

Focus

Public Management Newsletter

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Web site: <http://www.oecd.org/puma/focus>

Budgeting in Asia

Policy dialogue between OECD countries and Asian economies

Overview

The OECD has significantly increased its co-operation with Asia in the field of public sector budgeting issues. This programme involves regional meetings and bilateral programmes with key players in the area, most notably the People's Republic of China and Indonesia. These activities take place within the context of the overall programme of work of the OECD Centre for Co-operation with Non-Members (CCNM).

In opening the OECD's most recent meeting, Eric Burgeat, the Director of CCNM, noted: "This meeting reflects the growing need for exchange of views on practices and experiences among policy-makers in the critical area of public sector budgeting. The budget is at the core of the good governance agenda. It is the major policy document of governments, where policy objectives are reconciled and implemented in concrete terms, thus giving effect to countries' economic and social priorities. At the end of the day, good budgeting is the *sine qua non* of good governance in practice."

Mr. Burgeat further noted, "Budget offices occupy a very special place in governments. Their role has been broadening in recent years. They work very closely with ministers and are 'hard-wired' into all government ministries and agencies. As such, they are integrally related to the decision-making process in governments, playing a pivotal role in fostering policy coherence, transparency and accountability."

Asian Budget Directors meet

On 19-20 November 2001, budget directors and other senior budget

officials from the Asian region and from Member countries met in Singapore for the first time. The objective was to share policy experiences and discuss common budgetary issues. This is the only forum for such senior officials to meet.

The two-day meeting focused on five themes: new approaches to budget formulation, long-term budget issues, budget transparency, accrual accounting and budgeting, and performance measures. Lead-in speakers from OECD Member countries and the Asian region opened each session. Participants included Australia, China, Chinese Taipei, Hong Kong, India, Japan, Korea, Malaysia, New Zealand, Indonesia, Singapore, Thailand, Vietnam and the United States. The World Bank also participated in the meeting. It is envisaged that this will become a regular annual event.

China Programme

The co-operation with China in the field of public sector budgeting traces its origins to 1998. This programme centres on a series of events in China where senior officials from Member countries share their policy experiences and best practices with their counterparts from China. Senior officials from Australia, Canada, Denmark, France, Germany, Italy, Japan, Korea, the Netherlands, New Zealand, Sweden, and the United States have participated in this dialogue over the past years.

Six events are typically held each year. Their focus has included the role and scope of the budget, budget classification, multi-year budget frameworks, economic assumptions, the role

of the legislature, budget transparency, organisation and functions of central budget offices, budget implementation (treasury management and in-year controls), fiscal relations with provincial and local governments, and accrual accounting and budgeting practices.

Indonesia Programme

The Indonesia Programme was inaugurated this year. It is envisaged that it will consist of five events on an annual basis. As with the China programme, this involves the OECD arranging meetings in Indonesia where senior officials from Member countries share their policy experiences and best practices with their counterparts from Indonesia. The themes of the five events scheduled are: design of budget institutions, role of Parliament in the budget process, co-ordination of budget policy across levels of government, organic budget laws (legal framework for budgeting), and transparency and role of non-governmental organisations.

Financing

These activities are financed by special funding from CCNM and voluntary contributions from Member countries. In particular, the generous support of the Governments of Japan and the Netherlands are gratefully acknowledged. The OECD co-operates extensively with the World Bank and the International Monetary Fund to avoid any duplication of work. Please contact jon.blondal@oecd.org for further information. ■

In this issue...

- Budgeting in Asia
- The impact of e-government
- Distributed public governance
- Forum on modernising government
- Governance for sustainable development
- Regulatory compliance and policy effectiveness
- Regulatory reform in non-member countries
- Ensuring accountability and transparency in the public sector

Project on the impact of e-government

E-government is a priority in OECD countries. In particular, the networking capabilities offered by the Internet and related technologies have the potential to transform the structures and operation of government.

PUMA is launching a project on the impact of e-government, the starting point being that e-government has the potential to be a major enabler in the adoption of good governance practices. The project will look at the impact of e-government on the structure, operations and capacity of public administrations from a series of different viewpoints:

- **How can governments meet future challenges?**
What are the evolving characteristics, needs and expectations of society, and how can the greater integration of information and communications technologies (ICT) within government improve administrations' capacity to respond?
- **Where are we now, and where are we going?** What progress has been made with e-government to date? What are the good practice strategies and solutions that are emerging?
- **What are the pathways to the longer-term vision?** What groundwork needs to be laid? What needs to be planned now to achieve the desired longer-term outcomes?

The key factors that will differentiate the project from other work on e-government are the focus on the longer-term picture and the grounding of the work in the broader debate on good governance and modernisation of public administration. PUMA's overarching perspective on governance activities across all OECD countries makes it uniquely placed to address e-government in the context of modernising government and developing citizen-centred reforms.

The project is receiving close guidance and review from an *E-Government Working Group*, comprised of Member country representatives. An *E-Government Associates Group* -- comprising government and other experts, private sector firms, academic institutions and civil society organisations -- will also advise the project.

In conducting the project, PUMA will continue to build links with other international organisations active in this field. For example, PUMA staff briefed delegates at the recent annual meeting of the International Council for IT in Government Administration (ICA: www.ica-it.org/) in October 2001. That meeting's discussion of key e-government issues will help inform the project, e.g. the co-ordination of e-government implementation, the impact of the digital divide on e-democracy and potential new relationships with business and civil society organisations to implement e-government.

The project will result in a series of analytical products including policy briefs, on-line publications and reports, with a flagship report to be finalised by the end of 2002. A major e-government conference is planned for May 2003.

For further information on the project, please contact Edwin Lau [edwin.lau@oecd.org, tel. +33-1-45.24.80.36], Tim Field [tim.field@oecd.org, tel. +33-1-45.24.98.76], or the PUMA website: www.oecd.org/puma/Egov/.

● E-government in Iceland

Iceland has launched the following e-government initiatives:

- The Ministry of Finance recently contracted with a software provider to set up new financial systems for the state and its institutions, establishing a co-ordinated policy across government for financial systems, financial information, accounting and information dissemination.
- The Ministry is formulating a policy to encourage the electronic procurement of goods by government institutions. The state has invited offers for procurement card services in order to simplify bill collection, reduce administrative costs for small purchases, and increase oversight of procurement by executives.
- An electronic marketplace for the State Procurement Centre is being developed, via which government institutions will be able to procure goods of all major categories.
- In consultation with the Internal Revenue Directorate, electronic communication is being enhanced. For example, around 60 per cent of individuals submitted their tax returns electronically in 2001.

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● eTurkey

Turkey has launched "eTurkey" within the framework of the eEurope+ project. The eTurkey project includes objectives such as providing cheap communication and regulating it; offering cheaper, faster and more secure Internet services; training citizens for the knowledge economy; and increasing the number of Internet users so that all services can be accessed and delivered electronically (e-government, e-trade, e-health, e-environment). Studies are being undertaken to determine Turkey's short-, medium- and long-term ICT needs. Twelve working groups consisting of public and civil society organisations have been set up to carry out the studies on, for example: education and human resources; infrastructure resources; legal infrastructure; standards; data security; e-trade; investment and planning; archiving and digital storage; co-ordination with eEurope+.

● eLuxembourg

Luxembourg is considering several initiatives under its e-government programme, "eLuxembourg", including:

- Developing new computerised file management and archiving processes for the National Family Benefits Service (CNPF).
- Creating public markets on-line: e-Procurement; an e-Catalogue of public works, supplies and services; e-Auction; and e-Marketplace, which would allow business to be conducted directly between suppliers and purchasers.
- Launching "eTVA", a project that would ultimately allow users to make VAT declarations and payments on-line.
- Computerising the judicial system, including both the civil and criminal procedures.

Distributed public governance

Representatives from 22 OECD Member and non-member countries, many from Central and Eastern Europe, gathered in Bratislava on 22-23 November 2001, at a High-Level Forum on "Delegating and Devolving Power to More Autonomous Bodies and Controlling Them: The Governance of Public Agencies and Authorities".

The Forum was hosted by the Government of the Slovak Republic and organised by PUMA.

Public agencies, authorities, and other semi-autonomous government bodies form what is called "the wider state sector". In most OECD Member countries, the size of the wider state sector has increased over time, accelerating in the 1980s and 1990s. Granting more autonomy to specific parts of government has usually been seen as a way to provide government bodies having specialised functions with managerial flexibility or independence from political interference — and thereby benefiting from decoupling policy-making from policy implementation and enabling better collaboration between different public organisations.

Only very few OECD Member countries still envisage major waves of delegation and devolution of power to semi-autonomous government bodies. Priorities have moved away from the need for delegation and devolution to the challenge of finding the right balance among accountability and autonomy, openness, performance management, and issues of steering capacity of central ministries.

Central and eastern European countries have been encouraged as part of their transition process to establish such autonomous bodies since the 1990s. A number of crucial governance problems have emerged from this wave of autonomisation within government including:

- weakened policy-making capacity at central ministry level and undermined government accountability;
- policy fragmentation and difficulty in maintaining government coherence;
- weakened government control mechanisms;
- increased capture of the work of public organisations by special interests;
- budget disintegration;
- increased political and personal patronage and cronyism;
- disintegration of the civil service.

Building on the experience of OECD and non-OECD member countries, participants examined the necessary conditions for the good governance of the wider state sector, including rules for establishing semi-autonomous bodies, the need for a legal framework, and the general principles of internal and external governance.

The "Bratislava Principles" were then presented at a Forum on Ensuring Accountability and Transparency in the Public Sector in Brasilia on 5-6 December, 2001 (see page 8).

All documents of the conference are available on PUMA's website: <http://www.oecd.org/puma/>.

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OECD Forum on Modernising Government

On 6-7 November 2001, PUMA held a Forum on Modernising Government as part of the OECD Global Forum on Governance. Convened as an extended meeting of the Public Management Committee, it involved participants from 16 non-member countries. The objectives of the meeting were to:

- broaden the debate on public governance and promote a better understanding of the issues and challenges facing public administration in all countries;
- review and share the experience to date in implementing reform and modernisation programmes;
- identify the direction that such programmes may take.

The meeting comprised three main session topics: key elements of modernisation, the search for regulatory quality, and building trust in government.

Each session involved key speakers drawn from Member and non-member countries; following the plenary, participants broke into related workshops to discuss work in more detail.

Discussions at the Forum demonstrated that countries seeking to reform or modernise their administrations face very similar issues. However, there is no "one-size-fits-all" approach to reform; each country's history, economic development, culture and attitudes to public administration can affect the solutions it develops. More information on the Forum, including the summary record, documents and presentations, will be made available on PUMA's website.

Governance for sustainable development

As part of the OECD's Sustainable Development programme, PUMA organised a seminar on "Improving Governance for Sustainable Development" on 22-23 November 2001 in Paris. The meeting was opened by Deputy Secretary General Thorvald Moe and chaired by Johanne Gelin, the Canadian Commissioner of the Environment and Sustainable Development. Around 40 people participated, including senior officials from OECD countries, representatives from business and environmental NGOs, and leading experts in the field.

The purpose of the seminar was to discuss the challenges of integration and policy coherence for sustainable development (SD) on the basis of PUMA case studies on governance for SD, which will be published shortly.

During the seminar, a broad consensus emerged that implementing SD policies depends crucially on putting the right governance framework in place, in particular giving greater weight to environmental concerns in the policy process. The main results of the meeting included a better understanding of the governance issues posed by SD and the identification of a first set of criteria for monitoring SD integration, evaluation and accountability; for improving effective practices for stakeholders' involvement in decision-making; and for improving the scientific input to problems and its management by decision-makers.

The seminar will be a key contribution to the PUMA checklist on policy integration and coherence for sustainable development that is being prepared in the context of the 2002 World Summit on Sustainable Development. For more information, please contact frederic.bouder@oecd.org.

Regulatory compliance and policy effectiveness

Headline-grabbing events, such as explosions in factories or cases of contaminated water, lead people to ask: “How did regulation fail? Why wasn’t it applied? How can this be prevented in the future?” Compliance is about how regulation can lead to real changes in behaviour, reduce risk and achieve specific objectives.

Increasingly, attention is turning to the effectiveness of regulatory regimes. Under the OECD’s regulatory management and reform programme, a great deal has been learned about the best ways to develop and design regulation. Once a legal instrument became law, it was assumed that, apart from some exceptions, the group being regulated would comply. This is no longer the case. Now the focus is also on what happens subsequently — how the instrument is communicated, implemented, monitored, and enforced by the responsible regulatory agency.

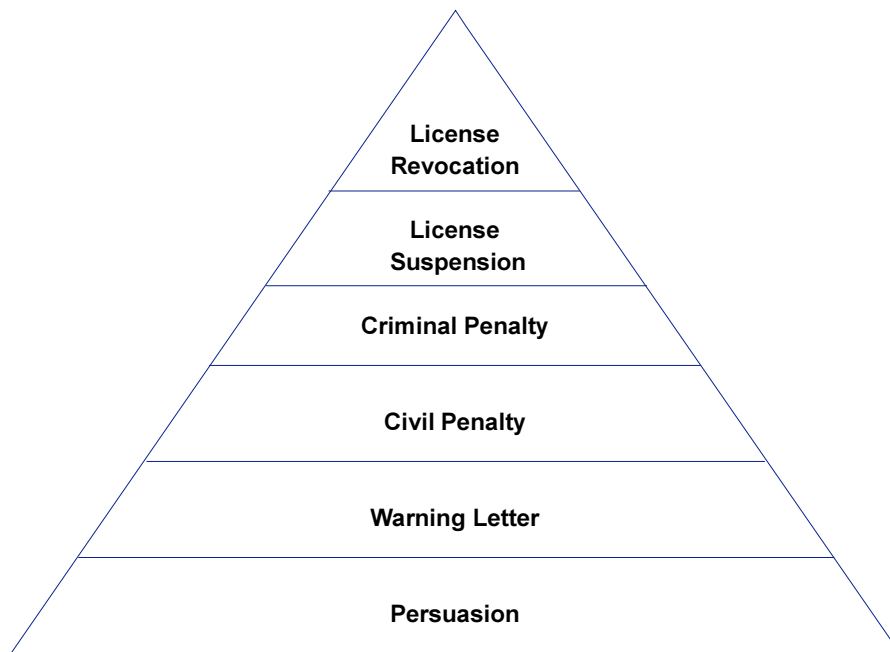
The pursuit of regulatory compliance by regulatory agencies is complicated by a range of demands often pulling them in opposite directions: be more responsive to the regulated community — but do not get captured by industry; be more client-oriented — but do not let them get away with anything; focus efforts on the greatest risk — but treat everyone equally; process things quickly — but be careful. Some strategies to navigate this landscape

of conflicting and shifting interests are “responsive regulation” (which provides a toolkit of instruments that regulators can use strategically to achieve compliance) and “problem-focused regulation” (which involves a combination of risk identification, prioritisation and strategic control).

There is a need to go beyond the general principles to look at real-life implementation. What approaches are being used by agencies to bring about changes in behaviour and outcomes? How are the requirements of new regulation communicated? Are information and guidance provided in a way that encourages compliance? What strategies are used to enforce compliance when it does not occur voluntarily? What are the conditions and strategies that are most conducive to achieving compliance? Do these vary according to the sector being regulated and the nature of the problem? What are the best ways to monitor compliance to ensure that governments are achieving the results they intended?

The OECD has released a publication: *Reducing the Risk of Policy Failure: Challenges for Regulatory Compliance*, available on the PUMA website, and is launching a work programme on compliance. For more information, please contact Sue Holmes at sue.holmes@oecd.org.

An enforcement pyramid for business regulation



Source: Ayres, I. & Braithwaite, J. (1992), *Responsive Regulation: Transcending the Deregulation Debate*, Oxford University Press, New York, p. 35.

The pyramid above is an example of responsive regulation. It is a schematic representation of the idea that, instead of using the most drastic regulatory strategies first, regulators should trade on the goodwill of those they are regulating. Regulators should encourage those regulated to comply voluntarily, using more drastic regulatory measures only when that tactic fails, and reverting to a

trusting demeanour when these measures achieve their goal. In the pyramid illustrated, license suspension and revocation are at the top because they represent the complete closing down of a business, as compared with a criminal financial penalty or the imprisonment of a particular executive. Each regulatory regime would, however, design its own pyramid of sanctions. ■

Regulatory reform in non-member countries

The OECD has recently organised several events on regulatory reform involving non-member countries from different regions of the world.

The First Workshop of the APEC-OECD Co-operative Initiative on Regulatory Reform

Beijing, China, 19-20 September 2001

At this workshop, representatives from over 25 countries, business, labour, and several international organisations, including the World Bank and the European Commission, discussed the following topics: the design and operation of a broad and sustainable regulatory reform programme that produces concrete results for consumers and businesses; the importance of building competition principles into regulatory regimes.

Foundations for Investment: Progress and Challenges in Regulatory Reform in South East Europe

Thessaloniki, Greece, 2-3 October 2001

This seminar was the launching event of the *Investment Compact Initiative on Regulatory Reform* for South East Europe. It was held at the UN Centre in Thessaloniki, and co-hosted by the Government of Greece and the OECD. The seminar brought together more than 20 countries as well as representatives from business, labour and international organisations, including the European Commission. The discussions focussed on: the benefits of regulatory reform; elements of a regulatory reform programme — regulatory impact analysis, consultation and administrative reforms to support these; challenges in sustaining a reform programme; and improving the regulatory framework of key economic sectors.

Seminar on Regulatory Management and Reform in Russia

Moscow, Russia, 19-20 November 2001

Russia will become the first non-OECD country to participate in the OECD's Regulatory Reform Review Programme. This was the key conclusion of the recent Seminar on Regulatory Management and Reform that launched the new two-year project in OECD-Russia co-operation. The Seminar introduced the OECD Regulatory Reform Programme to senior Russian officials, business representatives and academia. The OECD review will contribute to the design and implementation of regulatory reform strategies of the Russian Federation.

More information on these events, including documents and conclusions, is available on the PUMA website:

www.oecd.org/puma/regref/

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● Better regulation

Japan has taken steps to make its regulatory system more streamlined and transparent, for example:

- Since 1999, a Public Comment Procedure requires administrative bodies to notify the public of any proposal to create, amend or repeal a regulation, and to consider comments and information submitted by the public before taking action.
- In March 2001, the Cabinet adopted a system under which businesses may submit enquiries to ministries and agencies about the interpretation and application of laws and ordinances. Ministries and agencies must respond in writing to such enquiries within 30 days, in principle, and make their responses public. Before end 2001, each ministry and agency will adopt detailed rules related to their implementation of the new system.

● Contracting with NGOs

In **New Zealand**, the Treasury has developed guidelines for government agencies as they manage their various contracting and other funding arrangements with non-governmental organisations (NGOs). The guidelines are aimed at contracting with NGOs for the provision of services (“outputs”), or otherwise providing funding to NGOs, and not for the routine purchase of inputs. A number of principles underpin these guidelines:

- Services purchased through contracts and other types of funding relationships should contribute to the achievement of government outcomes and objectives.
- Contracting should reflect the needs of the ultimate users or recipients of the service.
- Contracts should provide appropriate accountability for public money.
- Contracts should represent value for public money.
- The quality of service delivery will usually be of central importance.
- The Crown and its organisations should act in good faith.
- Government agencies should understand the nature of the organisations with which they and the Crown contract.

It is also stressed that contracting and funding relationships between community organisations and agencies should involve:

- recognising the objectives of both parties;
- respecting the autonomy of the voluntary sector;
- communicating in an open and timely manner;
- working constructively together;
- recognising the responsibilities of each party to its stakeholders.

These guidelines cover all aspects of the contract lifecycle.

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● Training in public service values

In **New Zealand**, the State Services Commission (SSC) has developed resources to support departments in training staff in the principles set out in the recently revised Code of Conduct and in values generally. The resource kit, "Walking the Talk: Making Values Real", includes the NZ Public Service Code of Conduct; a documentary video that explores the principles in the Code and also includes a short, dramatised values dilemma; and a guide to assist managers and trainers in facilitating discussion and debate about the values and issues raised in the video and in a set of stories provided. These stories depict typical ethical dilemmas faced by public servants that help illustrate the values and standards set out in the Code. Two more videos will be developed in the near future to explore other ethical and values dilemmas.

Order forms for the resource kit are accessible from the SSC's website (<http://www.ssc.govt.nz/documents/valintro.htm>); and the Public Service Code of Conduct is available from <http://www.ssc.govt.nz/documents/codeofconduct2001.htm>.

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● Fighting corruption

In July 2001, **Korea** passed an Anti-Corruption Act, which will come into force on 25 January 2002. The purpose of the Act is to create an ethical climate in the civil service by effectively preventing wrongdoing. The Act also regulates a Code of Conduct for public officials and disciplinary action for public officials who break the Code. An Anti-Corruption Commission will be set up to enforce the Act and anti-corruption policies. The Commission will be responsible for the following.

- formulating and recommending institutional improvement to prevent corruption;
- surveying and evaluating policy-making and policy implementation in public agencies;
- implementing anti-corruption education and publicity;
- supporting activities of NGOs to monitor wrongdoing by public servants;
- receiving reports about corruption and protecting and rewarding whistle-blowers.

A Presidential Decree will allow any citizen to request an inspection by the Board of Audit and Inspection when illegal or corrupt activity by public agencies threatens the public interest.

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The President's Management Agenda

United States Office of Management and Budget
August 2001, 64 pages

President Bush's vision for government reform is guided by three principles, i.e. that government should be: citizen-centred, not bureaucracy-centred; results-oriented, not process-oriented; and market-based, actively promoting rather than stifling innovation through competition. The President's Management Agenda contains five government-wide goals: strategic management of human capital; competitive sourcing; improved financial performance; expanded electronic government; and budget and performance integration. Agency-specific goals are also listed. Available from:

<http://www.whitehouse.gov/omb/budget/fy2002/mgmt.pdf>

Canada's Performance 2001 (Annual Report to Parliament)

President of the Treasury Board, Canada
December 2001 (68 pages, ISBN 0-662-66193-1)

This annual report provides a broad overview of trends in society measured by nineteen societal indicators that, taken together, provide a snapshot of the quality of life in Canada. The electronic version of the report contains useful hyperlinks to information on certain governmental programmes and initiatives related to the societal indicators. This reporting keeps Parliament and Canadians informed of what the government is trying to achieve and provides a tool for engaging citizens in public policy discussions. Available from:

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<http://www.tbs-sct.gc.ca/rma/communic/communie.asp>

L'Observatoire de l'emploi public : Rapport annuel juin 2001

Ministry for the Public Service and Reform of State Structures, France, October 2001 (207 pages, ISBN 2-11-004936-7)

The French Public Employment Observatory was set up in September 2000 to ensure transparency on the size of the public service workforce and to improve management planning for staff, jobs and skills for the public service. (See Focus 21, page 5.) This report is the result of the first six months of work by the Observatory. Available from

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<http://www.fonction-publique.gouv.fr/lafonctionpublique/observatoire>

The Capacity to Govern: A Report to the Club of Rome

By Prof. Yehezkel Dror, October 2001
(280 pages, ISBN 07146-5228-8)

The inadequacies of contemporary forms of governance are increasingly recognised, but salient proposals have been scarce. This book diagnoses the ills of contemporary governments and proposes changes in values, structures, staffing, public understanding and political culture to equip governance for the challenges of the 21st century. This is the first report dealing with governance commissioned and approved by the Club of Rome, a non-governmental global think tank. It is published in English, German, Portuguese and Spanish. English text available from:

Frank Cass Publishers
London, England (Tel. +44-20-89.20.21.00)
and Portland, Oregon (Tel. +1-800-944.6190)

<http://www.frankcass.com>

<http://www.clubofrome.org>

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Decentralization: Conditions for Success. Lessons from Central and Eastern Europe and the Commonwealth of Independent States

United Nations Department of Economic and Social Affairs,
Division for Public Economics and Public Administration,
2000 (146 pages, ISBN 92-1-123135-3, ST/ESA/PAD/SER.E/7)

In April 1999, a conference was organised by the UNDESA and the United Nations Development Programme, and hosted by the Government and Parliament of Armenia. This report: explores the results of decentralisation in Central and Eastern Europe and the CIS (providing an account of legislative frameworks that were put in place for this purpose); draws comparisons with trends in Western Europe; discusses the problems of financial decentralisation and safeguarding accountability in local administration; covers the human factor in local governments (including civil society); and contains a summary of the findings and recommendations of the conference working groups. Available from:

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<http://unpan1.un.org/intradoc/groups/public/documents/un/unpan000456.pdf>

Local Governance and National Development

EROPA (Eastern Regional Organization for Public Administration), Local Government Center, Japan
1998, 155 pages

This book is based on the premise that, in the Asia and Pacific region, the idea of governance (versus government) has not made inroads; instead, fiscal retrenchment has been the major driving force of government reform. The main emphasis of this volume is to analyse the notion of governance in the local political and administrative context of the countries covered: Australia, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, and Vietnam. Available from:

EROPA Local Government Center
4-6-2, Minami-azabu, Minato-ku, Tokyo
Tel. +81-3-34443327 Fax: +81-3-34443283

Local Government in Japan

Council of Local Authorities for International Relations, Japan
2000, 70 pages

In Japan, the Omnibus Decentralisation Act came into force in April 2000 with the aims of clarifying the respective roles of national and local government, increasing the autonomy and independence of local authorities, and developing local communities. This book, now in its fifth revised edition, explains special features of Japan's local administrative system, local administrative functions, challenges facing local governments, the system responsible for the many functions of local authorities, and the recent trend toward decentralisation. Statistics and graphs are included. Available from:

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<http://www.clair.nippon-net.ne.jp>

Government Decision in Principle on State Personnel Policy Line

Finland, August 2001, 8 pages

The Government of Finland considers it important for the state to be a model employer in purposefully implementing good personnel policy. This Decision in Principle states the starting premises and change factors (2001-2005), the targets (including clear values and ethical standards, competent and committed personnel, and good managers), and methods for implementation, responsibility and follow-up. The Government will evaluate attainment of the targets in 2004. Available from:

http://www.vn.fi/vm/english/other/vnphepo_englanti.pdf

Transparency, accountability in the public sector OECD/OAS Forum approves policy recommendations

Ministers, senators, senior government officials and business leaders came together with representatives of international organisations, non-government organisations (NGOs) and the media to exchange their experiences and approve policy recommendations on key areas of good governance. The Latin American Forum on Ensuring Accountability and Transparency in the Public Sector, held on 5-6 December 2001 in Brasilia, Brazil, brought together more than 450 senior officials from OECD countries, Latin America and the Caribbean.

The Forum was hosted by the Government of Brazil and organised by the OECD and the Organisation of American States (OAS). It was opened by Marcus Marcel, Vice-President of Brazil, and addressed by Martus Tavares, Minister of Planning, Budget and Management of Brazil, and César Gaviria, Secretary General of the OAS.

The Forum was divided into four sessions. The first session, on "Ensuring Accountability and Transparency in the Public Sector", allowed participants to take stock of the challenges countries are facing and their recent efforts to design and implement transparency measures. It also launched an exchange of experience on managing reform in OECD and OAS countries.

Session 2 was made up of three parallel workshops on "Preventive Measures for Fighting Corruption by Increasing Transparency and Accountability". The workshops discussed lessons learned from the design and management of reform measures in three key administrative areas: preventing conflicts of interest, establishing transparent and efficient budget management, and providing access to information to facilitate public scrutiny.

Session 3 was also comprised of three workshops, this time to develop policy guidelines in the same three administrative areas. There was also discussion on how to apply the guidelines, taking into account the differing situations in each country.

In the closing plenary session, the proposed guidelines developed in the workshops were reviewed, and a set of policy recommendations drawn up. This session also launched a debate on follow-up measures to review progress.

The policy recommendations approved by the Forum thus reflect the shared experience of OECD and OAS countries, and give guidelines for concrete action. The recommendations particularly support OAS states' efforts to implement preventive measures defined by the Inter-American Convention Against Corruption.

The policy recommendations also list key principles and crucial factors to:

- ensure impartiality in the decision-making process by a credible conflict-of-interest policy;
- increase transparency in the preparation and execution of the budget; and
- promote freedom of information and participation of citizens in the formulation and implementation of public policies.

In his opening remarks, Seiichi Kondo, Deputy Secretary-General of the OECD, emphasised that "high standards of public governance are seen by all OECD Member countries as the essential foundation for achieving sustainable economic growth, social cohesion and a healthy environment. Without high standards, there can be no trust or confidence in the integrity of public institutions or indeed in the value of democratic processes in promoting and protecting the interests and well-being of citizens."

He concluded that "good governance and the fight against corruption should not be just new catchwords in international co-operation. They represent the keys for successful reform and for equitable and sustainable development."

Forum participants stressed the importance of a comprehensive approach when preparing national meas-

ures for implementing the recommendations. Stuart Gilman, Director at the Office of the Inspector-General of the US Treasury Department, underlined that "Modern anticorruption programmes must balance integrity and compliance, multiple programmes, intersecting laws and authorities and institutional responsibilities ... nonetheless, we know that all anticorruption regimes must have institutions of prevention, investigation, prosecution and protection."

Engaging the public in budget planning is an emerging requirement, and citizens play a crucial role in scrutinizing the spending of public money. "The second generation of fiscal reforms aimed both to increase transparency and limit the executive's discretion in the use of public resources", emphasized Marcelo Tokman, Chief Economist of the Chilean Budget Office.

For further information on the background papers, presentations and agenda, please consult the homepage of the Forum at www.oecd.org/puma/ethics/. ■

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