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ISSUES AND QUESTIONS FOR DISCUSSION IN THE BREAK-OUT SESSIONS

**30th Session of the Public Governance Committee
OECD Headquarters
28-29 October 2004**

This document raises issues and questions for the break-out sessions 28 October in the afternoon session.

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ISSUES AND QUESTIONS FOR DISCUSSION IN THE BREAK-OUT SESSIONS

1. This document includes issues and questions for discussion for each of the three break-out sessions.

Break-out Session 1: Problem Definition and Modernisation Strategy

2. This session discusses the importance of problem definition in public sector modernisation strategies. Our core proposition is that in many cases, new management instruments are introduced without the government involved giving sufficient thought to the nature of the problem being addressed. This can lead to two undesirable outcomes: reforms which are ineffective, or reforms which have undesirable wider consequences.

3. To get at such issues, it would be good to have a discussion on the range of different kinds of public governance or management problems that OECD countries have faced, and how the conception and articulation of the problem has impacted on modernisation strategies. Of particular importance is recognising when public management changes are a manifestation of deeper changes and political trends in society at large.

4. Reform priorities should be considered in the context of wider national objectives. Where there is more than one set of priorities or more than one reform initiative, consideration could be given to what are the acceptable trade-offs between these priorities given underlying national values. Furthermore, the goals for reform initiatives need to be guided by what can be realistically achieved within the current national context.

5. Reform requires focus, the mobilisation of a range of incentives, and persistence. Developing a modernisation strategy encompasses understanding the nature of the problems, developing solutions which can be applied to the relevant country context, and creating a strategy that gets reform on the political agenda and obtains and maintains the support of those necessary to implement the reforms and make them work.

6. The discussion should contribute to the development of a diagnostic grid for classifying different kinds of governmental problems and identifying the appropriate range of responses in different kinds of governmental systems.

Possible issues for discussion

- The “politicization” of public management policies. Public sector reform is increasingly a high-profile political issue. How do you mobilise this support without making public sector governance a political football?
- How do you deal with unrealistic expectations about reform initiatives? In order to obtain political support, reformers have over-promised and exaggerated the potential benefits of the reforms and/or included multiple, sometimes contradictory, objectives for their initiatives. This creates problems with reforms becoming more rhetoric than reality and, over the long term, creates scepticism among civil servants and the public.
- For reforms to succeed it is often important to obtain the buy-in of those you are trying to reform. How do you create the right set of incentives for top-level civil servants to push reform in their agencies? How do you encourage lower-level civil servants to participate in and push change?
- What has been learnt about the sequencing of reforms in different contexts and the time required for culture change?
- 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?

Break-out Session 2: Adaptation and Managerial Freedom: Allies or Rivals?

7. 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.)

8. The transformation in the way governments deliver services – through, for example, agencies and market-type mechanisms – can provide efficiency gains but can also lead to trade-offs in terms of policy and programme co-ordination and even problems of fragmentation.

9. The more arm’s-length decentralised management environment can limit the ability of government to steer the state apparatus and to shift policy. The question is how do central agencies adjust their capacities, policies and strategies in order to push forward co-ordinated change and national policies in this new decentralised environment?

10. New demands on public expenditure – especially in the light of changing demographic profiles – will require periodic reductions and reallocations of existing expenditure. “Big bang” reforms of this nature must be considered part of the reality of modern government – rather than one-off misfortunes. How can the public sector organise itself to minimise the stress, and in some cases, capacity loss – which accompanies such adjustments?

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 (or less 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?
- How can the adaptive capacity of the whole-of-government be developed and maintained?

Break-out Session 3: Adaptation and Political Responsiveness: New Roles and Relationships between Politicians and Senior Bureaucrats in the Modern Governmental Environment

11. For many governments, the most accessible lever for major changes in the public sector is the selection and management of senior officials. This means changed incentives and changes in the way they relate to their political masters. Every OECD member country must 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.

12. How have public sector reforms changed the relationship between politicians and civil servants? There are competing and varied arguments about the impact of reforms on the administrative/political interface. On the one hand there are those that claim that changes in delivery of public services, the greater delegation of authority, and the increase in managerial freedom have reduced civil servants' responsiveness to politicians. On the other hand, it is argued that politicians have used public administration reform to increase their control over the bureaucracy. In addition, politicians have moved areas and issues into the administrative arena in order to avoid accountability and taking responsibility when things go wrong.

13. There is no area of public governance in which OECD member 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 explore, 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?
- Have the reforms resulted in greater managerial flexibility or is there still political involvement in operations?
- How does placing senior civil servants on short-term contracts change the balance of the political/administrative interface?
- Public service professionalism is preserved by a wide variety of ways in OECD member countries: by constitution, law, transparency culture or separated organisational structures. How are these different arrangements responding to the pressures for adaptation?
- In your country, what has been the new bargain struck between politicians and bureaucrats? Do politicians have more or less control over the bureaucracy than they did 10 years ago? What factors explain this change?