

Focus

Public Management Gazette Number Eleven

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[Reinventing government] is about [...] the preservation of the vitality of democracy. In some countries that are new democracies, it may be about the preservation of democracy itself. But in the end, every one of us serves because people believe in the possibility of self-government through representatives. To the extent that people do not believe their representatives will handle their money for public purposes the way they themselves would, democracy itself is diminished. Human potential is diminished. The capacity for worldwide co-operation is diminished.

U.S. President Clinton
(from his remarks at the Conference)

Government reinvention goes global

On January 14-15 in Washington, United States Vice-President Al Gore hosted A Global Forum on Reinventing Government. Eminent politicians, public managers and academics were among the participants, including the Prime Minister of New Zealand, Vice-Presidents from Bolivia and Colombia, parliamentarians from Australia and Mongolia, ministers from Brazil, Denmark, Morocco, Qatar, South Africa, South Korea, the Netherlands and the United Kingdom. OECD/PUMA was one of the sponsors.

This meeting brought together 200 representatives from 41 countries to share experiences in making governments more efficient and effective. It was sponsored by a broad coalition of organisations, including foundations and research institutions from the US, the OECD, the World Bank and the Inter-American Development Bank. President Clinton spoke, stressing that countries have a vested interest in each other's success. Donald J. Johnston, the Secretary-General of the OECD, opened a plenary session on Service to the Citizen, and Deputy Secretary-General Joanna Shelton chaired a workshop on regulatory reform.

Workshops were also held on performance measurement, enabling citizen participation, local government reform, transparency and accountability and communicating reform. More specialised workshops dealt with innovations in customer service, environmental protection, education, health care and economic development.

Vice-President Gore announced new initiatives to be introduced shortly in the US: performance pay for managers, a government-wide customer satisfaction survey and a pilot programme to respond better to the needs of children. Several international organisations also announced follow-up actions: the World Bank will change its delivery system

[This is] a subject that lies at the very heart of economic growth and productivity for the 21st Century: reforming and reinventing government so that it is smaller, smarter, and more responsive to change in this fast-changing Information Age. [...] When governments work for the people -- when citizens receive good basic services, and have faith in the government that is providing them -- when taxes are low, and government meets public needs without maddening bureaucracy -- then a large measure of political and economic stability naturally follows. Let this be a first principle of 21st Century government: prosperity demands political legitimacy.

U.S. Vice President Al Gore
(from his opening speech)

Many of the initiatives to reinvent government over the past two decades have been designed to improve government service, to make government more user friendly, and to make government work better and cost less. [...] This can create savings [...] and unlock resources for more productive uses. Last year about a third of the budgets of OECD countries were in fiscal surplus. Reinventing government has made a significant contribution to that end.

Donald J. Johnston
Secretary-General of the OECD

and is carrying out internal reforms, the Inter-American Development Bank will earmark funds for governance reform, and the OECD will create an eminent persons group to focus the global reinvention effort.

In his closing speech, Mr. Gore said that the world is entering a time "when we will no longer have the

luxury of tolerating poor government, corruption, incompetence". He said the participation by 41 nations in this meeting indicated that "a new coalition of reform" was emerging, and that, "we should all keep reinvention and reform at the top of our national agenda."

For more information on the Forum, see <http://www.21stcentury.gov>. ■

Reshaping government in Italy

At the October 1998 meeting of the Public Management Committee, Dr. Pia Marconi, Director General of Ufficio Procedimenti ed Efficienza Amministrativa at the Department of the Public Service, made a presentation on recent developments in Italy. In her presentation (a summary is provided below, and the full text is available on PUMA's Web site), she described the nature of the reform programme launched six years ago and the way it has proceeded. She concluded her remarks by outlining the status of the programme and describing some of the challenges that lie ahead.

power to issue forty decree laws. This first phase prepared the ground for reform, which will be implemented starting in 1999.

The challenges are many. After the first phase, which was primarily driven from the top, it is now important to gain the support of the staff and the managers who will implement reforms. To help personnel adapt to the changes reform will bring, 1 per cent of the wage bill will be devoted to training. Another issue is the creation of a central support system to provide guidance to other units during the implementation phase. Success will depend on maintaining the current reform strategy and the political leadership given to it. ■

The first comprehensive reform action began in 1992, but did not continue because of successive government changes. It was launched again in 1996, but this time with a wider scope. Initially budgetary pressures were the driving force of reform. However, as the fiscal situation improved, the priority shifted from merely reducing the state budget to making the administration more efficient. To achieve this, efforts are being focussed on four areas: redesign of the government structure, simplification of procedures and regulatory quality, review of management systems and use of information technology.

Redesigning structures

This work looks at the issue of decentralisation, determining which activities should be kept at the central level (e.g. national security, defence, international relations, trade), which activities should be carried out by lower levels of government, and whether there are activities that do not require government involvement. This review examines the role of the state, identifies appropriate locations for various functions and reshapes the central government.

Simplifying procedures

In order to reduce the burden on society, procedures are now based on declarations rather than on proof. Procedures are also being unified, and "one-stop shops", created. This has eliminated, for example, the need to contact different government bodies and follow forty separate procedures to set up a new industrial plant. New initiatives are being planned to codify legislation

and conduct regulatory impact analysis.

Management review

This review deals with improving both performance and the personnel management system. As regards personnel, private sector-type contracts are now used to define employment and pay conditions. These are complemented by performance-related pay schemes for managers, who are now subject to fixed-term appointments instead of being appointed for life. The focus of performance management initiatives has shifted from compliance to efficiency and effectiveness. Cost accounting, strategic planning and evaluation have also been introduced. Responsiveness to citizens (for example, citizen's charters) is given a high priority.

Information technology

A "unified electronic network" is being set up for government operations. By allowing faster transfer of documents between government bodies, it will create efficiency gains and reduce burdens on citizens and companies. As part of this initiative, "digital signature" is also being introduced.

The future of reform

The Italian administrative system is governed by administrative law. Thus, implementing reform requires an important legislative process. After preparing four framework laws in 1997, the government submitted them to Parliament, which approved them. This gave the government the

Italy in numbers


- **Public sector employment: 3 500 000**
- **Total wage bill: 8% of GDP**
- **20 ministries**
- **20 regions**
- **107 provinces**
- **8 100 cities**
- **34 000 state schools**
- **60 universities**
- **370 health care agencies**
- **50 000 agencies that operate both at local and national levels**



This symbol indicates that more detailed information on a news item exists on Focus On-Line (<http://www.oecd.org/puma/focus>). For more information, including contact names and addresses in countries, see the Supplement.


●VIP in progress

The **Austrian** Administration Reform Programme (VIP), described in *Focus* number nine, is now being implemented. Significant progress has been made in three projects in particular:


- performance indicators in the federal administration;
- a new experimentation clause, as part of the gradual introduction of global budgeting;
- the drawing up of a vision for the public service, including management principles and the role of the public servant in relation to the citizen. 

●Reforming infrastructures


The **Greek** Ministry of Transport and Communications has introduced a new reform programme, including:

- a reorganisation of the ministry's structure;
- a reduction in red tape and unnecessary regulations;
- improved service efficiency, effectiveness and responsiveness, making use of quality indicators, targets and Customer Charters;
- a staff training programme;
- a new information and technology support system;
- initiatives to encourage ethical conduct and greater transparency. 


●Stronger strategic management

To enhance its strategic management system, **New Zealand** plans to establish "Strategic Result Area (SRA) networks". The networks involve a lead minister convening a group of network ministers, and a lead department to co-ordinate related departments and other state sector agencies. Each network will work to achieve identified strategic objectives that cut across current ministerial portfolios. 


●New administrative arrangements

In October, the **Australian** Prime Minister announced new administrative arrangements, including a major restructuring of key government departments to better reflect priorities and concerns. Changes include the linking of workplace relations, jobs and small business, and a more integrated approach to industry and resource development. Major investment projects will also be facilitated. The renamed Department of Transport and Regional Services has acquired new responsibilities in relation to the provision of rural and regional services. The Prime Minister's press release is available on the Internet at <http://www.pm.gov.au/media/pressrel/ministry.htm>. 


●Multi-year modernisation

In June 1998, the **French** Prime Minister asked each minister to develop by the end of 1998 a modernisation plan of his or her administration, to be implemented over a 3- to 5-year period. The objective is to ensure coherence among the various government efforts to meet citizen demands and carry forward public service reform. Ministers are asked to re-examine the tasks, structures, work methods, tools and managerial techniques of their respective administrations. In 1999, once the modernisation plans are completed, it is planned that individual ministries will sign contracts with the Ministries of the Budget and the Civil Service on staffing and operational resources for 2000-2002. 

●A new government structure

Following the elections in May 1998, **Hungary** has changed its government structure. The Prime Minister's Office, now headed by a minister, has been strengthened to co-ordinate the preparation and implementation of government decision-making. Several new ministries have also been created. Other changes include placing social security funds once again under state control and strengthening the central government's co-ordination of its regional offices. 


●Connecting Berlin and Bonn

To help overcome the technical and organisational limitations imposed by its two government locations, the **German** government has launched a project known as the "Information Super-Highway Berlin-Bonn" (IVBB). The IVBB is being constructed in partnership with Deutsche Telekom AG, and is currently being operated on a trial basis by selected users. It began full operation on January 1, 1999, offering a wide range of services and applications to support users in their new work environment. 


●New uses for IT

In its efforts to bring government closer to citizens, the **United Kingdom** is making extensive use of information technology (IT). Three main priorities are:


- interconnection among departments, including the new Government Secure Intranet;
- intensive use of IT for departments' major processes;
- more imaginative use of IT in the direct interface between government and citizens and businesses.

Several pilot projects are under way in support of this last initiative. The government's aim is that by the year 2002, the public will be able to perform one quarter of its dealings with the government electronically. 

●Human resources database

In **Portugal**, a database containing the personal data of all public servants was created in March 1998. Its purpose is to organise and update the information needed to develop human resource management indicators for the central, regional and local public administrations. Data is processed and divulged for statistical and research purposes only, although individual staff members can consult the information concerning themselves. The database includes information on both working and retired staff, so as to keep track of the public sector workforce and create statistical series. 


●Devolving pay determination

Following the 1996-97 collective bargaining process, **Iceland** adopted a new, decentralised pay determination system for around 70 per cent of the workforce. The system is based on a pay grid connected to a three-frame structure that can be adapted to the needs of individual agencies or institutions. Pay criteria for each job are decided by *ad hoc* adjustment teams made up of representatives of both management and the labour union. Management then makes the final decision on each employee's salary. 


●Managing Attendance

The **United Kingdom** Cabinet Office has conducted a review of attendance management policies for the public sector. This work forms part of an extensive government programme of efficiency and effectiveness studies. A key finding was that similar public bodies experience widely differing sickness absence rates, and that a core of effective management policies can be identified. These include overcoming workplace obstacles to individual attendance; greater use of occupational health professionals; and active line management during absences and on returning to work. A phased implementation programme is now under way, featuring a six-month period for line managers and others to receive thorough training in the fair and consistent application of these measures. Applying these techniques throughout government and the wider public sector should reduce absence by 30% and improve service delivery.


●Workplace relations

Since the government released its Policy Parameters for Agreement Making in mid-1997, devolved pay bargaining in the **Australian** public service (APS) has advanced substantially. Agencies covering 90 per cent of the APS now have certified collective agreements, and around 2300 Australian Workplace Agreements have been finalised. The new structure gives agencies considerable flexibility over job classification as well as responsibility for setting pay rates. An evaluation of this first round of APS agreement making will help determine whether further flexibilities should be introduced. For more information, see the Australian Government Employment Web site at <http://www.dwrsb.gov.au/ageg.htm>. 

●Managing the government workforce

Korea is developing a "total government workforce control system" to allow ministries to cope with changing administrative demands while containing the expansion of the overall workforce. The new system limits the total number of central government employees in advance, and then allocates employees among ministries and administrations based on presidential priorities and service demands. In addition, a Total Workforce Reduction Plan will be established once every three years. 

●The Leadership Network

The Leadership Network was created in June 1998 to promote, develop and support networks of leaders at all levels of the Public Service of **Canada** and to assist them in the ongoing challenge of the human resource management initiative known as *La Relève* (see article in *Focus* number eight). Current activities include consolidating *La Relève* from the bottom up, ensuring progress on corporate priorities, establishing the collective management of Assistant Deputy Ministers and advancing the priorities identified by the Clerk of the Privy Council: borderless institution, learning organisation and effective leadership. 

SIGMA and Transparency International have teamed up to produce an Internet directory of national and international anti-corruption programmes operating in Central and Eastern Europe. The directory is available on the World Wide Web at <http://www.oecd.org/puma/sigmaweb>.

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