

CONTRACT MANAGEMENT IN SPAIN(*)

by Eduardo Zapico Goni, Budget Office of the Presidency, Spain

EXECUTIVE SUMMARY

In Spain performance contracts are still in a development phase. The design and implementation of performance contracts are strongly influenced by the dynamics of intergovernmental relations at the national and European level. So far, programme contracts and collaborative agreements have been signed between Ministries and agencies, between Ministries and public enterprises as well as between different levels of government. A case study for each kind of contractual arrangement shows that the less there is clarity about the principal-agent relationship the more difficult is compliance with the agreement. Another challenge is the low capacity and skills to manage results-oriented agreements in the Spanish public sector. In particular, the management and use of performance data remains a challenge.

(*) Also refer to the synthesis document: [PUMA/PAC(99)2] *Performance Contracting: Lessons from Performance Contracting Case-Studies & A Framework for Public Sector Performance Contracting*, and to the other related case-studies of Australia, Belgium, Canada, Denmark, Finland, France, New Zealand and Norway, all available on the OECD netsite (<http://www.oecd.org/puma/>).

© OECD, 1999

*Applications for permission to reproduce or translate
all or part of this material should be made to:
Public Affairs and Communications, OECD,
2, rue André-Pascal, 75775 Paris Cedex 16, France*

TABLE OF CONTENTS

1.	INTRODUCTION	3
2.	PROGRAMME-CONTACT BETWEEN THE MINISTRY OF LABOUR AND THE NATIONAL INSTITUTE OF EMPLOYMENT (INEM)	3
3.	CONTRACT MANAGEMENT BETWEEN THE MINISTRY OF PUBLIC WORKS (FOMENTO) AND RENFE (RAILWAYS)	7
4.	AGREEMENTS OF COLLABORATION WITH REGIONAL AND LOCAL GOVERNMENTS	10
5.	FINAL NOTES: PRESENT LIMITATIONS AND ISSUES FOR THE FUTURE	13
	References	15

CONTRACT MANAGEMENT IN SPAIN

1. INTRODUCTION

Contract management in Spain has been encouraged by the administrative and political decentralisation initiated in 1978 with the new Constitution, and by the process of European integration. The design and implementation of contracts have been influenced by the dynamics of intergovernmental relations, both at the national and European level. There has been a learning process over the last few years. But contractual management relations between central and regional governments, and between departments of government and public services are still in the phase of development. It is difficult to assess the degree of success of recent developments or experiences. Perhaps it is more interesting and relevant to assess the extent of the process of change and the development of programme-contracts and agreements of collaboration in different areas.

Until now, it has been even difficult to get a fully systematic view of experiences of contract management in Spain. *There is no general initiative directed from the central administration with a wide-ranging scope.* However, it is possible to make a tentative selection of the most important cases which seem to represent the path of evolution and which might help to identify a growing map of contracts and agreements used for public management in Spain. Three cases seem to be of particular relevance:

- Programme-contracts signed between an agency and a ministry (the INEM with the Ministry of Labour, the Post Office with the Ministry of Communications, INSALUD with the Ministry of Health, etc.); and
- Programme-contracts signed between a ministry and a public enterprise (the Ministry of Industry and HUNOSA, the Ministry of Communications and RENFE). The former might be identified as a contractual relationship between two parties having a clear hierarchical relation, and the latter referring to parties having a less hierarchical relation.
- Finally, agreements of collaboration between different levels of government.

In the following, relevant examples of these cases are analysed. Finally, tentative weaknesses and proposals for improvement are presented.

2. PROGRAMME-CONTRACT BETWEEN THE MINISTRY OF LABOUR AND THE NATIONAL INSTITUTE OF EMPLOYMENT (INEM)

Background and Main Elements

Since 1995, public management of unemployment has been open to the participation of public or private institutions. As from this date, the National Institute for Employment (INEM) has had to work in relation with these institutions, whereas before this date, the INEM had the monopoly of dealing with the management of unemployment. Opening this sector to private agencies of employment meant a new organisational configuration of the public services for searching for and providing employment. The INEM now focuses its activity and efforts on minorities having difficulty in finding employment.

Within this framework, the Ministry of Labour and Social Security signed the programme-contract with the INEM, setting out the priorities in terms of effectiveness (finding employment) during the period 1995-97. The programme-contract was presented at the European Union at the Summit of Essen on employment. In general, two main objectives were set: a) to reduce unemployment in specific disadvantaged groups; and b) to modernise INEM's management to provide more personalised and effective service to employers and employees. The compromises accepted by the INEM in relation to the first priority are:

- Targets for the reduction of unemployment:
 - To reach 15 per cent of intermediation in demands and offers of employment registered by 1997. This means doubling the 1994 rate. The intention is to cover 28 per cent of employment offers that are identified and registered. More specifically and in absolute terms, the objective of the INEM is to provide and manage around 2 800 000 jobs (of which 1 200 000 of unemployed of long duration and 600 000 of unemployed workers older than 45 years).
 - In 1995, the objective was the involvement in 750 000 initiatives of employment (of which 322 500 unemployed of long duration, and 165 000 unemployed of 45 years or older). According to data recorded in September 1995, 700 000 of jobs registered were already managed (the ratio of "cases of employment registered" in relation to the "cases communicated" was double the ratio for the same period in 1994). This means that by the end of 1996, the objective was surpassed (900 000).
 - To make contacts with more than 1 100 000 employers to support INEM intermediation. In 1995, 346 000 contacts should have been already made.
 - To provide 21 000 service centres of personalised information, orientation and search for employment, professional training, professional workshops, and "*casas de oficios*" (professional schools for semi-skilled employees).
- Initiatives in relation to the improvement of the services of the INEM.
 - To introduce and provide a new IT programme to facilitate surveys made by businesses using the INEM database to find curriculum vitae of potential candidates; to introduce and run the TASS programme allowing unemployed workers to search for work or for training programmes, using an "intelligent card"; and finally, to provide a telephone line (900) for employers to transmit their offers;
 - To optimise the performance of the employment bureaux, including opening some offices to the public in the afternoon;
 - To redistribute internal human resources, including partial decentralisation of administrative services to peripheral employment bureaux, and increase the number of people dealing with activities for promoting employment;
 - To provide new budget information using a new structural design for budgeting, allowing evaluation of the performance or productivity of each programme, the control of subsidies and public aid, and the reduction of unemployment spending which would allow the reallocation of resources to positive or active policies (based or focused on creating employment rather than subsidising unemployment).¹

The Programme-contract for 1995-97

The programme-contract was signed by the Minister of Labour and Social Security and the Director General of the INEM in May 1995, for the period 1995-97. According to the contract, the specific

rates of insertion of candidates through the INEM in 1997 will be: 18 per cent in management of employment, 41 per cent in professional training, 63 per cent in workshops and schools for workers, as compared to 16.5 per cent, 38 per cent and 60 per cent in 1994, respectively. The contract also stipulates the devolution of personnel in such a way that the staff of employment offices will increase from 53 per cent in 1995 to 73 per cent in 1997. Specific objectives are represented in the following tables:

Table 1. Percentage of employment achieved in relation to cases managed

(base 8.3 per cent and 494 606 jobs in 1994)

	1995	1996	1997
Per cent of employment	10	12	15
No. of jobs	750 000	900 000	1 125 000

Table 2. Reduction of unemployment of disadvantage minorities and increase in their employment

a) Unemployed, long duration	Per cent	51	49	47
(base 52.7 per cent in December 1994)	No. of jobs	322 500	387 000	483 750
b) Unemployed, older than 45 years	Per cent	18	17	16
(base 19.6 per cent in December 1994)	No. of jobs	165 000	198 000	247 500

The programme-contract also includes the actions to be undertaken by the INEM for the years 1995-1997:

Table 3. Improvements in the participation in the labour market

	1995	1996	1997
Personalised information business by services of INEM	345 600	380 160	414 720
Employers' offers identified and advised	69 120	76 100	83 000
Telematic connections of INEM's services with businesses and professionals		5 000	10 000

Table 4. Improvements in labour insertion

	1995	1996	1997
No. of actions of employment management	6 036 850	6 640 534	7 244 220
Long duration unemployed	2 646 075	2 910 682	3 175 290
Older than 45	1 146 775	1 262 852	1 376 930
Occupational training	204 800	195 000	195 000
Long duration unemployed	100 000	107 000	112 000
Older than 45	6 800	9 700	12 300
Religious institutions and professional institutions (no. of trainee-workers)	50 908	53 662	55 715
Long duration unemployed	14 254	21 464	27 857
Older than 25 (pilot programme for long duration unemployed and older than 45)	—	7 200	7 200

Follow-up and Evaluation of the Programme-contract

With the signature of the programme-contract, a new Commission (*Comisión de Seguimiento Mixta-CSM*) was created to guarantee the follow-up of all INEM's actions and to evaluate compliance with the programme-contract. Furthermore, the CSM was charged with solving any problems or conflicts stemming from the interpretation and application of the contract. It could also suggest modifications and extensions considered necessary to improve the contract.

This Commission will be co-chaired by the Secretary General of Employment and Labour Relations and the Director General of the INEM. It will have six representatives, three from the Ministry of Labour and Social Security, and three others from the National Institute of Employment (INEM).

The specific roles of the Commission are:

- to study and give its opinions on the proposals for actions to be developed;
- to analyse and assess the timing and main phases for the execution of plans, and, if necessary, propose corrective measures;
- to analyse results;
- to formulate new initiatives;
- to analyse and assess the budget resources needed as complementary credits for the execution of the programme-contract and any other functions included in the programme-contract.

This Commission meets at least once every six months or whenever a meeting is called by the Co-Presidents. The INEM reports every three months to the Commission with information on the degree of execution of the programme-contract.

Simultaneously, several representative institutions like the *Consejo General*, *Comisión Ejecutiva Nacional* and the *Comisiones Ejecutivas Provinciales* are informed regularly on the content of the programme-contract and its execution. The *Consejo General* is informed at least once a year on the execution of the contract during the previous year and in relation to estimates for the next year. The

Comisión Ejecutiva Nacional and the *Comisiones Provinciales* are informed on the degree of execution and forecasts every three months.

The entities or agencies collaborating with the INEM and participating in the labour-market intervention are public or private, which means that the market is “liberalised”. In general, they are public foundations created by autonomous governments (Cataluña, Galicia, Basque Country and Valencia). Regional decentralisation and the European integration process has made it profitable for the autonomous governments to create their own services of intermediation which are actively involved in the management of financial aid coming from the European Social Fund. Thus, the INEM is becoming a centre for distributing or transferring funds, contracting other organisations (public or private) to execute intermediation. In fact the agencies belonging to the autonomous governments contract with the INEM. This is also the case for training and professional education.

The model for professional training is in a phase of development. Professional training of unemployed workers is the responsibility of the INEM at national level, and of the autonomous governments at regional levels. The Ministry of Education also has training competencies (the *educación reglada*). The *Forcem* which is the name for a profit organisation focused on training employed workers (in-service training). Employers and employees associations control *Forcem*. They receive financial help from central government and the European Commission. There are also non-for-profit organisations which collaborate with the INEM (Ministry of Labour).

The lack of structure of the current model encouraged the design and signing of a programme-contract between the Ministry of Labour and the INEM within the framework of the Pluri-Annual Plan of Employment and the Essen summit. This programme-contract oriented the efforts and resources of the INEM to specific groups of unemployed (those over 45 years of age, under 25 years, women and unemployed people of long duration). The INEM also applied the philosophy of contract management every time it provided a subsidy or financial support to a concrete project. There are collaboration agreements with local governments or agencies of regional governments. In many cases, the institutions are small private organisations with a very low capacity for management of the funds received from the central government and the European Commission. In these cases, INEM’s internal control systems and the external control from IGAE (Financial Control of the Ministry of Finance) assure the recovery of important amounts of the subsidies delivered (30 000 million pesetas out of 3 000 000 million of subsidies). This means 10 per cent of the financial aid is recovered by the INEM.

There is a follow-up system to monitor the degree of accomplishment of contract-programmes and collaboration agreements on both employment and training. Although feedback provides information on management results, reactions and controlled measures are focused on financial penalties (recovering the financial aid not properly used).

3. CONTRACT MANAGEMENT BETWEEN THE MINISTRY OF PUBLIC WORKS AND RENFE (RAILWAYS)

Background and Main Elements

Since 1991, RENFE (*Red Nacional de Ferrocarriles Españoles*: National Railways) has changed its internal traditional organisation. The new structure responds to demands from the European Community; it has affected the cultural management style in the organisation and it has also affected the traditional model of contract management. The new structure is based principally on division into business units (infrastructure, operative division, and corporate division). The new organisation has

not yet been effective in reducing costs, but it has allowed identification of the main sources of losses, cost consciousness, and a decision style focussed on encouraging profit-making activities.

Contract management is projected both internally and externally. The new management style is extended all the way through the organisation of RENFE. All personnel are involved in this initiative. There is a high level of credibility and acceptance of the new changes in RENFE.

RENFE received the subsidy from the state for the benefits to the national economy and society, because of the public services that the market would not provide. These transactions are covered in a contract signed by RENFE with the Ministry of Finance and the Ministry of Public Works (*Fomento*).

Since 1994, RENFE has a new legal status. Furthermore, there is a new strategic plan for each business unit. The strategic plan was the basis for negotiating the contract-programme between RENFE and the state (1994-98), signed by the Ministry of Economy and Finance, the Ministry of Public Works (*Fomento*) and RENFE. It was approved by the Council of Ministers in 1994.

The programme fixed certain specific objectives and contributions from both parts, the main objective being to reach an economic balance and to change the trend of historical increase in debt. Specific objectives are also oriented towards improving productivity, increasing the number of passengers, improving the quality of the service, reducing the costs of operations, matching supply and demand, etc.

The contract-programme was formulated in a coherent way with the Directive on Railways of the European Community (separation of infrastructure and operations). Specific agreements and contracts were split for short-distance transportation, regional services, financial sustainability and debt reduction.

From the economic point of view, specific objectives were followed up with the help of performance indicators:

- reduction of personnel (16 per cent or 41 626 workers);
- reduction in personnel costs (14 per cent);
- commercial revenues/personnel expenditures (increasing for 80 per cent in 1994 to 112 per cent in 1998);
- follow-up of the debt;
- increasing revenues;
- contention of investments and subsidies from the state.

The contract management was therefore formulated with the aim of rationalising the management of RENFE. The transparency and precision of the objectives in the contract have allowed a follow-up for each activity and an application of the resources used by RENFE.

Analysis and Follow-up of Contract Management in RENFE

According to field research (interviews made by a team of research students of the Autonomous University of Madrid)², there is a general recognition of the usefulness of the contract programme both for the RENFE and the Ministries. Although they have different perspectives, all parties agreed to the objectives stipulated in the contract:

The objective for the Ministry of Finance is to reduce costs while maintaining quality. For RENFE, the objectives are to comply with European Community Directives and maintain each business unit reaching the objectives in their own contracts. For the Ministry of Public Works (*Fomento*), the objective is to execute the European Community Directives.

Some penalties are anticipated in the case of RENFE not complying with the contract. Financial contribution from the state will be reduced if contract objectives are not achieved. Up to now, this penalty has not been applied. Another ready main assumption is firing managers.

One of the main limitations for the contract-programme follow-up is the in and balance of information among different actors. For the Ministry of Finance and for the Ministry of Public Works there is a clear imbalance of information in favour of RENFE. Sometimes information is very detailed, not aggregated at an appropriate level for decision-makers in these Ministries. However, according to RENFE, there is an information balance. The Board of Administration of RENFE represents these two ministries. Furthermore, there is a follow-up commission which meets every three months.

Another limitation for contract management to work successfully in this case is that RENFE does not enjoy enough autonomy and independence to act freely because of social or political conditions. For instance, a tariff of price policy is fixed in the contract that the government will authorise or not, according to the situation of the economy.

The contract between RENFE and the State is not a legal document, but an instrument for management.

According to the Ministry of Finance and the Ministry of Public Works (*Fomento*), the contract management has not changed with a change of government. However the opinion of RENFE is different. There has been reduction in the contributions from the state.

One of the most important benefits from this contract or programme-contract is the provision of a stable framework that clarifies the relations between the state and RENFE. In general, the contract management of RENFE is considered to be successful. The main factors explaining this success is the bottom-up style for its formulation, its credibility, and the consensual approach.

The main effects of the contract have been identified as follows:

- clarification of the relations between the state and RENFE;
- identification of business units and their responsibility in terms of results;
- financial stability;
- reduction in the number of kilometres made by trains with low occupation;
- contribution of regional governments to finance specific services and rationalise the traffic;
- differentiation market area (AVE-DGV) and the social area to be maintained by political and social reasons;
- although penalties are clear from the State to RENFE, they are not so clear internally from RENFE to business units. In the case of a business unit not complying with anticipated results, the reduction of the resources will affect others units because of their interdependence; and
- budgeting is not so incrementalist as in the past. Every year, budget allocations depend on information based on workload (kilometres/train) and/or by programmes (increasing the quality of the service, segments of clients, etc.).

4. AGREEMENTS OF COLLABORATION WITH REGIONAL AND LOCAL GOVERNMENTS

Historical Background

With the process of political decentralisation in Spain, the central government is signing “agreements of collaboration” with regional governments in which both parties set responsibilities for simultaneously financing the same project. This has been a technique used by the central government to distribute parts of the general budget throughout the territory.

The central government has used this technique of agreements of collaboration in order to obtain the co-operation of regional governments to develop and implement policies which are the constitutional competence of the central government. These agreements are considered to be instruments to integrate financial or budget efforts towards the same priorities. These agreements are not compulsory for regional governments. Voluntary financial support from regional governments does not condition the way they manage their own budgets. In any case, these agreements do not release the central government from its obligation to distribute territorially the budget funds earmarked for allocation among all autonomous governments, even to those regional governments not participating in cofinancing the policy of central government with its own resources. Regional governments could allocate resources to specific policies different to the priorities of the central government. In the case of a regional government accepting the cofinancing agreement, the compromise for regional government will be just allocating appropriations in the budget. In any case, the autonomous government will always set the rules and norms under which these resources will be managed.

In general, there is a clear learning process. But management by agreements is still in the phase of development. One of the first and foremost areas of the intergovernmental collaboration agreement has been urban public transportation. These agreements of collaboration between the state and regional government were created to compensate regional governments for taking the responsibility of urban public transportation, previously the property of the central government. Furthermore, new initiatives of transportation development in small- and medium-sized cities were also to be held under the assumption that they produce externalities. The first cases related to the central government with the autonomous Government of Madrid, Cataluña and Valencia.

Agreements during the '80s: First Phase

In the case of Madrid, the programme-contract was signed to respond to a financial crisis of the subway system in 1986, at the moment of transferring the competencies from the state to the autonomous Government of Madrid. There are two levels of governments involved in the agreement with central government: the Local Government of Madrid, the Regional Government of Madrid and a Consortium of Regional Transportation (CRT). Given that the Local Government of Madrid holds 80 per cent of the capital of the CRT, the President of the subway is usually somebody proposed by the local government.

This agreement of collaboration was exceedingly oriented to establishing rules and norms with the aim to strictly control the management of the subway system, even all the procedural aspects and policies such as salaries, investments, price or tariff policies, etc. This approach had, as a consequence, a clear confrontation between managers of the Consortium (CRT) and representatives of regional governments because of negative deviations on financial results, partially due to the management of new subway lines built by the former Ministry of Transportation.

This first experience in Madrid was not considered to be successful since it did not encourage dealing with structural problems of the subway system (strong indebtedness, needs for modernisation of infrastructure, and appropriate level of user charges to cover full costs).

In Cataluña, the situation was different since the central government was full owner of the Subway of Barcelona transferred to the local government, and also the owner of *Ferrocarriles de Vía Estrecha* (FEVE: short-distance railways) transferred to the autonomous Government of Cataluña. The central government covered the deficits of the FEVE, and signed an agreement with the Cataluña Government. The contract stipulates that the Cataluña Government has to cover the running costs and the central government has to cover the investment costs.

In the case of Valencia, the FEVE was transferred to the Government of Valencia. The central government supported it since then, with an amount of 2 000 million pesetas according to the agreement of collaboration signed until 1989.

New Agreements (1990s): Second Phase

From 1990 to 1993, the Ministry for Finance of the central government established new relations with the Public Transport Corporations of the autonomous Government of Madrid and Barcelona. During these years the context was different:

- The CRT (Consortium of Regional Transportation of Madrid) assumed all responsibilities and competencies to manage public transportation in the Community of Madrid in spite of not being the owner of its patrimony;
- The Local Government of Barcelona was suffering a financial crisis with a public debt of 100 000 millions of pesetas (around 800 million ECU);
- There were complaints that financial support was not calculated on the basis of needs analysis. The Ministry of Transportation was very interested in financing new investments, and extending subway lines, but not with its own budget.

Under these assumptions, three new programme-contracts and two new agreements of co-financing of infrastructure were signed, changing substantially the framework of relations between the central government, the regional governments and local governments. The new main objectives were:

- a) to establish a clear role for the central government, aiming at encouraging the development of public transportation in big urban areas such as Madrid and Barcelona, but never being responsible for the management, and therefore not interfering in decision-making by the authorities responsible;
- b) to introduce sound financial management of responsible corporations through total self-financing of running costs through user charges. Central government would only provide exceptional support to cancel outstanding debt due to historical deficits accumulated in previous years;
- c) to focus financial help from the central government to support infrastructure investments to extend the subways in Madrid in Barcelona with new transport lines considered to be of special relevance.

Searching for Effective Agreements of Collaboration: Third Phase

Finally, for the period 1994-97, a new set of agreements and programme-contracts were signed with territorial governments. The previous experiences with the agreements mentioned above were considered successful from the point of view of the quality of the service. However, from the financial point of view, they did not attain anticipated objectives because:

- There was a lack of enforcement measures to guarantee that regional and local governments comply with the agreements in terms of time and substance compromises.
- Financial help was reallocated or transferred from investment to current expenditures.
- The price or tariff policy in the case of Madrid was not consistent with the investment effort.

- In order to correct these limitations, the new programme-contracts and agreements incorporated the following measures:
 - Establishment of economic penalties, with a mechanism for interests to be charged, in order to avoid systematic delays of payments to be made by different levels of governments;
 - A proportional reduction of financial help from central governments if corporations do not undertake the investment plan; making explicit and clear what financial support was for current expenditures and for investments;
 - Fixing a level of coverage because of low tariff, enforcing penalties for implementing or using new user charges below the average estimated.

The new programme-contracts were successful in reducing in a relevant way the support made by central government to regional and local government. The reduction was of 22 per cent of the support during the period 1994-97 as compared to the previous period. However, the budget modifications during 1996 were not considered in this calculation. Furthermore, the agreements and contracts signed for this period do not take into account the services that the RENFE (national railway network) provided to short-distance commuting and public transportation to Madrid and Barcelona. The financial support provided from the central government to regional government because of RENFE is double the amount transferred to Madrid, Barcelona and Valencia. This financial situation has encouraged the autonomous Government of the Canary Islands to claim for further support for an equivalent amount because of the far distance of the islands.

Future Perspectives

As mentioned above, the basic objectives of the contracts and agreements of the last years were to avoid the accumulation of deficits or indebtedness as a consequence of lacking adequate financial support to cover losses or investments, due to low tariffs or user charges for providing the services of transportation.

The main issue for the future is to maintain the investment policy of the autonomous governments. The criteria of the Ministry of Finance is that central government should focus in the future on financial collaboration for investments for new infrastructure, using as much as possible the structural funds coming from the European Union, and gradually avoiding the direct support of commercial losses of functioning of the services. This implies a new design of programme-contracts. This reinforces the idea of the need for further development and learning in the design and use of contract management in the relations between different levels of governments in Spain.

5. FINAL NOTES: PRESENT LIMITATIONS AND ISSUES FOR THE FUTURE

Present Weaknesses

In general, there is a low capacity for managing contracts and agreements. Scarcity of resources allocated for follow-up, monitoring and evaluation is an important reason. But another factor is the lack of skills in the civil service, traditionally oriented to complying with procedures rather than controlling by results.

A second weakness is the existence of excessive asymmetries of information. In fact there is a confusion of “principal” and “agents”.

The approach to the implementation of performance contracts is bureaucratic. It is focused on the mechanical use of statistics or data-based indicators. The use of contract management is restricted to some areas or policies, those where measurement and quantification is feasible.

At the regional level, there is a diffuse boundary between central government and regional governments. The distribution of responsibilities is ambiguous. The structural organisation of central government within the regions follows a sectoral logic, and it does not correspond to the divisional logic demanded by a functional or programme-oriented contract management.

There is a relation between the ministry and the chief executive of the public enterprise, making internal control difficult. It is incoherent for a Minister to dismiss somebody appointed by him.

Possible Improvements for the Future (Developing Capacities for Managing Contracts)

There is a need for more strategic design and use of goal-oriented performance indicators in programme-contracts, i.e. giving priority to full and appropriate use of European funds. In fact, this would allow a more realistic linkage with budget policy.

An important step forward would be increasing selective information for ministries (“principals”). This is an obvious improvement, difficult to achieve. It means, not just producing information, but treating and selecting it.

The use of contract management could be extended to other policies and for further internal decentralisation within networks of organisations in each agency. This is the case of the National Health Service with the network of hospitals, the DG of Prisons with its network of prison, etc.

The development of evaluation and control mechanisms for (systematic) learning for contract compliance will be also important step forward beyond punishment and enforcement.

Finally, the encouragement of proper and flexible connection of policy decisions and resource allocation processes with programme-contracts’ results might serve as an incentive to the use of the latter.

References

- Ministerio de Trabajo y Seguridad Social, “Programmea de Empleo del Reino de España”, 15 Septiembre 1995.
- Instituto Nacional de Administración Pública, El Funcionamiento del Estado Autonómico, Ministerio para las Administraciones Públicas, 1996.
- Instituto Nacional de Empleo, “Memoria 1995”, Ministerio de Trabajo y Seguridad Social, 1996.
- Instituto Nacional de Empleo, (1995) “Contrato-Programmea INEM”, 1995-97, Ministerio de Trabajo y Seguridad Social.
- RENFE, (1995) “Informe Económico 1994” e “Informe Gestión 1994”.
- Secretaría General de Empleo, “Programmea de Empleo de España. Seguimiento Essen-Madrid”, Observatorio, Junio 1996.
- Subdirección General de Gestión de Formación Ocupacional, Área del Fondo Social Europeo, Servicio de Seguimiento de la Gestión, “Informe de los Contratos Programmea”, 1995.
- Luna, Segovia, Mata y Ramos, “Contrato Programmea RENFE”, trabajo de investigación del curso Burocracia, Administración de Personal Directivo y Nueva Gestión Pública, Departamento de Ciencias Políticas, 1997 -- Unpublished document.

Notes

- 1 . Consejo Económico y Social, “Memoria sobre la situación socioeconómica y laboral de la nación, 1995, Informe publicado el 22 de Mayo de 1996.
- 2 Luna, Segovia, Mata y Ramos, “Contrato programma RENFE”, trabajo de investigación del curso Burocracia, Administración de Personal Directivo y Nueva Gestión Pública, Departamento de Ciencias Políticas, 1997 - Unpublished document.