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↓ 237,71 -1,0%

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↑ 8.228,10 +3,5%

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# Spending Reviews

OECD

Peter van den Berg

8 November 2011

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## Spending Reviews – a brief history

1980's:

- A lot of reports every year
- Focus on budget cuts

1990's:

- More focus on 'value for money' and strengthening incentives rather than budget cuts

2000's:

- Declining number of reviews per year

In the period 1980-2009: about 250 reports



## 2009-10 spending review - revival

2009: Financial crisis

- From budget surplus to deficit of 5,5% GDP
- Need for consolidation policy
- Assignment by council of ministers:  
'give insight in different cutback options and their effects'
- April 2010: 20 reports sent to parliament
- June 2010: general elections



## 2009-10 spending review - organisation

- Supervision by Ministry of Finance, (vice) Prime Minister's Office
- Non-political working groups  
(civil servants, external experts e.g. CPB)
- Chaired by (former) senior officials not responsible for the policy under review
- Clear assignment: budget cuts of 20%



## 2009-10 spending review – scope / rules

- Broad scope: 30% of (tax) expenditures were reviewed
- No political taboos or political interventions
- Non-veto principle: sound ideas could not be blocked
- No advice, choice of policy options was left to government / political parties
- Reports were sent to Parliament



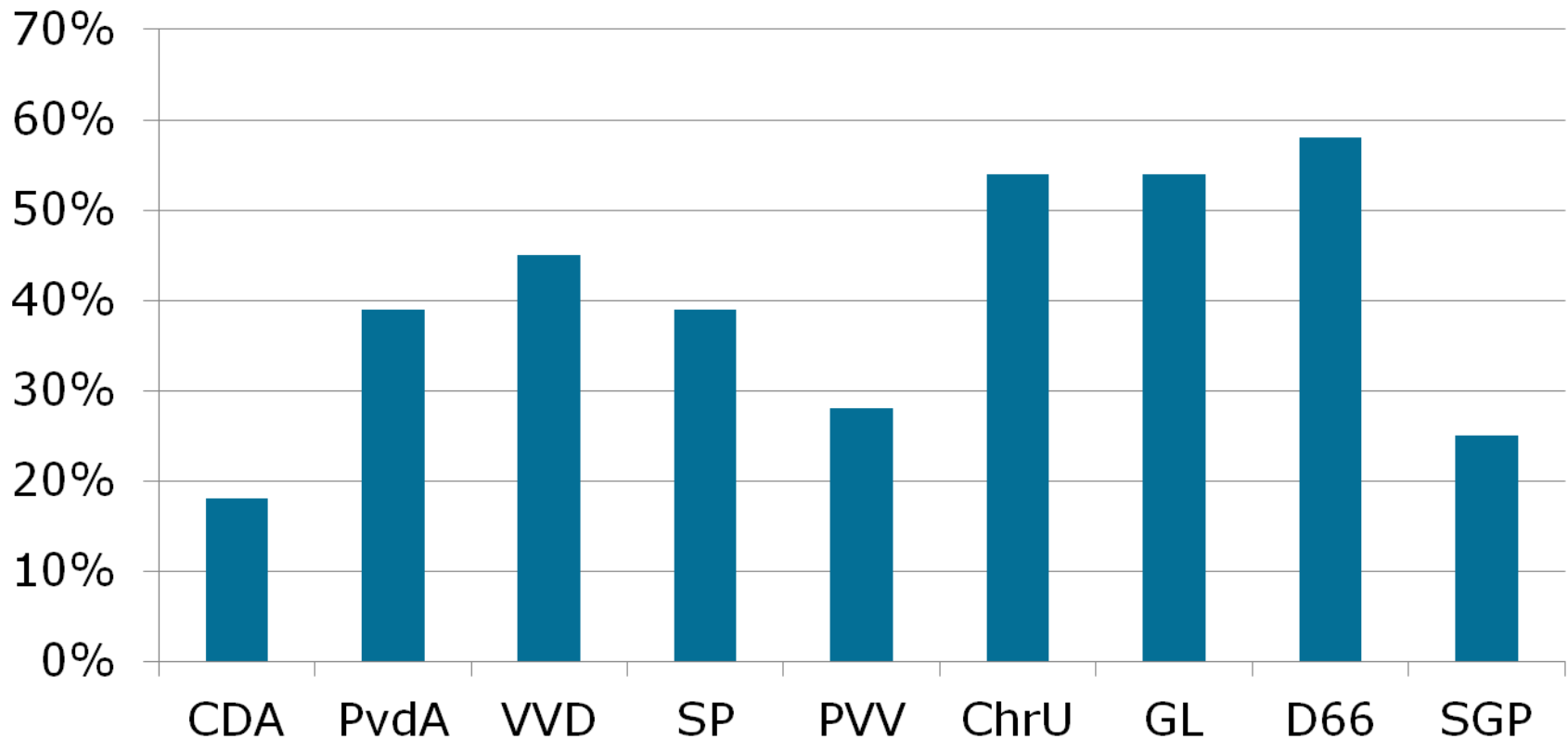
## 2009-10 spending review – subjects

1. Energy and climate change
2. Environment
3. Transport and watermanagement
4. Housing
5. Productivity in education
6. Higher education
7. Child benefits
8. Innovation and applied research
9. Income support
10. Unemployment benefits
11. Curative health care
12. Care (long term care and social support)
13. Official Development Assistance
14. Immigration, integration and asylum
15. Public safety and terrorism
16. Tax administration
17. Administration of income support
18. Public administration
19. Operational management
20. Defence



## 2009-10 spending review – subjects

Budget cuts from spending reviews in election programmes







## 2009-10 spending review – results

- Presented a wide range of policy options, used by political parties in the 2010 election programs and in the coalition agreement
- Sadly, we do not know much about causal effects and efficiency
- Rules of play foster success: 20%, non-veto, independent chair
- From our perspective: preferably once every four years, reports should be ready before elections and coalition-forming



## 2009-10 spending review – ingredients for success

- Rules of the game were well known (since 1980s)
- Clear assignments: including a 20% budget cut
- Chaired by senior officials (civil servants) not responsible for the policy under review
- Options cater to a range of political views
- Experts on board: for instance Netherlands Bureau for Economic Policy Research (CPB)

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