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Organisation de Coopération et de Développement Economiques  
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**English - Or. English**

**PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE  
PUBLIC GOVERNANCE COMMITTEE**

Cancels & replaces the same document of 15 September 2004

**PROVISIONAL ANNOTATED AGENDA**

**30th session of the Public Governance Committee**

**28-29 October 2004  
OECD Headquarters, Paris**

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**PUBLIC GOVERNANCE COMMITTEE**

**PROVISIONAL ANNOTATED AGENDA**

**30<sup>th</sup> Session of the Public Governance Committee  
to be held at the OECD Headquarters, Paris  
28-29 October 2004**

**Thursday, 28 October 2004**

Special Session of the PGC on Public Sector Modernisation:  
“Adaptive Government: New Challenges, Different Contexts, Common Values”

***Morning session: 9h30 - 13h00***

- 9:30 - 9:45 Adoption of the Agenda and opening remarks by the Chair GOV/PGC/A(2004)2
- 9:45 - 13:00 **Plenary Session:**  
Public Sector Modernisation:  
“Adaptive Government: New Challenges, Different  
Contexts, Common Values”

***Afternoon session: 14h30 – 18h00***

- 14:30 – 16:15 **Break-out sessions:**
1. Problem definition and modernisation strategy
  2. Adaptation and Managerial Freedom: allies or rivals?
  3. Adaptation and political responsiveness: New roles and relationships between politicians and senior bureaucrats in the modern governmental environment
- 16:45 – 17:45 **Plenary session:** Summary of break-out sessions, feedback from countries and panel discussion of results of Symposium.
- 17:45 – 18:00 Conclusions by the Chair
- 18:00 Cocktail

N.B. Coffee breaks will take place at approximately 11h00 and 16h15

**Friday, 29 October 2004**  
**30th Session of the Public Governance Committee, *continued***

**Morning session: 9h30 - 13h00**

- |             |  |   |
|-------------|--|---|
| 9:30-9:50   | 1. Approval of the Summary Record of the 29th meeting of the Public Governance Committee | GOV/PGC/M(2004)2  |
|             | 2. Renewal of the Bureau   |   |
|             | 3. Opening remarks by the Chair  |   |
| 9:50-11:15  | 4. Modernising Government:   | GOV/PGC(2004)17<br>GOV/PGC(2004)18<br>GOV/PGC(2004)18/ANN<br>GOV/PGC(2004)19<br>GOV/PGC(2004)20 |
| 11:15-11:45 | <i>Coffee break</i>  |   |
| 11:45-12:30 | Modernising Government, continued  |   |
| 12:30-13:00 | 5. Report on recent meetings   | GOV/PGC/RD(2004)8<br>GOV/PGC/RD(2004)9  |

**Afternoon session: 14:30-18:00**

- |             |   |                 |
|-------------|---|-----------------|
| 14:30-16:00 | 6. Discussion on a possible informal Ministerial meeting in late 2005 |                 |
| 16:00-18:00 | 7. Outreach   |                 |
|             | – Strategy for outreach   | GOV/PGC(2004)21 |
|             | – China programme   | GOV/PGC(2004)22 |
|             | – Russia  | GOV/PGC(2004)27 |
|             | – MENA  | GOV/PGC(2004)23 |
|             | – NEPAD   | GOV/PGC(2004)28 |

**NOTES**

**SPECIAL SESSION OF THE PUBLIC GOVERNANCE COMMITTEE**

**PUBLIC SECTOR MODERNISATION:**

**“ADAPTIVE GOVERNMENT:**

**NEW CHALLENGES, DIFFERENT CONTEXTS, COMMON VALUES”**

1. The purpose of this symposium-style session is to enable Committee members to engage in an in-depth discussion of a specific, topical issue raised in the context of the PGC work programme on public sector modernisation: adaptive government.

**The Theme “Adaptive Government”**

2. The Symposium will look at how to strengthen the capacity of public sectors to adapt appropriately when national problems and circumstances change. “Adaptivity”, as used in this symposium, is about a public sector’s ability to support strategic policy changes – and the major investments and divestments in public sector capacity necessary to make these changes – and to promote greater resilience in societies and economies.

3. Governments are under continuous pressure to adapt to challenges from both external and internal sources. Pressures such as adjustments in the international economy; immigration and increased vulnerability to risk are forcing change on governments. These combine with different internal challenges, such as new social problems, aging populations, fiscal constraints and technology changes that increase the demands of citizens for better quality services. In the 1980s and 1990s, in some countries government became seen as the problem, and there are indeed a number of areas where traditional government intervention becomes redundant or counter-productive. However, for some emerging collective societal and environmental problems, government is seen as the primary source for solutions.

4. In this shifting and increasingly complex environment, it is important that the public sector have the capacity to adapt and to deal with challenges as they arise. But adaptivity is not an end in itself. Public sectors need to be able to adapt in order to continue carrying out their basic functions effectively. These functions – and the circumstances in which they are carried out – change over time. While standing still is not an option, there is a need to avoid or mitigate changes that undermine confidence in public institutions or governance values. However, government cannot do everything alone. Governments should take steps that increase resilience and responsibility on the part of society and economic actors. At the same time, governments need to maintain values that are common to most public sectors, such as equity, transparency, democratic accountability, adherence to the rule of law, etc.

5. While public sectors in all countries experience some similar pressures to change, the risks they face and their capacity to manage them vary with the national context. The specificities of institutional environment, historical legacy and cultural factors all influence any public sector’s capacity to adapt to changing circumstance. Countries encounter different constraints in trying to push forward change. Just as contexts are different, so are solutions: one reform solution or instrument cannot be applied across all contexts with the expectation that it will achieve the same results.

6. Governments have sought to increase the general ability of their public sectors to adapt to changing environments by creating greater flexibility in people, processes, organisations and service delivery. This has involved changing employment practices in the public sector, creating new organisational structures, delegating power from the centre, giving flexibility to managers and organisations to achieve results by reducing central financial and regulatory constraints, changing the methods of service delivery, introducing competition and provision by third parties, and creating new mechanisms to be accountable to politicians and citizens.

7. The most appropriate levers of change – and in what mix – depends on what government wants to change in the incentives and behaviour of the public sector. There is no generic “reform” problem applicable to all governments: attempts to bring about change will be effective only if they are based on a clear definition of the nature of the problem and consist in a strong, multi-faceted and sustained intervention. Important problem definition issues include:

- Is the broad public sector problem one of a lack of cohesion or a lack of innovation?
- Do governments want public servants to be more politically responsive or more responsive to the general public?
- Is less government needed, or different and better government?
- At the same time as government needs to divest in some areas, does it need to invest in others?
- As public sector problems become more complex, are we successfully investing in the analytical and informational capacity to solve them?
- Is the aim to strengthen the role of the citizen as customer for particular services or as the “owner” of government as a whole?
- Is the concern the efficiency of public services or a redefinition of the existing social contract about the role of government in society?

Clarity on these matters is essential – otherwise, reform efforts run the risk of being contradictory, or too scattered to be effective.

8. Important to this Symposium are the propositions that the successful adaptation of government to changing societal needs depends upon the capacity within each government to understand the deep characteristics of the governmental system, to diagnose the particular nature of the problem to be addressed, and to devise interventions or reactive policies calibrated to the characteristics of the broader national system. This is not about promoting strong central planning of public sector reform -- government is too complex for that. It is rather about how to inject more system-wide, country-specific intelligence into an ongoing and largely unpredictable process of change and adaptation.

### **Plenary Session**

- First, the Chair of the Public Governance Committee will open the meeting.
- Second, two keynote speeches will set the scene. One will be by Professor Donald Kettl, a leading American academic, on how the requirements of any nation’s public sector change over time, how history and the wider institutional context determine the scope of government action, and how countries manage (or do not manage) the transitions from one phase in “nation –building” to another. The second will be by Mr. Thierry Bert, General Finance Inspector at the Ministry of Finance in France, giving an insider’s perspective on the same issues – especially in respect of changes occurring in the political/administrative interface.
- Third, delegates will hear three or four presentations from different speakers (Mr. Mogens Pedersen, Ministry of Finance, Denmark; Mr. Miroslav Beblavy, Ministry of Labour, Social Affairs and Family, Slovak Republic; Professor Richard Levin, Department of Public Service and Administration, South Africa) which will serve to illustrate larger trends in public administration in the last two decades, with contrasting conceptions of the problem to be addressed and different capacities and constraints that impact on how reforms proceed. They will be asked to give particular attention to the three perspectives to be covered in the break out groups in respect of their country experience.

- **Committee action:** Discuss the issues raised by the speakers, with reference to experiences in their own countries.

### **Break-out Sessions**

Each break-out session will be chaired by one of the speakers from the plenary session, one country in each session will be asked to lead off discussion, and one country will be asked to report back to the plenary on the results.

- ***Problem Definition and Modernisation Strategy***

This session will allow discussion on the importance of problem definition in public sector modernisation strategies. It is not possible to create meaningful change across a very broad front. Reform requires focus, the mobilisation of a range of incentives, and persistence. What are the range of different kinds of public governance or management problem that have faced modern OECD countries, and how has the conception and articulation of the problem impacted on modernisation strategies? A possible aim of the discussion is to contribute to the development of a diagnostic grid for classifying different kinds of governmental problem and identifying the appropriate range of responses in different kinds of governmental system.

Possible issues for discussion:

- The “politicization” of public management policies. Public sector reform is increasingly a high-profile political issue. How to mobilise this support without making public sector governance a political football?
- The importance of institutional context. Do certain kinds of reform require specific wider institutional conditions? Can we improve the way we classify OECD countries in this regard?
- What has been learnt about the sequencing of reforms in different contexts and the time required for culture change?

- ***Adaptation and Managerial Freedom: allies or rivals?***

Governments want flexible public services to better meet the needs of citizens as different customer groups. While governments need therefore to delegate service decision-making closer to citizens, and to tailor organisations and delivery systems to better fit their purposes,- they also need the capacity to cease or radically re-orient services when circumstances and national priorities change. (There have been some recent examples in the OECD of the centre having to be rebuilt)

How can the adaptive capacity of the whole of government be developed and maintained?

Possible issues for discussion:

- Are central control agencies having to develop new capacities? How do they find out what is going on in a decentralised management environment and with diverse public and private actors?
- Are there areas where contracting out activities to private providers makes it more difficult to make whole-of-government strategic adaptations?

- Adaptivity requires senior officials with a strong sense of collective interest. How can this be achieved in the modern public employment environment?

➤ ***Adaptation and political responsiveness – New roles and relationships between politicians and senior bureaucrats in the modern governmental environment.***

For many governments the most accessible lever for major changes in the public sector is the selection and management of senior officials. Inevitably, however, changing the incentives for senior officials means changing the way they relate to their political masters. Every OECD country needs to strike a balance between the need for public servants to be responsive to – and have the confidence of – the democratically elected government of the day and the need for a wider public service culture and professionalism to preserve continuity of government, the pursuit of the collective interest, and the provision of professional advice without fear or favour.

There is no area of public governance in which OECD countries are more different from each other than in the way they manage the political-administrative interface. The discussion aims to identify the main different governance arrangements in this area and discuss, for each of them, how they are being changed and the implications of these changes for both adaptivity and public service professionalism.

Possible issues for discussion:

- Ministers are increasingly interested in ensuring that senior officials are responsive to their political agenda. What should be the limits to such responsiveness?
- Do position-based term contracts change the balance of the political/administrative interface?
- Public service professionalism is preserved by a wide variety of ways across OECD: by constitution, law, transparency culture or separated organisational structures. How are these different arrangements responding to the pressures for adaptation?

**Plenary session**

- During this session, nominated country representatives of the three break-out sessions will report back on results.
- Other countries will be invited to reflect on the feedback from their national perspective
- A panel of invited speakers, chairs, and country representatives will each give a short account of what they felt came out of the discussions and pose questions for the future.

**Conclusions by the Chair**

The Chair will underline the lessons to be drawn for Committee work.

## 30<sup>TH</sup> SESSION OF THE PUBLIC GOVERNANCE COMMITTEE, CONTINUED

### Item 2. Renewal of the Bureau

### Item 3. Opening remarks by the Chair

After opening the meeting, the Chair will briefly summarise the results of the discussions at the previous day's symposium.

### Item 4. Modernising Government

This session will discuss the findings of the completed work on public sector modernisation.

- The Secretariat will briefly introduce the results of the work on Modernising Government. A Draft Overview on Public Sector Modernisation, presenting the main findings of the work, will provide the basis for discussion. Country presentations will help illustrate some of the conclusions.
- Three other papers will provide further background for the discussion: Open Government, The Use of Market-Type-Mechanisms, and Modernising Accountability and Control. The other papers in the series, which were previously presented to the Committee, will be re-circulated for information in the form of policy briefs (Modernising Public Employment, Governing for Performance, and Changing Organisational Structures).
- **Committee action:** Discuss the findings, and provide guidance for the final report.

### Item 5. Reports on recent meetings

Reports will be made on the recent meeting of Senior Officials from Centres of Government in Istanbul, and on the recent meeting of the Human Resources Management Working Party.

### Item 6. Discussion on a possible informal Ministerial meeting in late 2005

### Item 7. Outreach work

This session will present recent work on Outreach, including a discussion of the strategy for outreach, a presentation of work in China, and information on the review of Regulatory Reform in Russia.

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#### Documents for written comment

- Assessing Measures for Promoting Integrity and Preventing Corruption [GOV/PGC(2004)24]
- Regulatory Performance: Ex post Evaluation of Regulatory Tools and Institutions [GOV/PGC(2004)29]

#### Documents for information

- e-Government for Better Government [GOV/PGC(2004)25]
- Reviews of e-Government in Norway [GOV/PGC/RD(2004)5]
- Reviews of e-Government in Mexico [GOV/PGC/RD(2004)6]
- Multi-level Regulatory Governance [GOV/PGC(2004)30]



- Performance Related Pay for Government Employees: Main Trends in OECD Countries [GOV/PGC/HRM(2004)1]
- Trends in Human Resources Management Policies in OECD Countries: An Analysis of the Results of the OECD Survey on Strategic Human Resources [GOV/PGC/HRM(2004)2]
- Meeting the Challenges of Public Governance: Draft Programme of Work and Budget [GOV/PGC(2004)2/PART1/REV1]

**Other background documents**

- PGC Calendar of Meetings 2004-2005 [GOV/PGC(2004)14/REV1]
- Country Factsheets [GOV/PGC(2004)26]