years across a basket of 20 common core public services – twelve services that are delivered to citizens and eight services to businesses - in order to assess their progress. Data is available for 2007 for 23 EU member states of the OECD.

(2) Full online availability indicator- (EC/Capgemini composite indicator)

95. This indicator benchmarks mainly European countries according to the final maturity stage of their e-government services. Based on the sophistication model described above, the full-online availability indicator evaluates the number of public services within each country which have reached the fourth stage of sophistication. An e-government service is therefore fully available online if it has reached the final stage of development, i.e. the service can be fully handled online (information + downloadable documents/forms + sending filled in documents/forms). As a result, it can be considered as a supply side indicator. Information is available for 23 EU member countries from the OECD countries and Iceland, Norway, Turkey and Switzerland for 2007.

XII.3 User centricity

(1) User centricity (Pilot for new benchmarks, EC/Capgemini composite indicator)

96. Governments have the clear strategic aim to become more user-centric, client-centric or simply citizen focussed. This trend also includes the delivery of e-government services.

97. The “user centricity” indicator, developed by Capgemini as a recent pilot indicator, measures the user-friendliness of e-government services. More user-friendly web sites, with less data entry requirements, stronger data protection and multi-channel access , which comply to international accessibility standards tend to be more successful in completing the delivery of an e-government service and attracting further users.

98. The user-centricity indicator is based on four sub-indicators to analyse (personal) data security, administrative burden, channel choice and access, and accessibility standards. Data is available for 19 EU member countries and Iceland, Norway, Turkey and Switzerland for 2007 .This indicator is at the pilot stage.

XII.4 Uptake of e-government services

99. The “e-government up-take” indicator, measured by Eurostat through its household and ICT usage in enterprise surveys on an annual basis as part of the Information Society statistics database, evaluates the share of citizens and businesses using the internet to interact with public services. Data is available for 21 member countries from 2001.

(1) E-government take-up by citizens (Eurostat) -

100. Uptake of e-government services for citizens measures the percentage of individuals (aged 16-74) who have used the Internet in the last three months at the time of the survey to interact with public authorities (i.e. having used the Internet for one or more of the following activities; "obtaining information from public authorities web sites", "downloading official forms", "sending filled in forms"). The Community Survey on ICT Usage in Households and by Individuals carried out once a year is currently used as a source.

(2*) E-government take-up by businesses (Eurosta)t*

101. Uptake of e-government services for businesses shows the percentage of enterprises using the Internet to interact with public authorities (obtaining information, downloading forms, filling-in web-forms, full electronic case handling).Only enterprises with 10 or more persons employed are included. Data is collected by National Statistical Institutes based on Eurostat's annual model survey on ICT usage and e-commerce in enterprises.

(3) Broadband penetration & e-government take-up by citizen :

102. The broadband penetration indicator is the number of broadband subscribers (DSL, Cable, Fibre/LAN, Other) per 100 inhabitants. This indicator was developed within the framework of the OECD Communication Outlook. This data provides the best internationally comparable source of information on the take-up of Internet services. It is available of all OECD countries from 2002.

CHAPTER XIII. OPEN GOVERNMENT

103. Governments are under increasing pressure to open up to public scrutiny, to be more accessible to the people who elected them and more responsive to their demands and needs. The efficiency and effectiveness of policy making and service delivery can be improved by taking into consideration the views of those they will affect. From the public's point of view, an open government is one where businesses, civil society organisations (CSO) and individual citizens can obtain relevant information, access the public services that they need and take part in decision-making processes.

104. The indicator suggested is:

XIII.1 Open government legislation

(1) Overview of current legislation and oversight institutions for open government

105. This indicator covers legislation on access to information, privacy and data protection as cornerstones of open government in all member countries. It also offers insights into the capacity for implementation and enforcement of these laws by reviewing whether oversight institutions (such as Ombudsman, data and privacy commissioners and Supreme Audit institutions) exist in member countries. Finally, it presents data on the existence of administrative procedure laws as a key element in establishing a basis for citizens' redress.

Appendix 1

COMPOSITE INDICATORS FOR HUMAN RESOURCES MANAGEMENT

As indicated previously, as part of the indicator-set for *Government at a Glance* we intend the cautious utilization of composite indicators in narrowly defined areas where surveys collected are primarily qualitative data on public management processes. Composite indicators have already been developed for the regulatory management area and prior to their publishing they were discussed by the Working Party of Regulatory Management Reform. These regulatory management composite indicators are described in Working Paper 2. Composite indicators have been created for the human resources management.

These narrowly defined composite indicators represent the best way of summarizing discreet, qualitative information on key aspects of public management practices, such as openness of HRM systems or flexibility in budgeting practices. “Composite indicators are much easier to interpret than trying to find a common trend in many separate indicators” (Nardo et al, 2004).

The composite indicators adhere to the OECD guidelines for the development of composite indicators[5].

Each composite indicator that has been constructed for *Government at a Glance:*

- Is built on a sound theoretical framework, representing an agreed upon concept in the area it covers: e.g. openness of human resource management arrangements to outside entrants. Indicators for inclusion have been selected based on their relevance to the concept by a group of experts within the Directorate and in consultation with the relevant working parties;
- various other statistical tools were also employed - such as factor analysis and the computation of Cronbach’s alpha for each composite indicator - in order to establish that the sub-indicators are correlated and may represent the same underlying concept;
- different methods for imputing missing values have been explored;
- all sub-indicators were normalized for comparability;
- several weighting options have been trialled, e.g. equal weighting, factor weights, expert weights
- for all composites linear aggregation is utilized, which is the accepted methodology choice for the type of narrowly defined composite indicators we propose for *Government at a Glance;*
- sensitivity analysis for all composite indicators has been carried out in order to establish their robustness.

In this appendix we describe all methodological steps involved in the creation of composites for the HRM area and show the results as well.

[5] Handbook on constructing composite indicators : methodology and user guide, OECD Statistics Working Paper, Michela Nardo, Michaela Saisana, Andrea Saltelli and Stefano Tarantola (EC/JRC) Anders Hoffman and Enrico Giovannini (OECD), STD/DOC(2005)3.

HRM composite indicators: Construction, weighting and theoretical framework

All the data in the composites derive from the OECD (GOV) 2006 Survey on Strategic Human Resource Management and all the composite indexes were built according to the OECD Guidelines on composite indicators.

The composites are built around concepts that reflect contemporary public sector HRM developments and dilemmas on how best manage human resources in the public sector in the twenty first century (e.g. degree of openness of HRM systems, extent of decentralization, use of performance –based practices).

Statistical consistency measurement by way of calculation of Cronbach's alpha coefficients[6] and factor analysis were used to ascertain which variables represent the same concept based on their correlation.

Missing values were an issue for the Strategic Human Resource Management database. Based on the nature of the missing information different techniques were applied, namely mean replacement and /or expert judgment or the elimination of the country from the calculation of the composite indicator.

All variables have been normalized before final index computation (i.e. each sub index receives a score between 0 and 1).

Several methods for weight selection were tried, such as equal weight and factor loading s as weights – but based on expert judgment the final indexes are built on equal weights. Aggregation is based on the linear method, as alternative methods – such as the geometric aggregation –were technically not relevant (if any of the sub indexes could take a 0 value).

Sensitivity analysis has also been carried out for each composite using Monte Carlo simulations to explore how sensitive the results are to weighting assumptions.

The composite indicators suggested for inclusion into the publication has been reviewed by the Working Party on Public Employment and Management.

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6 Cronbach's Alpha is not a statistical test but a coefficient of reliability based on the correlations between indicators: a high value implies that the indicators are measuring the same underlying construct. A value of 0.6 or 0.7 is an acceptable reliability threshold. It is generally used to investigate the degree of correlation across a set of variable.

1. Index on the delegation of human resource management in the public service

A. Variables

The following items have been used in the construction of this index:

- Existence of a central HRM body (question 20),
- Delegation of establishment[7] (question 21),
- Delegation of compensation levels (question 24),
- Delegation of position classification, recruitment and dismissals (Q.27),
- Delegation of conditions of employment (Q.30),
- The arrangements for delegation (Q.35),
- Impact of delegation for pay/terms and conditions of employment across government organisations (Q.36).

B. Scoring

Existence of a central HRM body (Question 20)

Is there a central agency/department in charge of human resources at central/national/federal government level?
Yes: 0.000
No : 1.000 Not responsible, but a central agency/department aims to coordinate the HR policies across departments: 0.5

Delegation of establishment (Question 21)

Primarily determined by:	Central HRM body (which sets the rules and is closely involved in applying them)/Ministry of Finances	Central HRM body but with some latitude for ministries/departments/ agencies in applying the general principles	Ministries/ departments/ agencies, within established legal and budgetary limits	Unit/team level	Other/variable, depends largely on departmental/ functions
Numbers and types of posts within organisations	0.250	0.500	0.750	1.000	0.625
Allocation of budget envelope between payroll and other expenses	0.250	0.500	0.750	1.000	0.625

7 Ability to decide on staff members and the types of staff that are employed. (i.e. HRM strategy)

Delegation of compensation levels (Question 24)

Primarily determined by:	Central HRM body (which sets the rules and is closely involved in applying them)/ Ministry of Finances	Central HRM body but with some latitude for ministries/departments/ agencies in applying the general principles	Ministries/ departments/ agencies, within established legal and budgetary limits	Unit/team level	Other/variable, depends largely on departmental/ functions
General management of pay systems (fixed portion, progressions,…)	0.250	0.500	0.750	1.000	0.625
Management of the variable portion of pay - benefits - performance related pay	0.250	0.500	0.750	1.000	0.625

Delegation of position classification, recruitment and dismissals (Question 27)

Primarily determined by:	Central HRM body (which sets the rules and is closely involved in applying them)	Central HRM body but with some latitude for ministries /departments/ /agencies in applying the general principles	Ministries/ departments/ agencies, within established legal and budgetary limits	Unit/team level	Other/variable, depends largely on departmental /functions
Post classification system – grades	0.250	0.500	0.750	1.000	0.625
Original individual recruitment into the civil service	0.250	0.500	0.750	1.000	0.625
Individual recruitment of casual staff	0.250	0.500	0.750	1.000	0.625
Individual duration of employment contract in the civil service	0.250	0.500	0.750	1.000	0.625
Individual duration of contract in specific posts	0.250	0.500	0.750	1.000	0.625
Individual career management	0.250	0.500	0.750	1.000	0.625
Individual dismissal					
- following lack of performance	0.250	0.500	0.750	1.000	0.625
- following organisational restructuring	0.250	0.500	0.750	1.000	0.625
- following misconduct	0.250	0.500	0.750	1.000	0.625

Delegation of conditions of employment (Question 30)

Primarily determined by:	Central HRM body (which sets the rules and is closely involved in applying them)	Central HRM body but with some latitude for ministries /departments/ agencies in applying the general principles	Ministries/ departments/ agencies, within established legal and budgetary limits	Unit/team level	Other/variable, depends largely on departmental/ functions
Flexibility of working conditions (numbers of hours, etc.)	0.250	0.500	0.750	1.000	0.625
Adjustments to working conditions (part time, etc.)	0.250	0.500	0.750	1.000	0.625
Performance appraisal systems	0.250	0.500	0.750	1.000	0.625
Code of conduct	0.250	0.500	0.750	1.000	0.625
Ethics, equal opportunity, equity issues	0.250	0.500	0.750	1.000	0.625

The arrangements for delegation (Question 35)

The arrangements for delegation have led to:

A broadly comparable framework for pay/terms and conditions of employment across all central/national/federal government: 0.333

A broadly comparable framework for pay/terms and conditions of employment within each ministry/department but with significant differences between ministries/departments: 0.666

A very diverse picture with many different pay scales and terms and conditions of employment within each ministry/department: 1.0

Impact of delegation for pay/terms and conditions of employment (Question 36)

Do the levels of pay/terms and conditions of employment vary significantly across government organisations for the same level of posts?

The weightings are:
"Yes significantly": 1.000
"Yes to some degree" 0.500

"Not at all": 0.000
For each item below:

Within central/national/federal government across ministries/departments/agencies:

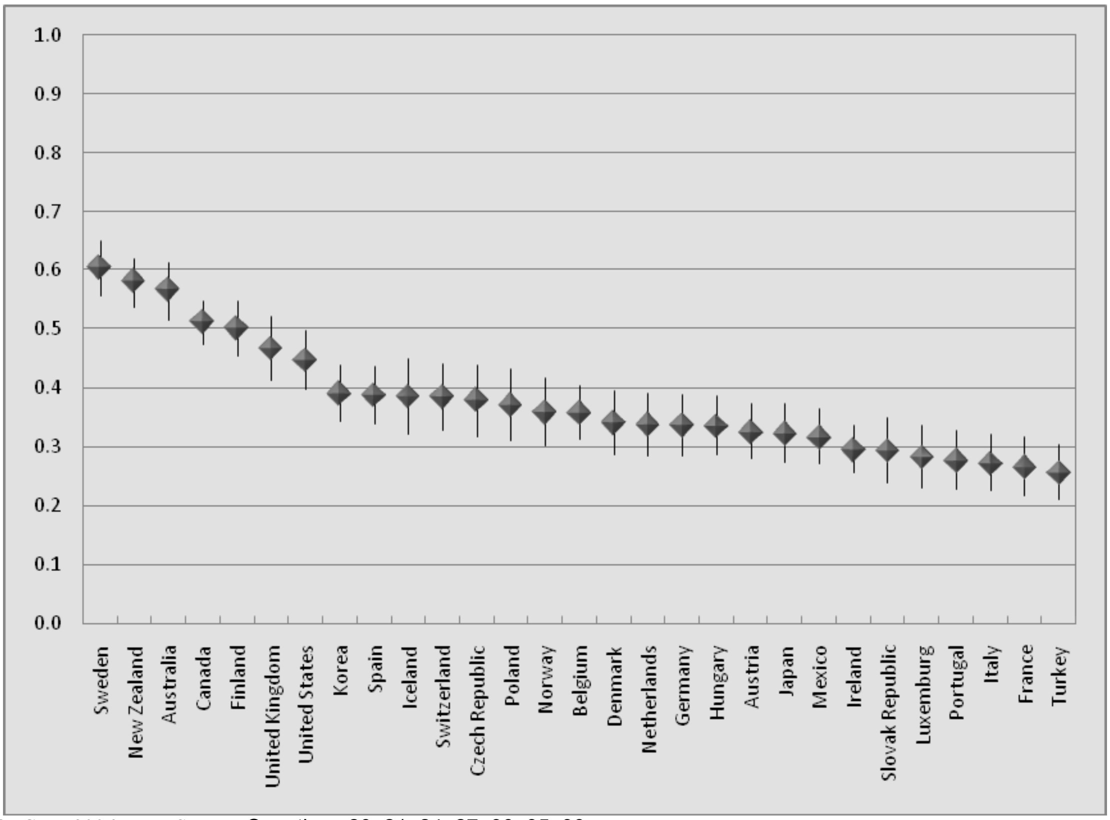
1)Basic pay, 2) Other types of remuneration/social benefits, 3) Duration of individual contracts in specific posts (mandates), 4) General duration of employment in the public service, 5) Flexibility of working conditions (number of hours, etc.), 6) Adjustments to working conditions (part-time, etc.), 7) Performance appraisal systems, 8) Code of conduct, 9) Ethics, equal opportunity, equity issues.

Within the same ministries/departments:

1)Basic pay, 2) Other types of remuneration/social benefits, 3) Duration of individual contracts in specific posts (mandates), 4) General duration of employment in the public service, 5) Flexibility of working conditions (number of hours, etc.), 6) Adjustments to working conditions (part-time, etc.), 7) Performance appraisal systems, 8) Code of conduct, 9) Ethics, equal opportunity, equity issues.

C. Results

Index of delegation of the management of the public service in central governments of OECD countries



Source: OECD – 2006 HRM Survey. Questions 20, 21, 24, 27, 30, 35, 36

Notes:

- Index comprised between 0 (no delegation) and 1 (high level of delegation)
- Cronbach's alpha: 0.876 (computed with SPSS). A Cronbach's alpha above 0.6 indicates a high degree of correlation among a set of variables.
- Data missing for Greece

2. Index of HRM openness of the public service

A. Variables

The following items have been used in the construction of this index:

- Becoming a public servant in general (Q.37),
- Merit-based appointment at entry in the selection process (Q.38),
- Allocation of posts (Q.39),
- Recruitment of senior civil servants (Q.81).

B. Scoring

Becoming a public servant in general (Question 37)
How does one become a public servant in general?
Through a competitive examination that provides for entry into a specific group of the public service: 0.000
Through direct application to a specific post and interview (with minimum degree requirement) : 0.666
It varies depending on the post: 0.333

Q.37.a. Are the rules different for casual employees?
Yes: 1.000
No : 0.000

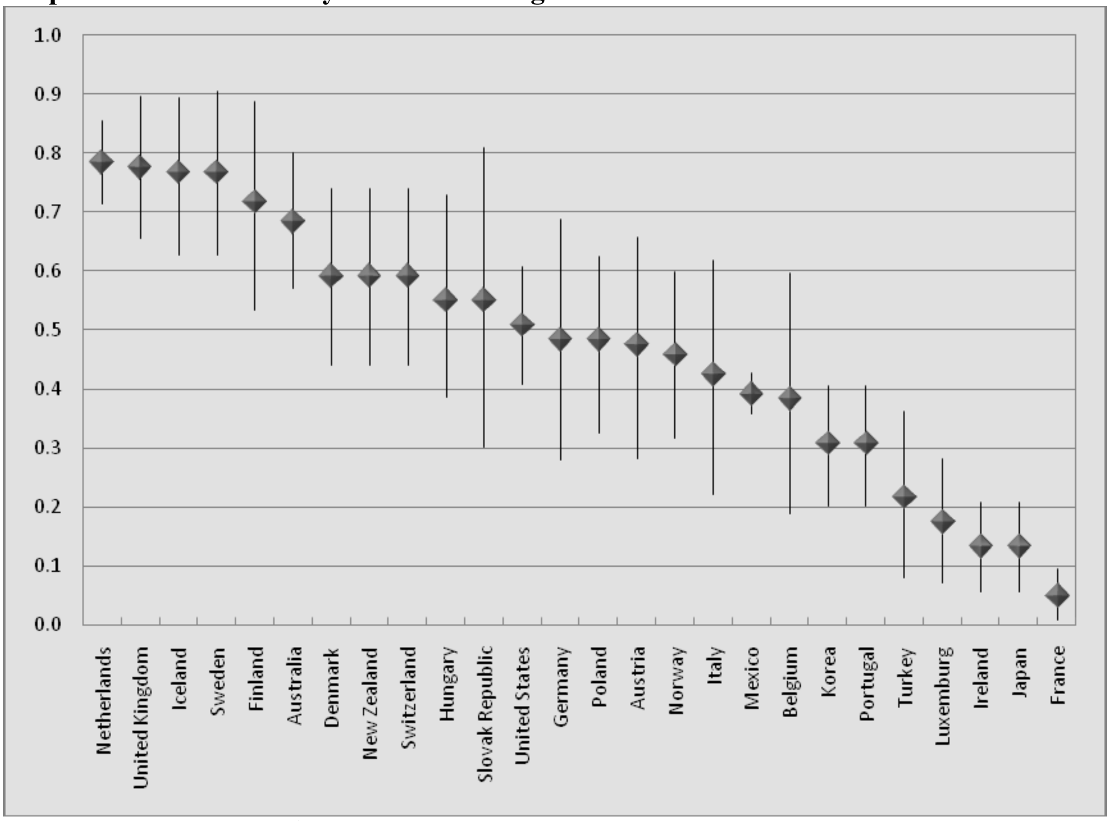
Merit-based appointment at entry in the selection process (Question 38)
If your system does not include competitive written examination, how is merit-based appointment at entry guaranteed in the selection process?
Equal weghting (0.200) were attributed to the following items that can be combined with each other:

- ✓ All vacancies are published
- ✓ Recruitments are made with panels
- ✓ Recruitment firms are used
- ✓ Shortlist of possible candidates prepared jointly by the HR department and the recruiting department
- ✓ Other

Allocation of posts (Question 39)
How does one individual get a specific position/post?
All posts are open to internal and external recruitment and applicants apply to the different posts: 1.000
Most posts are open to internal and external recruitment and applicants apply to the different posts: 0.666
Some posts are open to internal and external recruitment and applicants apply to the different posts: 0.333
No posts open to external recruitment: 0.000

Recruitment of senior civil servants (Q.81)
How are the rest of senior managers recruited?
Originally selected by competitive examination early on in their careers and managed as a group after: 0.000
Through career progression within the public service only: 0.000
All senior management positions are open to external recruitment: 1.000
A good proportion of management positions are open to external recruitment: 0.500

Index of openness of the HRM system in central government



Source: OECD – 2006 HRM Survey. Questions 37, 38, 39, 81

Notes:

- Index comprised between 0 (no openness) and 1 (high openness level)
- Cronbach's alpha: 0.573 (computed with SPSS). A Cronbach's alpha close to or above 0.6 indicates a high degree of correlation among a set of variables.
- Data missing for the following countries : Canada, Czech Republic, Greece & Spain

3. Index on the use of performance assessment in HRM decisions for government employees

A. The variables

The performance assessment index encompasses the following items:

- Career advancement (Q.74.1)
- Remuneration (Q.74.2)
- Contract renewal on the same job/ remaining in the same job (Q.74.3)
- Employment contract renewal in the public service (Q.74.4)

B. Scoring

Performance assessment in relation to career advancement (Question 74.1)
High: 1.000
Medium: 0.666
Low: 0.333

•

Performance assessment in relation to remuneration (Question 74.2)
High: 1.000
Medium: 0.666
Low: 0.333

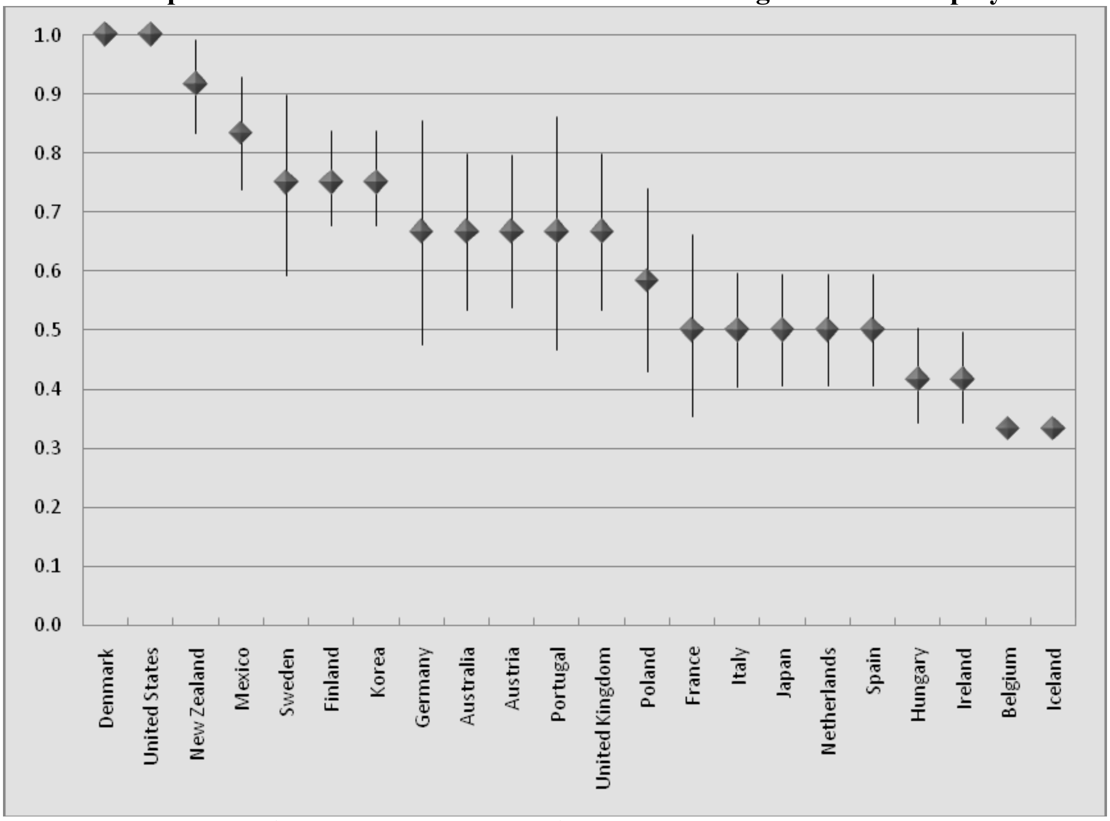
•

Performance assessment in relation to contract renewal on the same job (Question 74.3)
High: 1.000
Medium: 0.666
Low: 0.333

Performance assessment in relation to employment contract renewal (Question 74.4)
High: 1.000
Medium: 0.666
Low: 0.333

C. Results

Index on the use of performance assessment in HRM decisions for government employees



Source: OECD – 2006 Survey on Strategic Human resource Management in Government
Notes:
- The data are based on the 2006 Strategic Human Resource Management Survey. Questions 74.1, 74.2, 74.3 and 74.4
- Index comprised between 0 (no use of performance assessment) and 1 (high performance assessment level)
- Cronbach's alpha: 0.735 (computed with SPSS). A Cronbach's alpha above 0.6 indicates a high degree of correlation among a set of variables.
- Data missing or not complete for the following countries : Canada, Czech Republic, Greece, Luxembourg, Norway, Slovak Republic, Switzerland & Turkey

4. Index on the intensity of the use of performance-related pay

A. Variables

The following items have been used in the construction of this index:

- The use of performance-related pay mechanism (Q.76),
- PRP and staff categories (Q.76.a),
- The use of one-off bonuses and/or merit increments (Q76.b),
- Maximum proportion of basic salary that PRP represent (Q.76.c.).

B. Scoring

The use of performance-related pay mechanism (Question 76)
Is performance related pay in use in your country?
Yes: 1.000
No : 0.000

PRP and staff categories (Question 76.a)

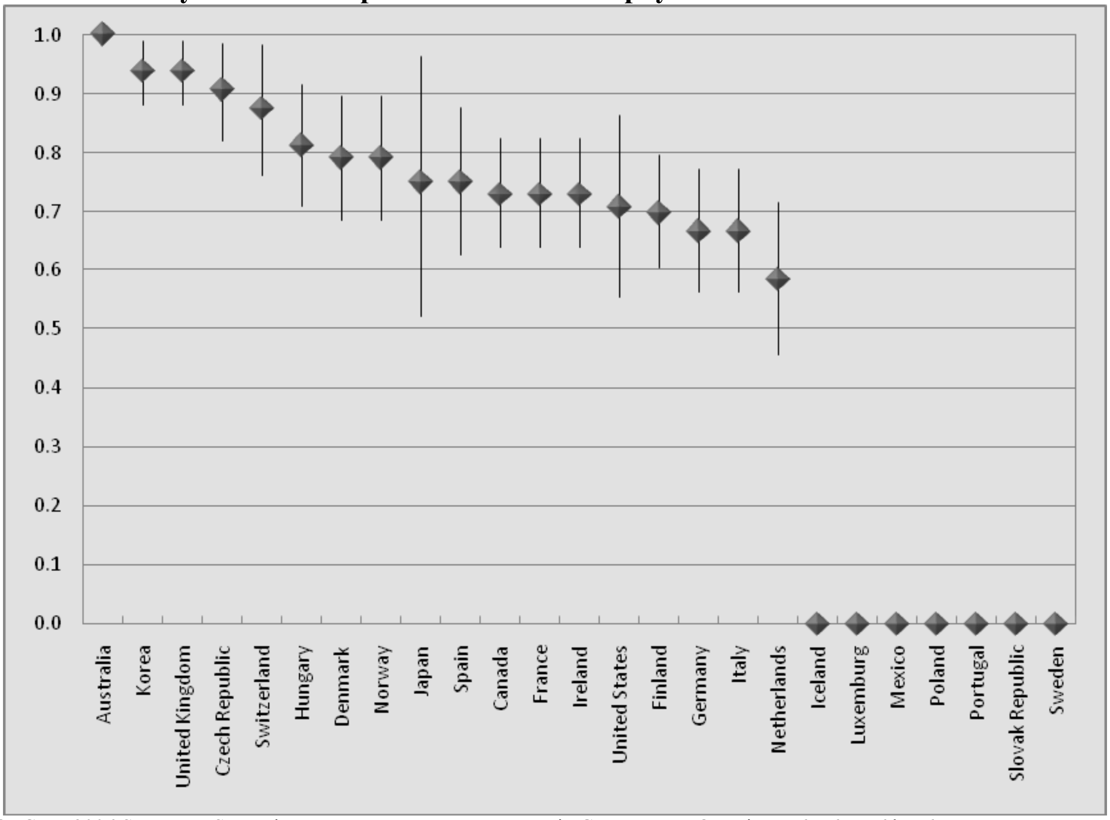
If PRP implemented, for which category of staff?
For most government employees: 1.000
For senior staff only: 0.666
Only in a few central/national/federal government organisations: 0.333

The use of one-off bonuses and/or merit increments (Question 76.b),
Do organisations mostly use:
One-off bonuses : 0.500
Merit increments: 0.500

Maximum proportion of basic salary that PRP represent (Question 76.c.)
What is the maximum proportion of basic salary that PRP can represent?
1-5 % : 0.250
1-10%: 0.500
1-20%: 0.750
1-40%: 1.000

C. Results

Index on the intensity of the use of performance related pay in OECD member countries



Source: OECD – 2006 Survey on Strategic Human resource Management in Government. Questions 76, 76.a, 76.b, 76.c

Notes:

- Index comprised between 0 (no PRP) and 1 (high PRP level)
- Cronbach's alpha: 0.937 (computed with SPSS). A Cronbach's alpha above 0.6 indicates a high degree of correlation among a set of variables.
- Austria, Iceland, Luxemburg, Mexico, Poland, Portugal, the Slovak republic and Sweden reported not having a PRP system
- Data missing or incomplete for Belgium, Greece, New Zealand, Turkey

5. Index on the intensity of separated group management for senior civil servants

A. The variables

The following items have been used in the construction of this index:

- Group of staff in central/national government widely understood to be the "senior civil service" (Q.78),
- Identification of potential future leaders early in their careers, of the process (informal, formal, centralised or decentralised) and a defined skills profile for senior staff (Q.82),
- The average age upon entering the senior management group (Q.83),
- The difference between the employment framework of senior management and regulalar staff (Q.84).

B. Scoring

Group of staff in central/national government understood to be the "senior civil service" (Question 78)

Is there a defined group of staff in central/national/federal government who are widely understood to be the "senior civil service"?
Yes: 1.000
No: 0.000

Identification of potential future leaders early in their careers (Question 82)

Q.82.a. Is this process of identification
Informal: 0.500
Formal: 1.000

Q.82.b. Is there a centrally defined skills profile for senior staff?
Yes: 1.000
No : 0.000

The average age upon entering the senior management group (Question 83)

What is the average age upon entering the senior management group?
20-30 years: 1.000
30-40 years: 0.750
40-50 years: 0.500
More than 50 years: 0.250

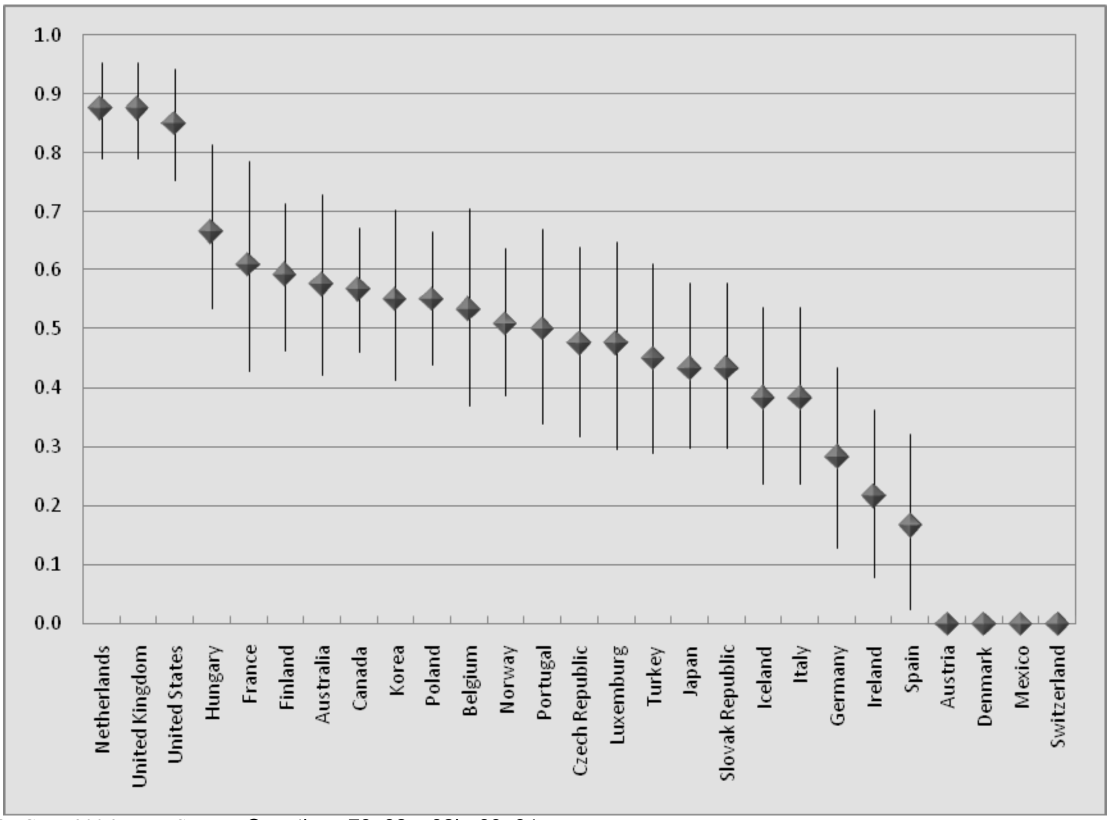
The difference between the employment framework of senior management and regular staff (Question 84)

Equal weghting (0.100) were attributed to the following items that can be combined with each other:

- ✓ They are recruited with a more centralised process,
- ✓ They are identified early on in their careers and more attention is paid to the management of their careers,
- ✓ More emphasis is put into the management of their performance,
- ✓ More emphasis is put into avoiding major conflicts of interest,
- ✓ The part of their pay that is not basic salary but not performance-related is higher than for regular staff,
- ✓ The part of their pay that is performance related is higher,
- ✓ Their appointment contracts into a post has a specific term,
- ✓ Their appointment term is shorter than for regular staff,
- ✓ Their appointment into the senior management group is dependent on the renewal of their contract for a senior management post,
- ✓ Other.

C. Results

Index on the intensity of the institutionalization of structured group management for senior civil servants at central level



Source: OECD – 2006 HRM Survey. Questions 78, 82a, 82b, 83, 84

Note:

- Index comprised between 0 (no management of SCS) and 1 (intense management of SCS level)
- Cronbach's alpha: 0.760 (computed with SPSS). A Cronbach's alpha above 0.6 indicates a high degree of correlation among a set of variables.
- Austria, Denmark, Mexico and Switzerland reported having no SCS per se and not having special arrangements for the management of their senior management.
- Data missing or incomplete: Greece, New Zealand and Sweden

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Appendix 2

EXAMPLE OF TWO-PAGER FROM GAAG1

VI.1. EMPLOYMENT IN GENERAL GOVERNMENT

Labour is the most important input in the public sector production process and therefore an important contributor to productivity. In addition, government employment also has a strategic influence on the functioning of the wider labour market by influencing wage levels in the economy; the supply and demand for various occupations, such as teachers and health care professionals; the skill levels in the various economic sectors; and also general working conditions.

In order to place public sector employment in the perspective of the wider labour market, data is presented as a share of employment in general government in the respective labour force at OECD member countries. The 2005 data demonstrates considerable variation across OECD countries. At the two extremes Japan and Korea have just over 5 % of their labour force employed in general government compared to nearly 30% in Norway and Sweden. However, the average size of government employment across the OECD countries, for those which provided data, is 14%. These large differences reflect choices regarding the scope and level of public services, differences in delivery methods and possibly, for some countries, differences in productivity among member countries. In terms of delivery methods, some countries prefer the work of government employees, while others choose to engage the private sector in public sector service delivery. As a result, employment numbers in government should be interpreted in the perspective of the costs associated with the production of goods and services funded by government, but produced by the private sector, a topic that has been discussed in chapter II. Judgments regarding the size of public sector employment should also consider the importance of unique public sector management arrangements prevailing in many OECD member countries. These arrangements have been put in place to ensure high ethical standards and integrity.

Trends in the ratio of employment in general government to the labour force between 1995 and 2005 demonstrate that for the 13 countries that comparable data is available, in six countries; Canada, Austria, Sweden, Australia, the Netherlands and Korea, the ratio declined. However in the remaining seven countries it increased slightly, except for Spain where the increase was most notable. These variations reflect changes both in public sector employment and in the labour force. As a result, from those countries where the ratio of general government employment to the labour force has actually declined, in four countries; the Netherlands, Canada, Australia and Korea, general government employment has actually increased from 1995 to 2005. It is important to note, however that those increases have been outpaced by the increases in their respective labour force (see details in further readings).

It is important to study employment in 'quasi' public corporations for various reasons. Firstly, the number of employees in public corporations is particularly large in some nations, such as the Netherlands (in contrast to its low employment in general government). All other countries have a smaller share of employees working in 'quasi' public corporations. However, in France, Belgium, Australia and Germany this share of employment is still relatively high. In some countries, the management of employees in these corporations is less flexible than in the private sector due to legal or historical reasons, or the political visibility of industrial relations. Secondly, 'quasi' public corporations can be a transitory stage towards a more privatized management mode with the management of employees sometimes creating an obstacle to further reforms.

Trend data is available for only seven member countries showing that from 1995 to 2005 in most of these countries the share of combined employment in general government and 'quasi' public corporations in the labour force declined, with the exception of the Netherlands.

Methodology and Definitions

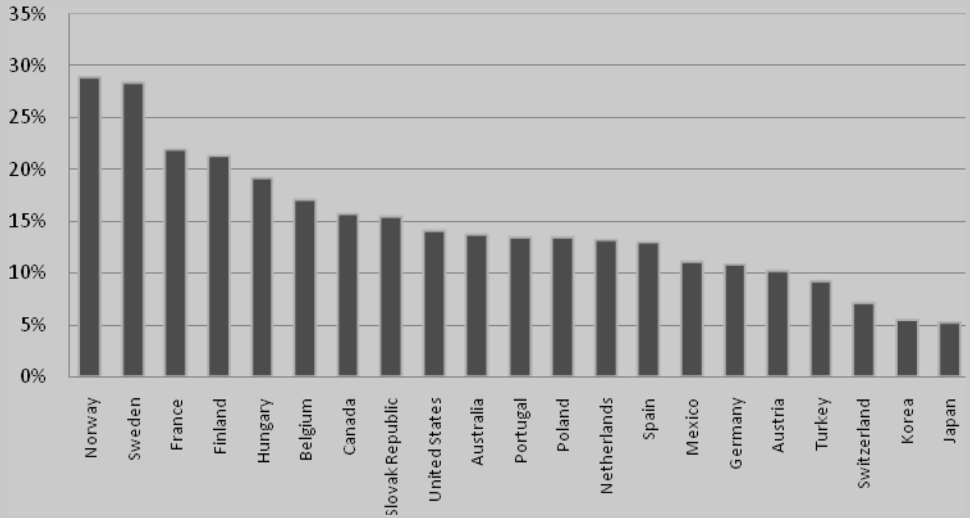
The data presented here represent employment in government owned or controlled organisations. In SNA terminology, they cover employment in General Government and (quasi) public corporations. The "General Government" sector includes core ministries, departments and agencies, non market publicly owned hospitals, public schools, social security organizations etc. It includes units at all levels of government including regions, provinces and municipalities. (Quasi) public corporations include publicly owned enterprises not classified in the General Government sub-sector, such as publicly owned banks, harbors and airports.

Other sources of data on Government employment that do not use the SNA classification of organisations suffer from inconsistencies that make comparisons difficult and in many cases impossible. Across countries, and even within countries depending on the source of information, the definitions of "government organisations", "the public sector" and "public services" vary significantly. This seriously undermines all attempts made at gathering data from national administrative sources (including the long-standing GOV data gathering process entitled "Public sector pay and employment – PSPE"). As a result, consistency with the Systems of National Accounts (SNA) data was rarely possible. In addition, when previously data were gathered with the intention to be compatible with the SNA at the international level, observations for many countries were missing and in many cases they did not fully confirm to the SNA classification.

Data show here has been collected by the 2006 OECD(GOV) survey entitled "Comparison of Employment in the Public Domain" , which divided the employees in General Government into two categories: i) employees engaged in the "direct provision of services" (core ministries, departments and agencies, non market publicly owned hospitals, public schools, etc.) and employees engaged in the "indirect provision of services" (schools, hospitals, etc. that are largely funded and controlled by government but not owned by government). This has allowed constructing more comparable employment data for General Government, and makes the analysis of individual country situations more meaningful. In addition the CEPD collected data on employment in (quasi) public enterprises that are not available as such in the SNA.

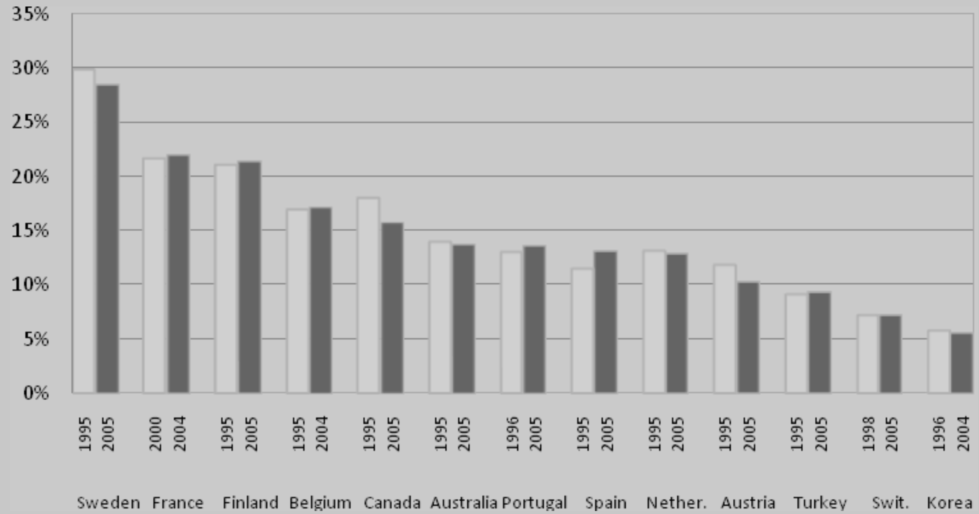
In general, data is in number of employees, except for Austria, Sweden and Switzerland, where they are in full time equivalents. Employment numbers for those countries are thus largely underestimated.

Employment in general government as percentage of labour force in 2005 (or latest available year)



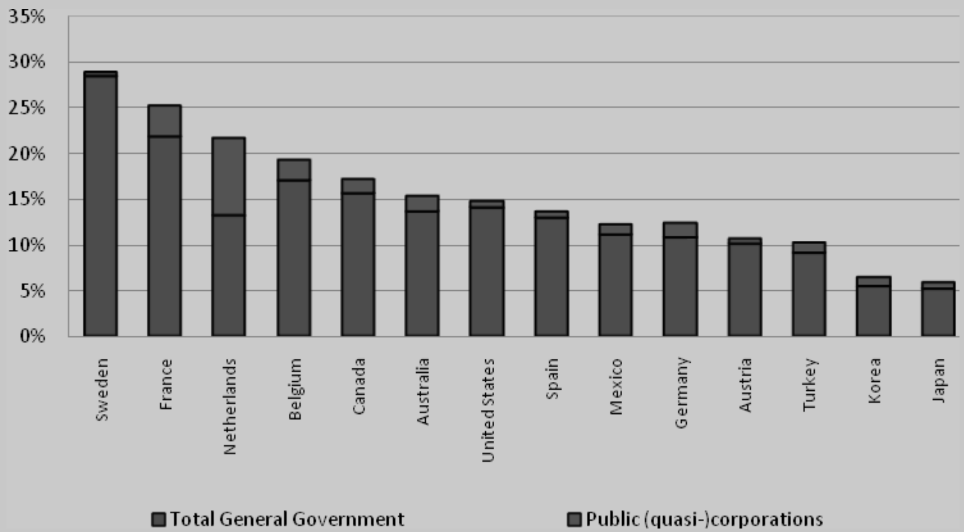
Source: OECD – CEPD Survey & Labor Force Survey

Employment in general government as percentage of labour force 1995, 2005 (or latest available year)



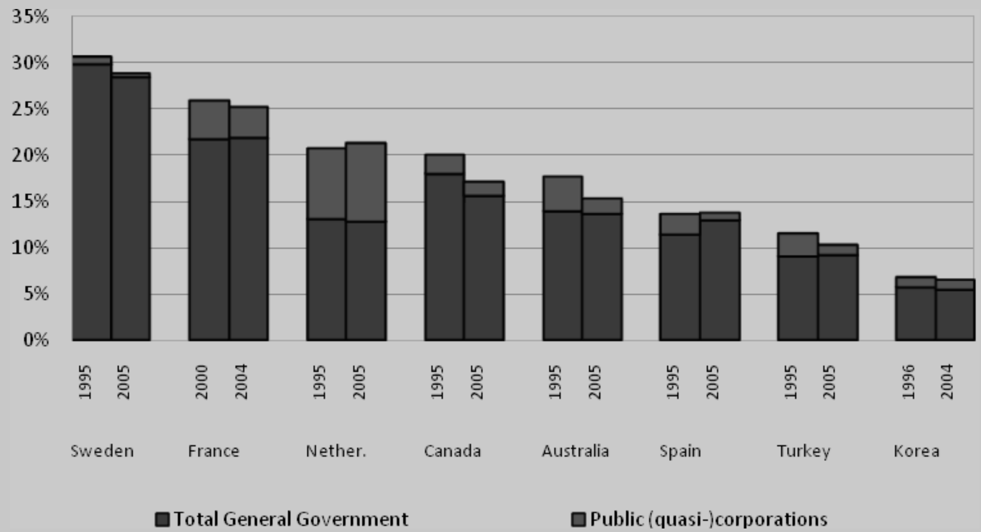
Source: OECD – CEPD Survey & Labor Force Survey

Employment in general government and public (quasi)-corporations as a percentage of the labour force in 2005 (or closest year available)



Source: OECD – CEPD Survey & Labor Force Survey

Employment in general government and public (quasi) corporations as a % of the labour force 1995,2005



Source: OECD – CEPD Survey & Labor Force Survey

Appendix 3

Membership of Steering Group

Country	Name	Title	Ministry
Austria	Elisabeth DEARING	Director	Federal Chancellery Administrative Development, Div III/7
Canada	Bruce STACEY	Executive Director	Treasury Board of Canada
Finland	Katju HOLKERI	Head of Government Policy Unit	Ministry of Finance Public Management Department
France	Bernard BLANC	Chef de la mission des relations internationales	Ministère de l'Économie et des Finances
Germany	Andreas WEGEND & Christiane BOEDDING		Federal Ministry of the Interior (BMI)
Italy	Pia MARCONI	Director General	Department of Public Administration
Netherlands	Koos ROEST	Adviser on Strategic Policy	Ministry of Interior & Kingdom Relations Directorate-General for Management of the Public Sector
Norway	Kleng BRATVEIT	Senior Advisor, Economic Analysis Unit	Ministry of Government Administration & Reform
Sweden	Claes ELMGREN		Statskontoret