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Comparative Assessment and Recommendations Report

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**YEREL YÖNETİM REFORMU
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LOCAL ADMINISTRATION REFORM
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Abbreviations

AA	Autonomous Administration
ACs	Autonomous Communities
ARAN	Spanish Agency for the Representation of the Public Administration
ASEP	Greek Higher Council for Personnel Selection
BBB	Better Administration Policy (Beter Bestuurlijk Beleid)
CAOs	Belgian Federations and the Trade Unions
CCDR	Regional Coordination and Development Commissions
CEAGP	Spanish Program of Advanced Studies in Public Management
CNFPT	French National Centre for Local Self-Government
COFOG	Classification of Functions of Governance
CORA	Spanish Commission to Reform the Public Administrations
CRESAP	Spanish Commission for Recruitment and Selection for Public Administration
DGAEP	Spanish Directorate-General for Administration and Public Employment
DSA	Direct State Administration
EBEP	Basic Statute of the Public Employee
<i>EKDD</i>	Greek National Centre of Public Administration
EPCI	Inter-municipal co-operation
<i>ESDD</i>	Greek National School of Public Administration
EU	European Union
GDP	Gross Domestic Product
GeADAP	Spanish Integrated Management of Performance Assessment of Public Administration
GeRHuP	Spanish Human Resources Management solution
HR	Human Resources
HRM	Human Resources Management
ICT	Information Communication Technologies
INA	Spanish Directorate-General for the Qualification of Public Employees
ISA	Indirect State Administration
ISTAT	Spanish National Statistics Institute
KEDE	Greece Central association of municipalities
LAR	Local Administration Reform
LSG	Local Self-Government
NPM	New Public Management
OECD	Organisation for Economic Cooperation and Development
PAR	Public Administration Reform
RC	Royal Decree
RIME	French Job Classification System (Répertoire interministériel des métiers de l'état)
SAGE	Swedish Agency for Government Employers
SALAR	Swedish Association for Local Authorities and Regions
SCS	Senior civil service
SELOR	Belgian Federal Recruitment Office
TVöD	The Collective Agreement for the Public Service (Tarifvertrag für den Öffentlichen Dienstagreed)
VfM	Value-for-money

Executive Summary

The promotion of modern and effective Human Resource Management (HRM) is at the very heart of so called “good governance at the local level”, which is one of the key aspects of local democracy that looks at the relationship between citizens and local authorities. Good governance at the local level is affected by the size of the local authorities, the ways and means of participation in public life that citizens and civil society have at their disposal, but more precisely by the readiness of local government elected officials and in particular local government employees to continually improve the quality of their services to citizens. HRM is thus about ensuring the development of an efficient and accountable public administration for the benefit of the entire population. Moreover, it is about institution building, including the development and implementation of transparent and impartial recruitment procedures, in depth evaluation of local employees’ performance and career development for the public service, continuous training and the promotion of ethics within the public administration.

This report, within the framework of LARIII, aspires to support the development of the administrative capacity of Turkish local administration which will gradually lead in the development of a new local administration model. Therefore, this report focuses on the conduction of a comprehensive analysis of 8 EU member countries, with emphasis on the institutional, organizational, operational and legal set up of the Local and Regional Administration of selected EU Member Countries, and more specifically **of Belgium, France, Germany, Spain, Italy, Greece, Sweden and Portugal**.

The report is composed of four major chapter with focusing on some major pillars and functions of the human resource management cycle. The **first chapter** has a broader perspective and attempts an outline of the dynamics across Europe in terms of decentralization initiatives, analysing the relations between national and subnational governments and provide several tables with quantitative and qualitative information regarding the nature and range of responsibilities among different level of subnational government, key features and characteristics, financial and statistical information. Especially regarding decentralization, various reforms have been a key thrust of public administration reform in many Member States with a redistribution of competences and resources between government tiers (Kuhlmann and Wollmann 2014). Most decentralisation reforms were adopted in the 80s-90s, but some of the EU countries have created or strengthened their regional level later (France in 2016 and in Germany in many states over the last decade) or the suppression of an administrative tier with a redistribution of its competences (for example provinces in Italy in 2013). Such reforms were mostly introduced as a way to rationalize public expenditure and to clarify and strengthen responsibilities and competences among administrative tiers (especially the last decade given the severe financial crisis that several EU member states encountered).

The first chapter finishes with a short cross-cutting analysis of presented data which is accompanied with a comparative review of employment models in the civil service (career-

based VS position-based models) across the 8 EU member countries and an outline of the most important related features.

The **second chapter** makes a more thorough review of the key features of the human resource management model and system of the 8 EU Member countries, thus aiming to offer a comprehensive presentation of the key characteristics of each civil service. As it became apparent from the analysis, the depth per country and per topic couldn't be equally developed due either to non-comparable characteristic and features or due to limitation of available resources. Nevertheless, significant efforts have been made to present useful lessons and extract good practices which could be beneficial for the case of Turkey. Depending on the country, a presentation takes place regarding the main characteristics stemming from the legal framework, the organizational culture and history, the recent reforms in the field of HR in subnational administration, the issue of trust or the challenges generated by the lack of trust among citizens and (local or central) government, the nature and key aspects of employment systems etc. One common feature that came up from the analysis is the alignment and similarities between national and subnational level (especially in legal terms in the majority of countries. Most countries have a common approach and a common legal and organisational framework for the management of their human resources between the central and subnational administration, while local and regional administration usually are given more autonomy in tailoring some policies into the local needs and characteristics. Regarding the distribution of competences between government levels, for most sectors and countries, legislative function is concentrated at the central level. For regulation and funding the picture is more mixed, with public utilities, education, police, social policy, taxes, and environmental protection being commonly also under the responsibility of regional or local governments in some countries (in several countries in form of a shared responsibility). Provision is largely shared among the different levels of government and local governments participate in the provision of services mostly in the areas of public utilities, social policy, environmental protection, education, health and police.

The **third chapter** dives deeper in one of the main functions of HRM in local government, the recruitment policy and process. An analysis of the public employment system per country follows, with emphasis on the institutional arrangements, principles, values, differentiation among senior and non-senior personnel, among permanent and contractual employees, job classifications and tools for assessing skills, talents and competencies based on merit, competition mechanisms. As it becomes apparent from the comparative analysis, although just few countries have retained a career system which resembles to France, the competition system for recruitment of personnel is currently used by almost all countries, in one way or another. Therefore, despite the fact that job security in the public sector is both an important motivational element for the recruitment and the retention of staff, and a way to provide independence and protection from undesired forms of politicisation, many countries moving away from the classical lifetime tenure principle. In more countries it is now possible to dismiss civil servants for various reasons (mostly cases of poor performance). Countries with a more traditional bureaucratic career system still have a higher degree of job security. Thus, if a country decides to reform its traditional career structure, it is also likely that it will reconsider

traditional job security patterns. For example, Portugal, which has completely reformed traditional bureaucratic employment features.

The **fourth chapter**, tackles a series of issues related to some of the most important functions of the HRM cycle, like the promotion mechanism, the evaluation and the management of performance in local administration, the existence and the actual usage of some powerful tools and systems like the job descriptions and job profiles, the introduction of competencies as a concept which can be deployed in a horizontal way across HR functions (i.e. the recruitment, the promotion, the assessment of performance etc), the remuneration schemes and mechanisms, the training and life-long learning policies etc. The analysis of the above-mentioned key features is conducted under the spectrum of the severe fiscal crisis that several EU member countries encountered the last decade, which affected significantly the HR policies (i.e. horizontal salary cuts, workforce reductions combined with reduced training and promotion opportunities, which led to substantial difficulties in recruiting talents and made local administration a less attractive destination for highly qualified personnel) at central but also at local and regional level across EU (especially in the countries of South Europe, like Italy, Spain, Greece, Portugal, and France). When it comes to issues like measuring and evaluating performance, despite the fact that evaluation of performance has been horizontally institutionalized in almost all EU member countries (performance evaluation are required at least on an annual basis, with the exemption of Germany and Portugal) the results are rather limited. The fiscal crisis of the last decade has significant impact in the limited results of deployment of tools and techniques related to measuring, assessing, encouraging, embracing performance. Given the variations, the different methods and the diversity of tools used (i.e. Performance Related Pay), it becomes apparent that there is no best way. Effectiveness is related directly with the culture and the values of the local administration (i.e. Sweden, Belgium).

Another important aspect is the level of politicization and the impact that it has over the management of human resources at local level. The importance of merit-based HR systems – where promotion and hiring of government employees is based on their ability to perform a job, rather than on their political connections – has long been understood as a cornerstone of a well-functioning and professional public administration ensuring good governance and administrative capacity. It is believed that there is a connection between meritocracy and how well the state, and in particular the local administration operates. More specifically, meritocratic recruitment of civil servants, as opposed to political appointment, is found to reduce corruption (i.e. Germany, Sweden, Belgium), while in Eastern and Southern European Member States, patronage is still a non-negligible characteristic of local administrations (i.e. Greece, Italy, Spain, Portugal)

Finally, the report is supported by a rather extensive Annex which includes an additional chapter with a robust analysis of the broader institutional and organizational framework of the public administration for all 8 EU member countries. The scope of the annex is to offer, to an average reader who is not very familiar with the organizational landscape of the aforementioned EU member countries, a holistic approach and broader understanding of the

origins, rationale, shortcomings and strengths of the public administration and decentralization process in the past.

Introduction

LAR III is the third phase of the projects which were financed by the EU in the framework of IPA funds and implemented by the UNDP to support local administration reforms. The first phase of this project series (LAR I) was carried out in the period of 2005-2007 and the second phase (LAR II) was implemented in the period of 2009-2011.

The overall objective of the Project is to ensure effective, inclusive, accountable and participatory local governance in Turkey, in particular through support to further implementation of the LARs undertaken between 2003-2013, in line with international standards.

The **specific objective** of the project is to develop and strengthen the administrative capacity in the task of ensuring the effective implementation of the new local administration model in line with principles of democratic governance.

In order to ensure an effective and transparent human resources system based on merit as well as to prevent waste of labor and resources in local administrations to tackle with the problems cited above, the Project will develop certain principles and standards for service provision and recruitment of the staff, in particular contracted ones. To this end, factfinding interviews were organized and in light of those meetings and literature review, a comparative assessment study in 8 EU Member States is prepared with good practices and lessons learned and compare them with the practices in Turkey.

The promotion of modern and effective Human Resource Management (HRM) is at the very heart of so called “good governance at the local level”, which is one of the key aspects of local democracy that looks at the relationship between citizens and local authorities. Good governance at the local level is affected by the size of the local authorities, the ways and means of participation in public life that citizens and civil society have at their disposal, but more precisely by the readiness of local government elected officials and in particular local government employees to continually improve the quality of their services to citizens.

HRM is thus about ensuring the development of an efficient and accountable public administration for the benefit of the entire population. Moreover, it is about institution building, including the development and implementation of transparent and impartial recruitment procedures, in depth evaluation of local employees’ performance and career development for the public service, continuous training and the promotion of ethics within the public administration.

There is a need to establish a merit-based recruitment and career system that is not vulnerable to politicization, in order to have a strong administration both at local and national level. Promoting modern and effective HRM at the local level thus contributes to respecting the five general principles of any public administration reform which are *decentralization, depoliticization, professionalization, rationalization and modernization*. The promotion of modern and effective HRM functions at the municipal level is also about changing mentalities of both elected officials and employees, regarding public administration, how it should perform, and about quality services to be provided to citizens. Trainings contribute indirectly to changes by enabling employees from different local authorities.

This report aspires to make a comprehensive analysis and presentation of the institutional, organizational and legal set up of the Human Resources Management of the Local and Regional Administration of selected EU Member Countries, and more specifically **of Belgium, France, Germany, Spain, Italy, Greece, Sweden and Portugal**. The depth of the analysis per country and topic couldn't be equally developed due either to non-comparable characteristic and features or due to limitation of available resources. Nevertheless, significant efforts have been made to present useful lessons and extract good practices which could be beneficial for the case of Turkey.

1. Human Resources Management in EU Local Administration (i.e. major trends and challenges)

A. Public Administration and decentralization within EU

The public administrations in EU member countries play an important role for the well-being of their societies. They serve the democratic system and ensure that the will of people as expressed in free and transparent elections will also be faithfully implemented. They provide the basic security without which, no society can survive. They also provide the institution that reduce transaction costs for both citizens and enterprises and enable private enterprises to trust legally binding agreements and undertake long-term investments. They serve the citizens by managing urban centers, ensuring an adequate infrastructure for energy and communications, and providing important educational, social and medical services. **If the public administration fails, then the whole society will suffer.**

Government in EU member countries is as a rule composed of several layers, and each layer has its own administration. The theoretical basis for this structure is the so-called **subsidiarity principle**¹. It can be defined as the idea or principle that matters ought to be handled by the smallest, lowest or least centralized competent public authority. The concept or principle is found in several constitutions around the world (see for example the Tenth Amendment to the United States Constitution). It is presently best known as a fundamental principle of European Union law established in the 1992 Treaty of Maastricht. According to this principle, the EU may only act (i.e. make laws) where member states agree that action of individual countries is insufficient.

The last 20 years, significant efforts and waves of major reforms took place across EU member countries, in order to boost the implementation of the subsidiarity principle through the reallocation of key responsibilities, competences and duties and decentralize the implementation of a critical volume of services to closest level possible to the citizen. **Decentralisation is however not only a question of administrative rationality, but also of self-governance.** This is clearly expressed in the European Charter of Local Self-Government adopted in 1985. The Charter commits the ratifying member states to guaranteeing the political, administrative and financial independence of local authorities. It states that the principle of local self-government shall be recognized in domestic legislation and, where practicable, in the constitution. Local authorities are to be elected by universal suffrage. Local authorities, acting within the limits of the law, are to be able to regulate and manage a

¹ Subsidiarity is the principle according to which public responsibilities should be exercised by those elected authorities closest to citizens. The central authority should have a subsidiary function, performing only those responsibilities or tasks which **cannot** be performed at a more local level. Subsidiarity requires that local governments have adequate financial, managerial and technical and professional resources to enable them to assume their responsibilities to meet local needs, carrying out a significant share of public expenditure. Local governments should be granted the authority and power to raise local resources in line with the principle that authority be commensurate with responsibility as well as the availability of resources. The principle of subsidiarity constitutes the rationale underlying the process of decentralization.

substantial share of public affairs under their own responsibility in the interests of the local population.

B. The relations between national and subnational governments

In order to follow a consistent approach in terms of definitions, terms, notions and principles, for this report, it's better to follow some common definitions. More specifically, General government should include four sub-sectors: central/ federal government and related public entities; state government (e.g. states in the United States, länder in Germany, cantons in Switzerland, etc.) and related public entities; local government, i.e. regional and local governments and related public entities; and social security funds. Subnational government is defined as the sum of state governments (eyalet hükümeti is the equivalent term in Turkish administrative environment) and local/regional governments. Central government reflects the Ministries, key independent authorities operating in a national level and the centre of government (Cabinet, Prime Minister's office, Chancellery etc).

The formal relations between national and subnational governments vary across EU countries. The character of these relations determines the options available to national government in governing or influencing subnational government actions in different fields, including human resource management.

EU member countries can be classified as **federal, regionalised** or **unitary countries**. The challenges facing a country would depend on which of these groups it belongs to, since the competences of a federal government would typically be curtailed by the country's constitution. They can also be grouped in two broad groups depending on the history and nature of the relation between their national and subnational governments.

The **first** group can be described as countries with a history of a **centralised** public administration; regional governors² appointed by the national government and subordinated subnational governments. These countries are typically **unitary** countries, and often have a period of autocratic rule behind them. These countries have almost without exception entered a phase where they introduce directly elected regional governments, transfer competences and responsibilities to regional and local governments, and seek an appropriate balance between the centralised administrative tradition and the new element of subnational self-governance. **France and Greece** belong to this group. The **German federation** can also be said to belong to this group. It was created during the reconstruction of Europe after 1945 and represents a combination of centralised administrative structures and regional and local self-government but has like the previously mentioned countries began to transfer competences to the regions.

The **second** group can be described as countries where subnational government is based on an unbroken tradition and regarded as self-evident. These countries may instead have to deal with a need to strengthen the capacity of existing regional and/or local governments to

² In Turkey, provincial system instead of regional units is in place and governors are called provincial governors (il valisi) appointed by the central government.

manage existing responsibilities that are essential for the evolution of the country's economic competitiveness and social cohesion, and to find an appropriate balance between national standards and subnational self-governance.

The classification of countries can of course always be discussed, and there are countries that don't easily fit into either of these countries. **Belgium**, where the federal structure has evolved out of controversies between the country's two main regions, is one example.

The number and structure of subnational governments vary across EU member countries, not only between federal and unitary countries but also within each of these groups. The same applies to the variety of services offered and numerous competences in various levels of government. The Table 1 below, offers examples and variations of possible services offered by the three levels of subnational governments across EU.

Table 1 Three levels of subnational governments in EU member countries. Range of responsibilities and competences

Municipal level	Intermediary level	Regional level
<p>A wide range of responsibilities:</p> <ul style="list-style-type: none"> - General clause of competence - Eventually, additional allocations by the law 	<p>Specialised and more limited responsibilities</p> <p>An important role of assistance towards small municipalities</p> <p>May exercise responsibilities delegated by the regions and central government</p>	<p>Heterogeneous and more or less extensive responsibilities depending on countries (in particular, Federal vs Unitary)</p>
<p>Community services:</p> <ul style="list-style-type: none"> - Education (nursery schools, prelementary and primary education) - Urban planning and management - Local utility networks (water, sewage, solid waste management, hygiene, etc) - Local roads and city public transport - Social affairs (support for families and children, elderly, disabled, poverty, social benefits etc) 	<p>Responsibilities determined by the functional level and the geographic area:</p> <ul style="list-style-type: none"> - Secondary or specialized education - Supra-municipal social and youth welfare - Secondary hospitals - Waste collection and treatment - Secondary roads and public transportation - Environment 	<p>Services of regional interest:</p> <ul style="list-style-type: none"> - Secondary/higher education and professional training - Spatial planning - Regional economic development and innovation - Health (secondary care and hospitals) - Social affairs e.g. employment services, training, inclusion, support to special groups etc) - Regional roads and public transport

<ul style="list-style-type: none"> - Primary and preventive healthcare - Recreation (sport) and culture - Public order and safety (municipal police, fire brigades) - Local economic development, tourism, trade fairs - Environment (green areas) - Social housing - Administrative and permit services 		<ul style="list-style-type: none"> - Culture. Heritage and tourism - Environmental protection - Social housing - Public order and safety (e.g. regional police, civil protection) - Local government supervision (in federal countries)
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Source: OECD (2016) Regions at a Glance

Based on the selection of specific EU member countries, i.e. Belgium, France, Germany, Greece, Spain, Italy, Sweden, Portugal which will be further analyzed in terms of their institutional framework and Human Resource Management that they follow within their subnational governments, a comparative presentation of key features and data follows.

Table 2 below, presents in a nutshell the breakdown of the subnational governments in federal and quasi federal (Belgium, Germany and Spain) and unitary states (France, Greece, Italy, Portugal and Sweden) based on the latest available comparable data published by OECD³.

Table 2 Subnational governments in selected EU member countries

Federal States (Federations and Quasi Federations)	Municipal tier	Second tier	Federated States
Belgium	589 municipalities	10 provinces	3 Regions and 3 Communities
Germany	13,854 municipalities	323 districts	16 Länder, including 3 "City-States"
Spain	8,124 municipalities	50 provinces	17 autonomous communities
Unitary States	Municipal tier	Second tier	Third tier
France	36,684 municipalities (including 114 in the overseas departments)	100 departments, including: 1 city-department and 4 overseas departments	18 regions, including and 5 outermost regions (Martinique, Guadeloupe, Guyane,

³ OECD (2018), Key data on Local and Regional Governments in the European Union (brochure), OECD, Paris, www.oecd.org/regional/regional-policy

			La Réunion and Mayotte)
Greece	325 Municipalities	13 Regions	
Italy⁴	7960 municipalities	98 provinces	20 regions, including 5 "special status"
Portugal	308 municipalities (3092 submunicipal localities(frequesias) parishes)	2 autonomous regions	
Sweden	290 municipalities	21 counties, of which 2 are designated as "regions"	

Table 3 presents key data for the selected countries, like the geographical coverage in km², the population, the GDP both in nominal prices as well as per capita (in EUR) together with the growth rate (for 2017)

Table 3 Basic socio-economic data

	Area(km ²)	Inhabitants (thousands)	GDP (EUR)	GDP per capita (EUR)	GDP growth rate
Federations & Quasi Federations					
Belgium	30 326	11 352	437.2	38 514	1.7%
Germany	357 376	82 522	3 263.4	39 545	2.2%
Spain	504 712	46 528	1 163.7	25 010	3.1%
Unitary countries					
France⁵	647 795	66 989	2 287.6	34 149	1.8%
Greece	130 820	10 768	177.7	16 506	1.4%
Italy	295 114	60 589	1 716.9	28 337	1.5%
Portugal	92 226	10 310	193.0	18 725	2.7%
Sweden	407 340	9 995	477.9	47 809	2.4%

⁵ Since the introduction of Law n° 56/2014, effective in January 2015, the intermediate level is no longer composed of directly elected governments, but rather of 14 Metropolitan cities and 84 Provinces, to which are added the Free Municipal Consortia of Agrigento, Caltanissetta, Enna, Ragusa, Syracuse and Trapani. Their representatives are now elected by mayors and municipal councillors. Among the 20 regions, 15 have an ordinary status and 5 have a special status (i.e. Sardinia, Sicily, Trentino-Alto Adige/Südtirol, Aosta Valley and Friuli-Venezia Giulia).

EU28	4370032	511523	15326	29962	2.4%
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Table 4 presents a breakdown of the composition of the subnational government, focusing in municipal level, identifying the average municipal size, the average number of municipalities per 100.000 inhabitants, the median size and lastly the average coverage of municipal areas (in km²).

Table 4 Municipality size (Data from 2017)

	Average municipal size (number of inhabitants)	Average number of municipalities per 100.000 inhabitants	Median size (number of inhabitants)	Average of municipal area (km ²)
Federations & quasi -federations				
Belgium	19 177	5.2	12 045	51.5
Germany	7 449	13.4	1 710	32.3
Spain	5 720	17.5	565	62.1
Unitary countries				
France	1 885	53.1	435	16
Greece	33 181	3.0	21 062	403
Italy	7 617	13.1	2 430	37
Portugal	33 524	3.0	14 380	299
Romania	6 986	14.3	3 110	75
Sweden	34 218	2.9	15 435	1 405
EU 28	5867	17.0	n.a	50

Table 5 indicates the percentage of the municipalities in terms of population density (% of municipalities with less than 2.000 inhabitants, between 2000-4.999, between 5.000-19.999 and 20.000 or more)

Table 5 Municipalities by population size class (data from 2016)

	% of municipalities			
	Less than 2000 inhabitants	2000-4999 inhabitants	5000-19999 inhabitants	20.000 inhabitants or more
Federations & Quasi Federations				
Belgium	1%	11%	62%	26%
Germany	54%	20%	20%	6%
Spain	72%	12%	11%	5%
Unitary countries				
France	86%	9%	4%	1%
Greece	7%	6%	33%	54%

Italy	44%	26%	24%	6%
Portugal	2%	11%	46%	41%
Sweden	0%	5%	53%	42%
EU 28	29%%	18%	27%	26%

Table 6 illustrates the division of expenditures in subnational level per basic category (Compensation of employees, public procurement, social expenditure)

Table 6 Subnational expenditure category as a share of public expenditure

Subnational expenditure category as a share of public expenditure			
%of Public expenditure of the same category	Compensation of employees	Public procurement*	Current social expenditure
Federations & quasi federations			
Belgium	79,70%	48,90%	23,20%
Local government alone	32,40%	13,50%	3%
Germany	78%	38,30%	16,90%
Local government alone	25,60%	23%	8.9%
Spain	79.0%	83.1%	15.7%
Local government alone	18.1%	24.1%	0.6%
Unitary states			
France	28.1%	31.6%	4.4%
Greece	10.8%	13.5%	2.4%
Italy	39.1%	75.2%	11.8%
Portugal	17.5%	29.8%	2.7%
Sweden	76.9%	70.3%	24.2%
EU28	50,90%	44,10%	13,40%
Local government alone	35%	35,60%	9,50%

* Public procurement is defined here as the sum of intermediate consumption, gross fixed capital formation and social transfers in kind via market producers.

Table 7 goes deeper, offering more insights regarding the breakdown of subnational expenditure in more detailed categories

Table 7 Breakdown of subnational government expenditure by category

Breakdown of subnational government expenditure by category						
	Compensation of employees	Intermediate consumption	Current social expenditure	Subsidies & current transfers	Capital expenditure	Other*
Federal & quasi federations						
Belgium	36.8%	11.6%	22.0%	18.3%	9.9%	1.4%
Local government alone	55.7%	16.1%	10.6%	5.7%	10.9%	1.0%
Germany	28.2%	15.4%	19.4%	23.7%	10.8%	2.4%
Local government alone	24.5%	22.4%	27.0%	13.6%	11.2%	1.3%
Spain	40.5%	20.2%	13.6%	14.8%	8.7%	2.2%
Local government alone	33.1%	30.6%	1.9%	23.2%	10.3%	1.0%
Unitary countries						
France	31.9%	20.2%	10.3%	14.9%	20.9%	1.8%
Greece	37.8%	27.4%	14.8%	0.8%	17.6%	1.5%
Italy	26.8%	29.7%	19.1%	10.1%	10.8%	3.5%
Portugal	33.3%	27.0%	8.4%	9.8%	19.4%	2.1%
Sweden	38.6%	21.9%	16.0%	4.3%	9.9%	9.3%
EU28	33	21,10%	18,10%	13,80%	11,60%	2,40%
Local government alone	32,60%	24,90%	18,50%	9.3%	12,40%	2,30%

* Other: paid taxes, financial charges (including interest), adjustment for the change in net equity of households in pension funds.

Table 8 presents another breakdown of the subnational expenditure by COFOG (Classification of Functions of Governance as identified by the United Nations in 1999), and more specific in % covering the area of education, social protection, general services, health, economic affairs and other.

Table 8 Breakdown of subnational government expenditure by area (COFOG)

Breakdown of subnational government expenditure by area (COFOG)
% of subnational expenditure

	Education	Social protection*	General services	Health	Economic affairs	Other**
Federations & quasi-federations						
Belgium	27.4%	24.3%	16.7%	3.0%	16.3%	12.4%
<i>Local government alone</i>	21.5%	20.6%	17.2%	0.5%	8.4%	31.7%
Germany	21.1%	27.5%	22.7%	2.2%	11.4%	15.1%
<i>Local government alone</i>	15.6%	35.6%	17.2%	2.1%	13.4%	16.2%
Spain	18.6%	7.4%	21.9%	27.2%	10.3%	14.6%
<i>Local government alone</i>	3.5%	9.6%	35.3%	1.3%	15.2%	35.2%
Unitary countries						
France	14.7%	19.4%	19.3%	0.7%	18.6%	27.3%
Greece	9.0%	12.7%	26.0%	0.0%	20.5%	31.7%
Italy	6.1%	4.8%	15.3%	47.7%	12.7%	13.3%
Portugal	13.3%	7.8%	30.8%	6.3%	15.6%	26.3%
Sweden	21.0%	27.6%	10.6%	26.7%	6.5%	7.5%
EU28	19,20%	23,10%	16,70%	13,30%	11,80%	15,90%
<i>Local government alone</i>	16,90%	24,80%	14,40%	13,80%	12,10%	18,00%

* Social protection expenditure includes both capital and current expenditure.

** Other: defense public order and safety housing and community amenities recreation, culture and religion environmental protection.

Finally, table 9 offer interesting insights of a breakdown of subnational government revenue by type (in %), and more specifically in terms of taxes, grants & subsidies. Tariffs & fees, property income and social contributions.

Table 9 Subnational government revenue by type

Subnational government revenue by type						
% of subnational government revenue						
	Taxes	Grants & subsidies	Tariffs & fees	Property income	Social contributions	
Federal and quasi federal states						

Belgium	26,30 %	56,70%	8,70%	1,70%	6,60%
<i>Local government alone</i>	30,50 %	49,50%	12,00%	3,00%	5,00%
Germany	57,20 %	26,30%	11,50%	1,10%	3,90%
<i>Local government alone</i>	39,00 %	42,10%	16,00%	1,50%	1,40%
Spain	40,40 %	51,10%	7,90%	0,40%	0,20%
<i>Local government alone</i>	51,20 %	37,90%	9,80%	0,60%	0,40%
Unitary states					
France	52,50 %	30,30%	15,70%	1,10%	0,30%
Greece	25,80 %	63,80%	9,50%	0,90%	0,00%
Italy	42,20 %	44,60%	11,50%	1,10%	0,50%
Portugal	40,80 %	33,20%	17,80%	2,80%	5,40%
Sweden	54,50 %	33,70%	9,30%	1,40%	1,00%
EU28	42,0%	43,3%	11,6%	1,2%	2,0%
<i>Local government alone</i>	37,3%	47,4%	13,1%	1,3%	0,9%

The presentation of the facts, figures, qualitative and quantitative data aims at setting the floor for a better understanding of the main characteristics and underlying dynamics of the 8 countries that are under analysis in this report. They try to provide a comprehensive outline of the organizational set up of the sub-national administration, (Table 1) and illustrate the organizational landscape of subnational government (in terms of tiers of government (Table 2). They also try to combine financial information regarding the GDP, GDP per capita and GDP growth rate per country (Table 3), together with the size of average size of municipalities (Table 4) and % of population size class (Table 5). Furthermore, presentation of the subnational expenditure category as a share of public expenditure (Table 6), the breakdown of subnational expenditure per category (i.e. compensation of employees, capital expenditure, social expenditure etc) as per table 7, the clustering of subnational government expenditure by area based on the Classification of Functions of Government (COFOG) of the United Nations, and

finally the categorization of subnational government revenue by type (i.e. taxes, grants and subsidies, tariffs, property income and social contributions) can give an interesting approach regarding the specific characteristics of the subnational operational and financial framework.

All tables should be examined with a cross-cutting, analytical perspective and combine various data among them, which together with the analysis of the HRM system of the 8 countries to provide a comprehensive framework of understanding of the strong and weak point that human resource management in local/subnational administrations across EU currently operates. The presentation of the tiers of government per se (Table 2), can serve as a first level/filter of information, especially when countries are compared (i.e. the significant number of municipalities in France, when compared with countries like Sweden, Belgium or Greece) when combined with the number of average number of inhabitants per municipality (table 4) and the average municipal area coverage, automatically allows the drawing of basic conclusions regarding the level of breakdown of responsibilities and decentralization (as well as the complexity that this might signifies).

C. Public Administration Employment system in selected EU member countries

There seems to be a fair consensus across EU countries about the value and merits of cultural consensus across the whole of government, although the views on the optimal level might vary. There are however very diverging opinions about how to achieve that end, and one might even speak about two different archetype cultures or models, a civil service model and a public employment model. These could also be called statute-based and contract-based arrangements. The pure models are theoretical, and the employment systems within EU countries represent a spectrum of mixed or intermediary systems. The description in the table below is also by necessity schematic.

Table 10 The civil service and the public employment models

The civil service model or “career based model”	The public employment model or “position based model”
Employment based on public law (“service”)	Employment based on private law (“employment”)
Employment for life	No guaranteed employment for life
Recruitment for starting points in careers, promotions reserved for insiders	Recruitment for specific positions, all positions open for external competition
Emphasis on formal diplomas and certificates	All experiences and qualifications can be taken into account
Remuneration governed by statutes, seniority elements	Remuneration governed by contracts, performance and market orientation, no seniority elements
Focus on loyalty, objectivity and due processes	Focus on achievements and performances

Special retirement schemes	Same retirement schemes as for private employees
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The argument for the civil service model and for statutory governance would typically be that it is necessary in order to preserve the service nature of the relation between the employer and the employee, and to prevent differences that would be perceived as inequitable and that would hamper internal mobility across the different public administrations in the country. The argument for the public employment model and for contract governance would typically be that it enables a continuous adaptation to developments on the labour market and to the specific needs and conditions in different parts of the public administration. This would facilitate mobility and enable the public organisations to be a competitive employer for scarce skills.

One advantage of the civil service model seems to be the way ethics and core values are preserved and protected by these systems. The service nature of the relation between the employer and the employee would typically be well established in the administrative and political culture and embodied in the civil service statutes and in career systems. These would often include statutory codes of ethics and integrity. Countries that use public employment systems also for the core government functions would have to find other adequate ways of preserving and promoting the core public service values.

Belgium, France and Spain have dual employment systems, with a civil service system for permanent government employees at both national at subnational level, and a public employment system for contracted staff. They seem intent on retaining and merely modernising these systems.

The public employment systems in these countries are primarily intended for temporary employees, with fixed term workers. There are however indications that the increased professional specialisation has led to the appearance of specialists that move freely between public and private employment, and that it is more rational to use a public employment system for this staff. In **Belgium** the determination of the civil service establishment and in the shared recruitment service for all national and subnational civil servants have caused subnational administrations to use contract employment as a substitute for civil service employment.

Germany has a more pronounced dual system, with a civil service system for core public employees in both national and subnational governments, and a public employment system for other public employees. Germany also extensively uses non-profit private organisations for the provision of public services. About two-thirds of public employees are employed under the public employment system. Germany claims that this large share reflect the fundamental change in the State's perceived role and in its responsibilities. It is no longer seen exclusively as the custodian of public order, but is also considered responsible for the growth and well-being of the community. The latter types of tasks have been assigned to a great extent to public employees, while civil servants are mostly allocated to the classic sovereign functions (police, inland revenue, customs administration and ministries).

On the other hand, **Italy** has almost completely privatised its civil service at the State and local government level, (e.g. employees are employed under private law contracts); whereas recruitment is still generally through competitive examinations and elements of the career system are still maintained in collective agreements. This is an extreme case. Most countries have a career system at least for the higher ranks of the local government service. This is the case for 26 European countries, whereas only 9 have contract-based employment regimes in the local government service (Bulgaria, Denmark, the Netherlands, Poland, Slovakia, Sweden, United Kingdom). The majority of countries with a career system employ personnel on a contract basis, either for positions not involving the exercise of public power (Germany), or for lower ranking positions, or for positions requiring specific skills for which there is no career recruitment.

Some countries with a large local government personnel involved in the provision of public services of national relevance but managed at the local level (education, health care) do not have a career system (Sweden, Denmark, Finland). In some countries where these personnel are employed under a career system, they are State civil servants (**France, Germany, Spain, Portugal**). In all countries, including those with a contract-based employment regime, public law prevail.

2. Overview of Civil Service and HRM System in Local Administration

2.1. The Case of Belgium

The tradition of the Belgian bureaucracy is based on the Rechtsstaat approach. The state is the driving force in society. Furthermore, the Belgian public bureaucracy has inherited the Napoleonic tradition from the French. Centralisation and uniform application of the law are key. Other features of the Rechtsstaat tradition are present as well. Many senior civil servants and MP's have a law degree and administrative law regulates the bureaucracy⁶.

In general, a procedural logic dominates over a managerial logic. The Rechtsstaat culture is however diluted in recent decade. The adoption of New Public Management in both the Copernic reform at the federal level and the BBB (Beter Bestuurlijk Beleid – Better Administration Policy) reform in Flanders, has led to a stronger awareness for goal oriented (rather than process oriented) administration. In particular in Flanders, governments are looking at the Netherlands and Scandinavia for inspiration for policy and governance. Yet, the Latin Rechtsstaat remains the cultural bedrock of Belgian governance (Pollitt & Bouckaert, 2011).

Institutional Set-Up

Belgian federal civil service regulations are issued in the form of by-laws (called “royal decrees”), whereas the number of Parliamentary acts on the civil service is very limited. There is no general civil service act applicable. The Belgian federal service is subject to the Camu statute, a royal decree dating from 1937 that has been amended over the years on several occasions. Previously, staff in all regions and communities were employed under the so-called Camu statute, originally passed in 1937. The Camu statute had established a career-based civil service that was applied **across regions and communities**. A revised Camus statute is still in force in the Federal Government⁷.

Although regions and communities have **constitutional autonomy**, they are still required to comply with the Royal Decree (RD) (by-law) of 22 December 2000 on the applicability of the general principles of the administrative and remunerative statutes for national public servants to staff of regional and community authorities and services (replacing a previous RD of 26 September 1994). This Royal Decree on General Principles aims at maintaining a distinctive balance between Belgian governments' autonomy and consistency, promoting the convergence of HRM regulations to preserve what is essential and common. This RD restricts the operational flexibility for regions. The standard of the RD remains the (in principle lifelong) statutory employment but in Flanders only 60 % of the civil servants have a statutory

⁶ Public administration characteristics and performance in EU28:<http://ec.europa.eu>, N.Thijs, G. Hammerschmid, European Union, 2018

⁷ OECD (2008), OECD Public Management Reviews: Ireland 2008: Towards an Integrated Public Service, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264043268-en>.

employment. The RD stipulates also that the functional remuneration is linked to the function level and the diploma requirement.

This Royal Decree has also played an important role in constraining how governments organise:

- statutory and contractual employment;
- the rights and duties of public servants, including freedom of speech, of information, duty of loyalty, integrity, etc.;
- key human resource management arrangements, including an objective recruitment process, disciplinary arrangements, annual and other types of leave, redeployment, and pay-scale minima and maxima.

In addition, the Special Law (SL) of 8 August 1980 on the reform of the institutions, amended by the SL of 8 August 1988, establishes the recruitment of statutory public servants through the services of the federal recruitment office (SELOR). The 9 December 1974 law provides legal provisions regarding trade unions and organises the relationship between governments and unions (OECD, 2008).

Compared with other EU federal countries, the legal and para-legal requirements (by-laws) in the intergovernmental legislation concerning the civil service are thus quite extensive.

Key features of the Belgian Civil Service

In the Belgian public sector there are basically two broad categories of public sector employees: **civil servants** and **employees with a labour contract**. Civil servants are appointed for life. The individual labour relations are established in regulations on the legal position of the employees. The federal, regional and local governments make their own regulations on the legal position, including remuneration, hiring, promotion, vacation, and pensions. The collective labour relations are established in trade union regulation. Overall, statutory employees have better social protection than contractual employees, but also more chances for promotion, for staff mobility, and substantially better pension arrangements. Employees under contract are regulated by the private labour law. Collective labour relations in the private sector are agreed upon in negotiations between private sector federations and the trade unions (so called CAO's). For the employees under contract in the public sector, however, **no CAO's exist**. Therefore, contractual employees do not have the protection of the civil servant's statute or the extra benefits of the CAO's. HR-policies are developed, monitored and updated by a central HR-body. Departmental freedom is limited to organization of the workforce, career planning, recruitment, evaluation and termination, all within the rules fixed at central level (Hofstede, 2005).

Subnational governments in Belgium also **set their own wages**. The national government has no possibility or even legal capacity to introduce or strengthen a framework for controlling or capping overall compensation costs. There are mechanisms for consultation and cooperation, but these seem to be less formalised than in other EU member countries.

Legally, contractual employment in the public sector was supposed to be an exception. The law describes some precise reasons for which hiring contractual employees are allowed: exceptional and temporary needs, replacement of employees, tasks with exceptional experience or expertise, or activities in competition with other market providers. Since hiring under civil servant's statute takes longer, is more expensive and is in principle for life, the exceptions do make sense. On the other hand, it should be mentioned that contractual employment also a long-term employment (OECD 2015b).

In practice, however, contractual employment has become a significant share of public sector employment (Janvier & De Wilde, 2012). The exception has become the rule (see table below), especially in the local administration. Currently there are more contractual employees than civil servants. Often, civil servants and contractual employees do exactly the same jobs, with the same responsibilities. The reasons for the contractualisation of public employment are financial, (since in the event of a health problem, incapability of work etc the local authorities are obliged to cover the expenses for the contractual employee only for 3 months and afterwards the responsibility as well as the expenses is transferred to the Federal level and budget), and managerial, (i.e. dismissal of contractual employees is much easier and simpler process; recruitment process is easier; the pension coverage and benefits are less than civil servants).

Table 11 Analysis of public employment in Belgian Administration

	Statutory Employment	Contractual employment
Federal government	76% (army and police 96%)	24%
Flemish community/region	60%	40%
Wallon region	32%	68%
Brussels Capital	15%	85%
French community	62%	38%
German community	57%	43%
Local government	36%	64%

Source: Belgium Country Report (part of the full report "The Public Administration in the EU 28") p. 12., European Commission 2018

A career-based system has competitive selection early in public servants' careers, with further promotion mainly based on tenure. In contrast, in a position-based system, candidates apply directly to a specific post and most posts are open to both internal and external applicants. In 2007, the OECD therefore described the Belgian civil service as career-based system with a position-based overlay. Today, the contractualisation of the employment regimes in subnational government is pushing towards a position-based system. Most contractual vacancies are announced for open competition, similar to the private sector. Once inside the subnational administration, tenure plays an important role for promotion to the mid-management. For top management positions, experience as a political advisor at a political cabinet is an important asset.

PAR & HRM Reforms

Unlike in many other EU-countries, although tools are available for cross-entity consultation and coordination and common action, promoting and establishing common goals (or even principles) of HR reforms remain an exception and reforms are being carried out at very different paces across governments. Yet, according to various academic reviews, there are still many common challenges in the field of HRM:

- Staff numbers and compensation costs (the last 5 years this challenge is much less intense due to the shift to contractual employment)
- Heavy reliance on statutory controls
- Blurred responsibilities at the political/administrative interface
- Ageing
- How to recruit and to retain talent

Several reforms have been implemented the last 20 years within the framework of wider management reforms in the fields of organizational reform and organizational performance management (balanced scorecards, satisfaction survey, indicators of performance measures, etc.). The reforms targeted in the field of human resources management have been relatively similar, focusing in two key areas:

- Flexibility: Reform of regulation with a view to simplifying rules (new codes, new classification, rationalization of ranks and grades, new pay scales, etc.) and implementation of competency based and performance-based management;
- Leadership: Reform of senior management

While some of the reform paths seen in governments in Belgium reflect broadly similar developments across EU member countries, others are distinctive to Belgium and stem from the particular institutional features of the HR systems. In particular, the **central role in the reforms played by the mandate systems for senior managers**, which is essentially a position-based overlay to an essentially career-based system, and by the development of **competency-oriented workforce planning and management** (OECD 2008), offering the potential for maximising internal capacity in the context of continuing rigidity in recruitment, is not so common. Some challenges also are distinctive to Belgium, including a continuing difficulty in restructuring cabinets, and an increasing reliance on contractual staff.

Support HR Planning at Regional Level

An interesting practice is followed by the Flemish government in order to support the HR planning at the **Regional and local level**. More specifically, the Flemish government conducts a (non-mandatory) employee engagement survey every two years. Participating entities receive an entity-report and an overall report at the Flemish Government level. Later on, a workshop is provided for HR business partners to assist them to align the outcomes of the study with their HR strategy. The workshop outlines methods to make a management

summary of the graphs and numbers, how to link this to HR strategy and how to engage both employees and management in converting the outcomes into actions (OECD 2008).

The workshop consists of different parts. First the focus is on getting the management summary right: what do the numbers and graphs 'say', independently of the strategy. This is the 'first screening' of results. The focus is on benchmarking employee engagement on different levels: benchmarking is provided by age groups, gender, and organizational entity and by a general mean of all participating entities. Also a benchmark is provided over time, so the evolution of different items becomes apparent. These benchmarks are supported by statistical methods e.g. confidence intervals and box plot methods.

The second part focusses on how to bring in HR strategy, this is the in-depth analysis. A method is provided whereby HR professionals can determine which items in the engagement study are most important for their organizations and set targets (e.g. being in the top 25% for this item) for those items. HR professionals are advised to add more metrics from other surveys in the organization and analyze hard data to enrich the numbers. In that way a pattern can become clear, and the metrics can provide real insights in the organization. A template is made available for plotting targets against obtained results, in more detail than in the previous parts (Lijphart, 1999).

In the last part methods are discussed for engaging both employees and managers in converting numbers into actions. This includes a discussion of different roles and stresses the importance of broad communication and follow-up. Overall, the importance of a long-term perspective is stressed throughout the workshop: integrating employee engagement studies in defining HR and organizational targets, using them in benchmarking the evolution and further organizational development. This also assists in meaningful communication and avoids a one-shot approach that may be more harmful than helpful.

2.2. The Case of France

France has undergone a steady decentralisation process during the last quarter century. In 1982, France set up 26 regions in addition to the already existing 100 "départements" and 36773 "communes". The legislation on the rights and freedoms of municipalities, départements and regions set the starting point for changes in the relationship between national government and sub-national governments. The administrative control of national government over local government bodies were loosened by changing the Prefects' right of a priori control over the legality of the actions of local authorities to that of a posteriori control. Executive power was transferred from the Prefect to the département and the region, with the latter acquiring the status of local authority (OECD 2008).

In 1984, legislation on the status of the public employees established a common status for employees of the three public civil services. Co-operation between territorial authorities was regulated in 1992 with legislation on inter-municipal relations in response to the isolation of municipalities. However, the co-operation between territorial authorities was finally enshrined in the Act of 6 February 1992 with the creation and development of inter-municipal relations

in response to the isolation of municipalities. The Constitutional Act of 28 March 2003 laid down the principle of the **financial autonomy of local authorities** (section 72) and proclaimed the **right of the latter to formulate and implement their own public policies on a trial basis**. **This development offered the possibility for more freedom in implementing more advanced Human Resource Management policies with broader level of autonomy by local authorities and led to a gradual modernisation of the management style in local level.**

The Act of 13 August 2004 on local freedoms and responsibilities approved the transfer of powers to local authorities and provided that transfers should be funded by the revenue from taxes transferred to local authorities (i.e. 11 to 13 billion euros for over 130 000 civil servants). Many powers were transferred: the management and provision of minimum guaranteed income benefit; individual economic aid for firms; management of social funds; management of the road network by the *département*; social housing for the *départements*; regional public health programmes; management of technical staff, manual and administrative workers in the national education system by the *départements*. Consequently, one of the paradoxical effects of decentralisation, which had been designed to bolster local responsibilities, was to accelerate the transfer of service provision to the private sector (Chevalier 2010).

Key Features of the French Civil Service

France has three branches of the civil service (central government, territorial authorities and hospitals). Together, these branches employ 5.2 million people. Nearly half are employed by the central government civil service, 31% by the local government civil service and 20% by the hospital civil service branch⁸.

Each branch is governed by a specific set of provisions, which are applied nationwide. The General Regulations for all three branches (called the *statut général de la fonction publique*) were unified by the Law of 13 July 1983 (Title I – General Regulations), which, however, defined and maintained the specificities of each branch. Judges and members of the military are governed by special regulations.

The French civil service is a career-based system. Although civil servants can be recruited on a contractual basis, the principal path to the three civil service branches is via competitive examination (OECD 2008). The recruitment procedure remains essentially centralised. Civil servants are mainly recruited at the beginning of their careers, through competitive examinations and then get pre-service training in special institutes (*écoles d'application*).

There are three types of competitive entrance examination to the civil service: external competition open to candidates with a given qualification or level of education; internal competitions open to civil servants meeting certain conditions in terms of length of service;

⁸ The Development and Current Features of the French Civil Service System Philippe Bezes, Gilles Jeannot, 2016, <https://hal-enpc.archives-ouvertes.fr/hal-01257027> S

and a “third competition” open to elected officials, managers of associations and the private sector.

Unlike the central government civil service, successful candidates for territorial authority civil service branch competition are not automatically assigned to a post; instead, they are allowed to conduct job searches, based on a list of skills, for posts that may be located anywhere in France. More specifically, this modality which is not encountered in other EU countries, offers a significant amount of time for selected, successful candidates to enquire for a job post that is closer to their qualifications, talents, expectations or even preferred place to work, based on availability and relevant job openings (acting like a quasi-internal market). Therefore, there are cases where candidates were finally appointed to work in different locations than the ones they were initially selected (since there is an underlying principle that acknowledges the results of the examinations in one region or municipality as eligible and accepted by other regions or municipalities).

Public employees are employed under public or private law, depending on the post. Civil servants are employed on life-long tenure, whereas no such guarantees are in place for other public employees. Fixed-term contracts with similar conditions as open-term contracts are used in their case. Public employees represent 17,2% of the civil service (15,5% for the central government, 19,3% for territorial government and 17,2% for employment in hospitals)⁹.

The work of civil servants is organized by grade and by area of activity. Civil servants are recruited into *corps* and job families in which they will subsequently work in several different posts. Each job family is divided into grades which distinguish between officials according to their experience, seniority, qualifications or responsibilities. Each grade is in turn divided into steps corresponding to level of pay and representing different stages in the progression within a grade. Job families and grades are divided into three categories corresponding to the level of education of civil servants and their responsibilities (A, B, C). Grade A posts correspond to management and policy-making functions and typically include senior managers, engineers and administrators; grade B posts correspond to implementation and management functions and typically include middle managers and technicians;

Overall, local authorities follow the same regulatory framework in the HRM (including recruitment) as applied for the central government, i.e. same job families, grades, categories etc. Nevertheless, local government authorities adhere to the principle of administrative freedom enshrined in the Constitution which leaves them free to choose the way in which they manage their affairs, within the limits of the budget envelope assigned. Accordingly, the territorial authorities are free to employ workers on fixed-term contracts on initial recruitment, provided that they comply with EU legislation which provides for a maximum of two fixed-term contracts, and therefore to vary their number of employees according to their requirements.

⁹ ... A comparative overview of public administration characteristics and performance in EU28, N Thijs – G. Hammerschmidt European Commission, 2018

Introduction of New Managerial Technics

One of the most interesting aspects coming from the French case is the fact that Local governments were **the first** to introduce a managerial approach to the management of their staff, including **planning of jobs and skills**, primarily because of the **proximity** of the services delivered not only to users but also to **elected representatives** and their constituencies. A **classification of jobs in local government** was put in place by as early as **1993**, subsequently modified in 2006, which allows local government employees to **plan their choice of jobs and career**. Large local authorities rapidly put in place **human resource offices**, adopting a specific mode of management dictated by local requirements. The government then **copied** the model created by local authorities to develop a system for managing its own staff, although the management modes used by national and local government exhibit significant differences in that local government authorities tend to recruit more **on the basis of skills** than **academic qualifications** due to the closeness of the public to the services provided (OECD 2008).

With regard to **employment in local government**, the **National Centre for the Local Government Civil Service** and **Management Centres** have undertaken a number of initiatives whereby **job analysis tools** have been consolidated through the introduction of a **jobs directory**, the drafting of “**social reports**” has been developed by introducing software to analyse the social data that have been shared between Management Centres. Furthermore, the procedures for **sharing information** and **practices** have been enhanced: the **Higher Council for the Local Government Civil Service**¹⁰ maintains a permanent watch at the local and regional level and produces **studies** on the organisation and improvement of human resource management in local government administrations. Regional conferences on employment and training have been held regularly since 2003. The Act of 19 February 2007 on the local government civil service states that the coordinating management centre must meet at least once a year in a conference composed of management centres and the representatives of authorities that are not members of those centres. The aim is to coordinate the performance

¹⁰ <https://www.collectivites-locales.gouv.fr/institutions/conseil-superieur-de-la-fonction-publique-territoriale-csfpt>. The Higher council for the Local Government Civil Service (Conseil Supérieure de la Fonction Publique Territoriale) is the national consultation body of the subnational administration. It helps to guarantee the unity of the regional and local administration, it makes it possible to organize the dialogue between the representatives of local elected officials on the one hand, and regional officials on the other hand, and to ensure the consultation necessary for the development and the follow-up of legislative and regulatory texts concerning subnational civil service. The main competences are: a) elaboration of proposals in statutory matters and carry out studies on employment and HRM related issues in local level. It has overall responsibility for keeping statistics and documentation. B) extensive advisory role: it examines any possible issue related to the subnational civil service and is, by law, a key interlocutor to consult with the government for draft regulations related to wage policy or public employment in local and regional government. Chaired by a local elected official, it is made up of 20 representatives of local communities:- 7 representatives of municipalities with less than 20,000 inhabitants, - 7 representatives of municipalities with 20,000 inhabitants and more, - 4 representatives of departments, - 2 representatives of regions, and 20 representatives of trade union organizations of local civil servants

of their missions with regard to local government employment and the organisation of recruitment competitions.

Decentralisation encouraged the outsourcing of performance functions to the private sector to allow local authorities to concentrate their resources on essential missions, thereby entrusting the performance of work to specialised operators. In the case of a public contract, the authority remains responsible for the service in respect of the users, whereas in the case of the delegation of a public service, it is the franchise operator who takes responsibility. Cases have been observed of local government authorities outsourcing services such as school catering, maintenance and building security.

Sharp Increases in Local Government Staffing Levels

As noted above, the bulk of public employment growth over the last 20 years has taken place at the local government level and in the public hospital service. Data on that service are difficult to evaluate in light of the growth in demands on the health system in all EU countries during previous decades. Payroll data can be supplemented with data on the number of physicians and nurses per 1 000 inhabitants (covering all physicians, and not just those in the public hospital service), which in the French case reveal physician-per-capita ratios lower than the European average, and average ratios for nurses (OECD, 2011c). In comparison with other OECD countries, increases in the public hospital service workforce are probably consistent with the rising demands on the health system.

On the matter of staffing growth in the sub-national civil service, the Court of Accounts (2009) notes, on the other hand, that the most important increase has taken place in the communes and inter-communal structures, where it rose by 49.9% from 1980 to 2007 (341 000 jobs) in the communes, by 154% in the inter-communal structures (263 000 jobs), 48% in the départements (790 000 jobs), and 1 964% in the regions (which represent, however, only 44 000 jobs and have seen major downloading of responsibilities). From 1996 to 2008 alone, the number of public employees in the communes and inter-communal structures increased by 470 000, reflecting accelerated growth. This occurred even though the communes did not receive major transfers of responsibilities during that time (OECD 2011).

The French's Government "White Book on the future of the Civil Service" in 2008, covering both central and subnational administration, drew attention to the major, although poorly defined, role played by fixed-term contract employees in the civil service, who met a genuine need on the part of administrations but who by the same token did not enjoy any satisfactory professional prospects (OECD 2008). The White Book therefore proposed that "the use of fixed-term contract employees should be placed on a professional footing" by promoting a civil service in which established employees would work alongside others employed on fixed-term contracts. Each administration, as part of its recruitment policy, assessed the number of fixed-term contract employees it might need in the medium and long term. This assessment was submitted, together with proposed recruitment actions, to the social partners in order to reach a collective bargaining agreement. The Act should then permit subsequent recruitment, as an additional measure, of employees on fixed-term contracts, regardless of the posts to be filled.

The main dysfunctions in the French civil service lie in the large number of bodies and job statuses (in 1946 there were plans for 100, reached 1500 by early 90's, currently they are below 230) which has led to the rigidification of careers, slowed mobility and increased management costs. It has to be mentioned that 90% of overall specialisations are included in not more than 130¹¹ of job statuses/corps.

All the most advanced EU member countries have over the last 50 years promoted greater flexibility in their civil service (in order to respond to their societies' faster changing needs), adaptation to the possibilities offered by new technologies, and personnel management more closely geared to merit and performance throughout working life. To this end, there is a general tendency to delegate HRM to directors of administration, to bring civil servants' status more closely in line with the private sector or to reduce the number of employees under public law, and to place more importance on employees' performance appraisals in career and pay considerations. The French "**corps**" system was unique and with its directorate-focused culture had become rigid. Not only are "career" systems becoming rarer in EU countries or embracing a smaller portion of public employees, but within their career systems there is no equivalent of the "corps". It was urgent, then, to modernise the civil service and to move toward a civil service of professions or occupations, and allow the introduction of other HRM reforms (OECD 2007).

Indeed, by the early 2000s, several structuring features of the French civil service became more systematically object of critics and of reform proposals in a new context. The global issue became more acute in 2000 when the General Planning Commission made public the forecast that 45% of state public agents would be retired by 2012. Reducing the numbers of civil servants to this extent required the setting up of a genuine human resource policy, which had proved difficult to implement in the past due to the fragmentation of corps and the major role played by civil service trade unions as veto players. The career-based system, the corps system and the school-based orientation of the French civil service have been then growingly challenged (OECD 2010). The buzzword of the reform dynamics has been the notion of "*métier*" which is, in English, a combination of craftsmanship and professionalism. The success of this trend must be related to the transformation and the slow weakening of the corporatist phenomenon in France. Historically speaking, each civil service *corps* was related to a specific professional academic institution and gathered groups of civil servants with similar training and professional specialisation. Corps were regulated and self-managed, with variations between them, through peer control (for example, road engineers). However, gradually, civil service *corps* lost their links to one specific professional activity: the most prestigious *corps*, for instance, have become more and more generalist, encompassing a variety of occupations and positions. Belonging to a *Corps* has thus become a formal status, opening and facilitating rights for individual members. When speaking of "*métier*", one refers to and go back to professional competences and their specific skills. Many of the on-going reforms and initiatives now

¹¹ Philippe Bezes, Gilles Jeannot. The Development and Current Features of the French Civil Service System. Van der Meer Frits, Civil Service Systems in Western Europe, Cheltenham, Edward Elgar, p. 185-215, 2011

impacting the French civil service are in line with this approach of “*métier*”. Some are limited in scope and incremental; others are more ambitious but they all tend to dilute the *corps* and make career, income and salaries more depending on the position/post held. New trends, with diverse origins that cannot be reduced to the diffusion of the new public management model, can be identified, generating changes in the French civil service. All these transformative processes, effective or planned, tend to draw the public sector closer to the private sector.

2.3. The Case of Germany

Institutional Set-Up

Germany’s administrative culture is strongly shaped by the so-called “Rechtsstaat” tradition (e.g. Ziller 2003), **which strongly emphasizes a separate body of administrative law, legal training and an independent status of civil servants**. A deeply ingrained civil service identity and ethos is part of the German administrative culture. Civil servants (who form the so-called *Berufsbeamtentum*) enjoy a special status that functionally-historically derives from their specific relationship with the state and the sovereign character of public tasks. As a result, they enjoy life-long tenure, career paths with promotions based on seniority, and protection from job transfers. Transfers to private sector employment are likewise very uncommon. This results in a very low cross-sectoral mobility of civil servants. In addition, older statistics (Derlien 2003) but also more recent surveys (Hammerschmid and Oprisor 2016) show that the majority of high-level civil servant positions are still filled by **lawyers**, and management skills remain irrelevant as a recruitment criterion; hence, the legalistic culture is likely to live on. Finally, since these principles are partly laid down in the constitution, the status quo of the administrative structure is firmly entrenched (constitutional amendments require two-thirds majorities in both chambers of parliament).

This Rechtsstaat administrative culture implies an emphasis on formal processes, rules, directives and stability (Kickert 2005). Indeed, administrative work in Germany is in principle organized in a **quasi-judicial fashion**: Since almost all bureaucratic decisions are potentially subject to appeal in administrative courts, decisions are to be taken in an objective, equitable, impartial and legal-rational manner both vis-à-vis the citizen and the sovereign. In other words, legal and procedural correctness **prevails over performance and results**; in a neo-institutionalist understanding (March and Olsen 1989) a logic of appropriateness prevails over a logic of consequentiality. Consequently, most procedures, especially those for budget and personnel administration, are subject to statutory regulation.

This model strongly emphasizes **legality** as a key administrative value (in contrast to **performance**); impartiality and “*Gleichbehandlung*” (**equal treatment of citizens**) are also connected to it. The model is also linked to an organisational governance model that is described as fairly procedural, i.e. a strong emphasis on **input regulation**, fixed allocation of tasks and procedures – in contrast to an output or performance oriented management model.

Given the strong emphasis on legality, not least enforced through a system of administrative courts, it is not surprising that Germany is considered a country shaped by an **abundance of bureaucratic regulation** and **too much red tape**. However, one has to be careful when **separating stereotypes and empirical reality**. While most studies agree that many policy areas are densely regulated, the density of regulation is also not exceptionally high. The level of compliance cannot be considered as consistently high, which may be somewhat counter-institutive. The enforcement of the tax code is also an area where compliance cannot be considered high. In general, enforcement authorities are known for their inclination to use administrative discretion **for a rather flexible application of general rules to individual cases** (Derlien 2008). Hence, while the image of the Rechtsstaat culture and a procedural administration is certainly correct, in particular when compared to strong managerial cultures, the German administrative culture and practice is also shaped by an orientation towards cooperative administration (Benz 1994), negotiating and bargaining in the application of law. Federalism and the conservative welfare state contribute to this element of flexibility in the administrative system, since it leads to the engagement of social partners in the supervision or co-governance of many important administrative domains, ranging from social insurance and health insurance funds to occupational health and safety or old age care inspections (OECD 2008).

Professionalism and impartiality have always played an important role and are anchored in the traditional principles of a civil service. They clearly mirror that civil service in Germany is still well in line with the **traditional Max Weberian model of bureaucracy**. Professionalism and impartiality are firmly anchored in the current regulations with regard to recruitment, training and education; this is confirmed by the high rank of these indicators. Professionalism, however, is based on a **rather limited perspective** and puts an overarching emphasis on **legal competence** and **policy relevant expertise**. Managerial, leadership or public policy expertise is still limited, along with a more skill/competency-oriented approach to HRM. The above-mentioned characteristics cover and affect the German administrative culture horizontally, across Lander, federal, regional or local level. The emphasis to professionalism, impartiality but also to a strong procedural administration has left its footprint on the HR practices, and the interpretation of modern managerial tools, methodologies and approaches at local level.

Civil service in the Federal Republic of Germany has been strongly shaped by historical traditions. The essential features of the civil service concept in its present form can be traced back to the end of the 18th century (OECD 2010). Even when compared to other Continental European countries, Germany has a very pronounced and traditional career-based system featuring a clear separation between civil service and general labour law, a seniority-based career system, low accessibility for lateral entrants and a rather closed recruitment policy.

Key Features of Civil Service in Germany

Public employment in Germany distinguishes two types of employment. A major part of employment at the federal, state and local government level is based on **civil law** (2015: 2 470

710; 57.8%). These are the **public employees** and **workers** (Tarifbeschäftigte). Their status and relationship correspond structurally to the right of employees in the private sector. The basis for this type of employment is individual employment contracts and especially the collective agreements, or wage agreements (Klages 2001).

The second type of public employment, the traditional status of **civil servant** (Beamte), is based on **public law**. In particular, officials in core public administration, judges and soldiers make up this group. The exercise of state authority on a regular basis shall, as a rule, be entrusted to members of the public service who stand in a special relationship of service and loyalty governed by public law (Art. 33 (4) of the Basic Law), that is to civil servants. The **rights and duties** as well as the remuneration and pensions of civil servants are governed by **federal and state laws**. The share of civil servants at the three government levels overall varies substantially between the three government levels, with 70.6% at the federal government level and only 12.9% at the **local government level** (see Table 13 below).

The share of part-time employment is highest at the **local government** level with 39.0%, compared to only 11.7% at the federal government level. The share of female employees also varies substantially between the federal government level and the other government levels (OECD 2016). A key challenge of similar relevance for all three levels is the rather high average age and low share of younger employees due to a rather restrictive recruitment over the last decades. More than a quarter of all government employees are expected to retire over the next decade and this, combined with an aging workforce, is posing a key challenge to public administrations and has become the focus of several reform initiatives.

Table 12 Key numbers and data for public sector employment in Germany

	Number of government employees	% Civil servant (Beamte)	% full time	% female	Average age	% aged 55 or older
Federal government	489.440	70.6%	88.3%	35.5%	46,9 years	20.6%
State government (Länder)	2.346.945	54.3%	68.3%	57%	44.6 years	25.8%
Local government	1.439.485	12.9%	61.0%	61.1%	45.7 years	26.9%
Total	4.275.870	42.2%	68.2%	56.7%	45.2 years	25.6%

Source: Destatis (2016): Personal des öffentlichen Dienstes 2015, Fachserie 14, Reihe 6, June 2016

The status of civil servants is enshrined in the constitution with its traditional principles of service, which implies substantial differences between civil servants and public employees

Table 13 Differences among Civil servants (Beamte) and public employees

Civil servants	Public employees
Based on public law (civil servants act)	Based on civil law
Appointment via official announcement	Appointment in the form of employment contract
Regulation through law	Regulation through contract and labour legislation
Obligation of the state to ensure a decent living	Mutual exchange principle
No right to strike	Right to strike
Loyalty and neutrality	No obligations set by law
Life-long tenure	Unlimited or limited contracts
Career system	Quasi - career system, no guarantees for a life long tenure or career path
Special pension system	General social security and pension system

Source: Demmke/Moilanen 2010, p. 55

Germany is the country with the most differences between civil servants and public employees regarding key HRM functions. In practice, however, the position of public employees is also both secure and of rather equal status with that of civil servants, and they have converged over the last decades. A key difference, however, is the **retirement** system, which grants only civil servants a full pension without any social security and retirement provisions throughout their active career. This is also the key reason why career mobility between the private and public sector in Germany is very limited. Both groups are characterized by three common developments in Germany:

- the number of government employees has decreased for many years due to both the reunification of Germany and continuous budget overruns
- legislature is trying to finance the pension insurance of both the insured public employees and the non-insured civil servants, leading to several, mostly small decreases in the amount of pension payments. Retired civil servants are a key burden, as their pension is paid out of the current budget. Reform measures in the form of financial discounts have led to a substantial increase of the average retirement age from less than 60 in the 90s to 62 in 2014 (with the official retirement age increasing from 65 to 67).
- Uniform employment relationships across the federal states were discarded or reduced. Today, there are more differences in the rights and obligations for civil servants in Berlin and in Bavaria who execute similar tasks than a decade ago.

Civil Service Regulation for Beamte (Dienstrecht)

The civil service regulation for Beamte is traditionally not open to reform. This is mainly due to a constitutional rule, according to which the legislature is required to comply with general principles of civil service as laid down in the Weimar constitution (Art. 33 par. 5 GG).

These traditional principles of civil service are based on the idea that officials devote their entire abilities to the employer for the purpose of achieving public interest and implementing parliamentary decisions in a neutral and equal way (Kuhlmann & Wollmann 2014). The employer in return shall care for the official and his family. Officials therefore are given a secure legal status, which makes them independent and allows him/her to fully concentrate on the task. The rights and obligations are designed unilaterally by legislature under the following constitutionally anchored principles:

- loyalty (the official must faithfully serve his ultimate employer, the citizens)
- the principle of life-long tenure and a career-based system
- a performance principle assuring entrance and promotion based on merit
- the alimentation principle: the official receives remuneration for the position he holds but not specifically for the work conducted
- obligation for trustworthy and decent behaviour as representatives of the state, also in private life
- obeying instructions: the officer must comply with instructions from superiors unless the instruction violates criminal law or human dignity
- **prohibition to strike**
- principle of neutrality
- no fixed working hours (if required, the official shall work overtime)
- disciplinary rules: erratic behaviour sanctioned by separate administrative rules
- principle of position-based remuneration: the official only receives higher remuneration upon promotion
- principle of confidentiality
- pension depends on the position occupied by the official at the end of the career
- obligation of the employer to take care of the civil servants

All behaviour of civil servants is testable through administrative law either via administrative supervision or administrative courts and can also be penalised via disciplinary law, leading to strong compliancy, procedural focus and an administrative culture with strong emphasis on preventing errors or mistakes (Pollitt & Bouckaert 2011).

Despite this very high stability, civil service legislation has also seen some substantial changes over the last decade. The most important was a major constitutional amendment in September 2006 as part of the federalism reform which tackled the relationship between federal government and the states. The legislative powers with regard to civil service regulation were substantially altered; **states may now determine remuneration, utilities (pension rates) and**

recruitment and career promotion rules themselves. The federal government can pass standardized laws only with regard to the fundamental rights and duties of all civil servants but cannot deal with any state remuneration and pension issues (Reichard & Boger 2012).

However, the resulting diversity is still minimal, due to Art. 33 par. 5 GG but also to restricting jurisprudence from the Federal Constitutional Court, which **interprets** the traditional principles of civil servants **rather traditionally** and aims for a **continuing homogeneity of civil service law**. This is evident from various decisions, such as mandatory part-time or temporary senior positions, as the underlying assumption is stable and focuses that it is the job of the Federal Constitutional Court to secure a stable, law-abiding government to ensure **neutrality towards the political power play** (Fleisher 2010).

In 2009, a new law to reorganize and modernize civil service for both federal and state government level (Dienstrechtsneuordnungsgesetz – DNeuG) was passed with the aim to create a modern and more transparent civil system. The law intended to foster the **merit principle, strengthen competitiveness and performance, allow a more flexible use of staff and improve autonomy and motivation of staff**. Key areas were the adoption of the remuneration and retirement system, a stronger emphasis on performance and easing the **mobility between public and private sector employment**. The new statutes enabled mobility among different positions and workplaces, even without the civil servant's agreement and allows temporary recruitment, short-term management positions (Führungsfunktionen auf Zeit), and management positions for a probationary period (Führungsfunktionen auf Probe; normally 2 years).

Civil Service Regulation for Employees and Workers (Tarifrecht)

Until 2005, uniform collective agreements existed for public employees, both in federal government and the states (Länder). Since then, the Collective Agreement for the Public Service - TVöD (Tarifvertrag für den Öffentlichen Dienst) agreed upon by the Ministry of Interior and the union of employer representatives (VKA) and United Services Trade Union (ver.di), applies to employees in federal government and local government positions. The main purpose of the new TVöD system was to simplify the system, introduce a common system for employees, workers and nurses and provide a shift from a seniority/family-based remuneration to a more experience/performance based remuneration. The new system is based on 15 remuneration groups (1-15) with 2 basic tiers (1-2) and 4 development tiers (3-6) each. Progression towards the next tier is based on the years of employment and takes 1-3 years, depending on the tier.

Municipal Self-governance

In general terms, the municipalities enjoy broad autonomy in respect of the management of every-day business and maintain a powerful interaction with their districts (Landkreise) and their provinces. In this highly decentralised country, the main principle of municipal self-governance (kommunales Selbstverwaltungsrecht) is guaranteed by the Constitution (Article 28.), and the extent of autonomy is defined by a number of laws on municipalities

(Gemeindeordnungen/Kommunalverfassungen) in each province. Even where they employ different models (e.g., Süddeutsche Ratsverfassung), each province has its own legislation pertaining to municipalities. Another constitutional law, The Law on Tariff Autonomy (Tarifautonomie, Article 9), combined with the principle of subsidiarity, grants municipalities the freedom to negotiate collective agreements (pay, working hours, vacations, performance compensation, specifics of different sectors ...) with social partners / trade unions in the public sector (Derlien 2008).

Municipal administrations organise themselves for this social dialogue into employer associations at the provincial level (Kommunale Arbeitgeberverbände), which then organise themselves at national level in the Federation of Associations of Municipal Employers (Vereinigung der kommunalen Arbeitgeberverbände).

Collective agreements, concluded in this manner, cover over two million employees in public municipal services distributed among more than 10.000-member operational units - an extremely high membership rate. Civil servants employed in municipal administrations are of course not covered by these collective agreements. Municipal employers include administrations, hospitals, savings banks, airports and utilities (waste disposal, energy, transportation...).

Good Practice:

One of the most interesting finding that the analysis of the German Federation revealed and could be replicated or followed by other countries is the fact that in Germany it is common that municipalities **pool their resources** to discharge specific tasks jointly. They also -to an increasing extent- cooperate in **management** and **administration**. One major achievement is the joint provision of services in **common back offices**, which are organised jointly by several municipalities. German municipalities often form what is known as **joint authorities** (Zweckverband) to cooperate. Some Lander also allow their municipalities to form administrative communities which discharge all or some tasks jointly.

Inter-municipal cooperation of this nature is often voluntary, based on shared and common interests, arranged within a legal framework and allows each municipality to retain its own identity. The type and degree of autonomy of these associations or intercommunity organisations vary across countries, and they may in some countries constitute an additional administrative tier. In most countries, **metropolitan areas** have also emerged, which require an extended cooperation between the local governments within the area.

2.4. The Case of Spain

Spain inherited a strong **Napoleonic** administrative tradition, where administrative laws are set up to regulate the public activities and the relations between the administration and the citizens (OECD 2014). Many studies have noted that the overriding incentive of complying with regulations hinders a **real culture of assessment or performance evaluation** in the Spanish public administration. On the other hand, Spain is highly decentralised in terms of employment

levels, with the vast majority **(80%) of public employees** employed at the sub-national level. This decentralisation process happened quickly. In 1982, autonomous communities were virtually non-existent and from 1982 until 2012, grew by a multiple of 30, while the central administration was reduced to only a quarter of its 1982 size over the same period (Commission to Reform the Public Administrations, 2013). Spain's transition between 2001 and 2011 was much greater than in any other EU country, with the proportion of staff working at the central level reduced by about half.

Institutional Set-Up

The model for employment in the public service in Spain **is complex**, containing highly varied realities and diverse elements which may sometimes introduce a degree of confusion it might prove difficult to reconcile (OECD 2014). Specifically, public service employment in Spain combines the following:

- dual basic legal systems and a variety of special ones,
- a diversity of public service employment relations, particularly the upshot of the large number of employers,
- a wide range of types of personnel,
- a dual model for labour relations (those created by the Public Administrations with their staff representatives) combining elements of the statutory system and that involving collective bargaining.

However, notwithstanding this variety of legal frameworks and employment relations, there are a number of principles and guidelines of conduct which are common to all employment in the public service, irrespective of the legal regime applied to them:

- equality of access to all citizens, as a guarantee of access to employment in the public service,
- the professionalisation of all public service employment relation because, save limited exceptions, this must rely on merit and ability,
- the impartiality of public service personnel, sought in a system of incompatibilities applicable to all such personnel.

Key features of the Spanish civil service

As mentioned above, the job relations of personnel rendering service in the sector public are governed by **two legal regimes, one under Administrative Law and other under Labour Law** (OECD 2008). Then there is a variety of special legal frameworks within these two basic systems. As a major consequence of this duality, there are two sorts of employment relations in the Public Administrations: the **statutory or public service relation** and the **contractual relation**, and two categories of staff-**public servants** and **contracted employees**. However, despite this duality of systems, lawmakers have sought to deal with the main aspects of their regulations in a single framework. Thus, the Basic Statute of the Public Employee, passed in Act Nº. 7/2007 of 12 April, regulates the public servant and contracted personnel system

jointly, in the latter case referring to the Labour Statute and in others to their Labour Agreements. In some aspects, it defines basic criteria which must be observed by the Public Administrations responsible for implementing them (OECD 2008).

These twin legal systems for job relations between the Public Administrations and their employees (individual relations) also exist in their relations with their staff representatives (collective or labour relations, union relations). Thus, there are two different regulatory frameworks defining the relations for the representation and collective bargaining of public service personnel and, as a result, two systems for representation and collective bargaining for public servants and other applying to contracted employees.

The Statutory Public Service Employment system is the General Rule; the Constitutional Court has ruled that the Constitution opts for the statutory regime for public service personnel, albeit without excluding contracted employment. This means that the Public Administration must fill their vacancies mainly with public servants. This has been the **traditional solution in Spain**; most Public Administration personnel has always been subject to a regulatory statute **different** from that for **private sector employees**, and this has always been justified by the fact servants were involved in the exercise of **authority or public power**. The choice of the statutory system is set out in article 15 of Act Nº. 30/1984 of 2 August, the Public Service Reform Act (not repealed by the Basic Statute of the Public Employee) according to which *“in general, posts in the General State Administration, in the Autonomous Bodies and the Entities managing the social security system will be held by public servants”*.

The legal framework for the Public Service in the Autonomous Communities

Constitutionally speaking, the Autonomous Communities hold legislative powers in the matter of the Public Service, with the sole limitation that they must respect the bases of the statutory regime created by the State. Article 11 of the Public Service Reform Act states that “each Autonomous Community shall pass legislation in its Legislative Assembly to organise its Public Services”. In use of these powers, the Autonomous Communities have each drafted their Public Service legislation. Overall, they follow the State Public Service model, without significant differences in non-basic materials, for example maintaining the mixed system of public servants corps and contracted employment (Royo 2006). The Autonomous Communities’ Public Service legislation also applies to public servants transferred from the State Administration, who continue to belong to their original corps and scales and remain in the Administration of origin in the category of Services in other Public Administrations (article 88.1 of the Basic Statute).

Consultations between national and subnational governments

Spain has a very formal system. The Basic Statute of the Public Employee imposes compulsory cooperation between public administrations at the three government levels. The main cooperation body is the Sectoral Conference, which groups representatives from the State, the Autonomous Communities, Ceuta and Melilla, and the Spanish Federation of Municipalities and Provinces and works with the highest representatives from each area (OECD 2014). Below

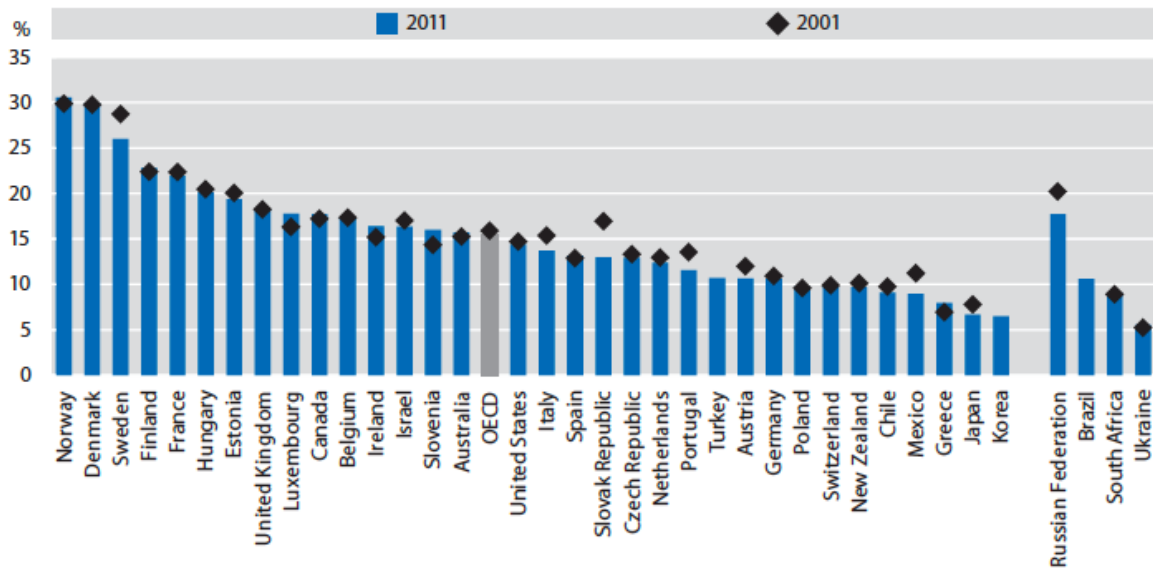
the Conference, there are other bodies that work from a technical approach. These bodies reach their agreements on public administration issues by consensus.

One of the subsidiary groups is the Coordination Commission of Public Employment with frequent meetings in different Autonomous Communities in order to coordinate the development of the Basic Statute of the Public Employee as well as other issues that may need its attention. Its composition was also broadened to include a representation for the local governments. The Monitoring Commission for the Acts and Rules of the Autonomous Communities is charged with reacting against all the acts and rules of the Autonomous Communities that threaten the balance in the distribution of jurisdiction between the State and the Autonomous Communities (OECD 2008).

Recent reform efforts and challenges in HRM policy in Spain

Spain is highly **decentralised** in terms of employment levels, with the vast majority (80%) of public employees employed at the sub-national level. This decentralisation process happened quickly. In 1982, autonomous communities were virtually non-existent and from 1982 until 2012, grew by a multiple of 30, while the central administration was reduced to only a quarter of its 1982 size over the same period. Figure 1 below shows that Spain's transition between 2001 and 2011 was much greater than in any other OECD country, with the proportion of staff working at the central level reduced by about half). Decentralisation was further enhanced by a reform of the autonomous financing system in 2009 (Molina 2016). This was the result of an extensive negotiation in the context of the reform of the Statutes of Autonomy, which increased the level of self-governing of autonomous governments by transferring new competencies to them. Additionally, the government established the Autonomic Liquidity Fund (Fondo de Liquidez Autonómica, FLA), to provide funding to facilitate payments to suppliers.

Figure 1 Employment in general government as a percent of the labour force, 2001 and 2011



Note: The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Source: OECD (2013), *Government at a Glance 2013*, OECD Publishing, Paris, http://dx.doi.org/10.1787/gov_glance-2013-en.

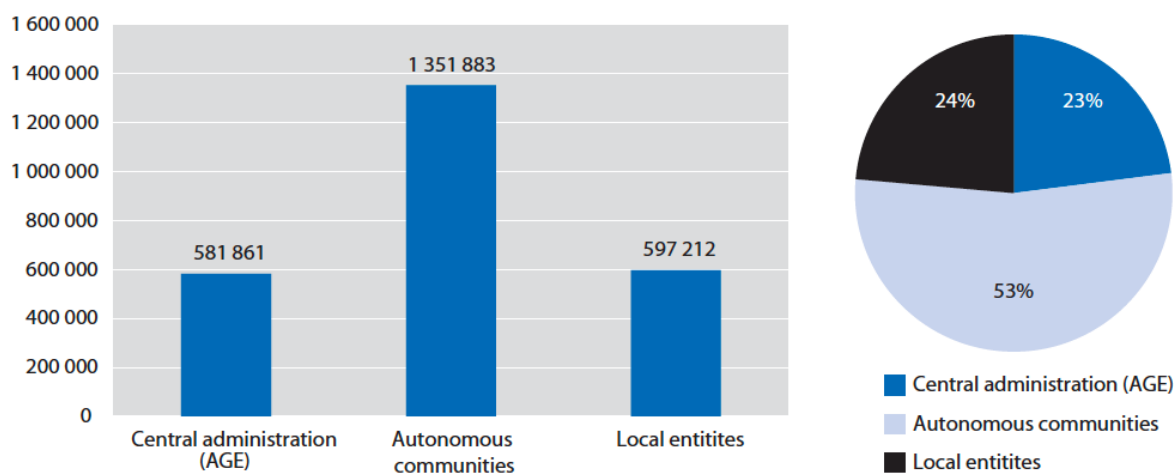
Spain's HR management structures and processes have changed little since 1984. **However, in 2007 a new Law on the Basic Statute of the Public Employee (EBEP)** was introduced to define the status of public servants across the central government, ACs, local government, special agencies and universities. This law gained widespread acceptance across the political spectrum, due in part to a process which enabled the participation of representatives from the ACs, local (municipal) administrations, public sector unions and other stakeholders. The law is built on principles of service, equity, objectivity and transparency (OECD 2014). It supports the development of staff and reinforces the centrality of collective bargaining and employee participation. Its primary objectives are:

- defining a uniform and consistent basic framework of public service for all public employees
- defining HR management objectives focused on managing for results and grounded in strong public service outcomes
- standardising pay categories across all departments, while leaving the question of complementary pay to the discretion of each administration
- establishing a performance evaluation system and process with clear objectives and incentives and which is focused on results.

While ambitious upon its release, implementation of this 2007 law has stalled. The 2007 law provides minimum standards across levels of government; however, initiatives that required investment, including the **development of performance assessment systems, have not proceeded.**

With the crisis taking centre stage, austerity measures have become an issue of great importance in the political agenda since 2011. These austerity measures include a complete **hiring freeze for 2012-14** (0% replacement rate except for “essential” services, where only one in ten staff are to be replaced), a reduction of the number of days off for personal reasons, a modification of the eligibility criteria for “temporary incapacity to work”, an increase in the retirement eligibility age from 65 to 67 (with a 14-year transition period), an extension of working hours to 37.5 hours/week, and various other measures to curb absenteeism and reduce spending on employment. **Austerity measures** have resulted in a reduction of 374 800 public employees across all levels of government since the third quarter of 2011. Sixty-six percent of these reductions have been temporary positions and most of it has occurred at the AC level.

Figure 2 Distribution of public employees by level of government - In total and as a % (as of January 2012)



Source: Commission to Reform the Public Administrations (CORA) (2013), “Informe de la Comisión Para la Reforma de las Administraciones Públicas”, Government of Spain, Madrid, p. 45, www.seap.minhap.gob.es/dms/es/areas/reforma_aapp/INFORMELIBRO/INFORME%20LIBRO.PDF.

On 26 October 2012, the Council of Ministers of Spain published the Agreement to Create the **Commission to Reform the Public Administrations** (Comisión para la Reforma de las Administraciones Públicas, CORA) whose mandate is to produce proposals to make public administrations more austere, useful and effective (OECD 2014). The CORA report was presented by the President of the government on 19 June 2013. It included 217 proposals, 139 of which concern the central administration and the autonomous communities (Comunidades Autónomas, ACs) and only 78 concern the central administration. **These proposals were generated by senior civil servants from key areas of the central and subnational government, which also received suggestions from citizens through an electronic box and from an advisory council with representation of unions,** the private sector and academia. On the one hand, one sub-commission of CORA dealt with redundant services. Although redundancies could happen within the same level of government, most overlaps affected services provided by central government and some or several regions. On the other hand, many initiatives that involved e-

government implied the necessary cooperation of central and regional authorities. Some reforms that have not been implemented are related to these two areas. The Basque Country and Catalonia reacted to the CORA report stating that central State was encroaching on their powers.

Overall, the Spanish system has evolved from **a unitary polity to a quasi-federal system** in which the different constituent parts have a reasonable degree of cooperation and coordination in the different policy sectors at the civil service level, although the recent attempts of the Catalanian government to secede from Spain have considerably strained the system. Up until now, the political discourse has shown less solving-problem and coordination prone attitude but hundreds of multilateral and bilateral technical commissions have worked on a regular basis to solve coordination issues (OECD 2014).

2.5. The Case of Italy

Institutional Set-Up

Public administration in Italy is divided into several functional sectors and a distinction is made between sectors belonging to the State and other sectors of public administration such as “enti pubblici non economici”, regional and local governments, the national health service, and research entities and institutions (Pessina 2002). Civil servants are employees working in core central government units (ministries/departments/agencies) and in national public bodies, schools, universities, regional and local administrations, local health administrations (OECD 2008).

Following the 2016 reform, for bargaining purposes between Agency for the Representation of the Public Administration (ARAN) that represents all public employers and trade unions, four areas have been identified: central administrations (including the previous areas of ministries, agencies and non-commercial organizations); local government; education and research (including the previous areas of university, school and public research institutes); and healthcare. The number of employees in the central government area amounts to 247.000; local government 457.000; education and research 1.111.000; and healthcare 531.000 (data refer to 2014, Aran-RGS).

Regarding the status of the civil servant, Italy is classified in a group of countries characterized by the prevalence of **contract-based employment relationships**, together with Sweden, UK, and Poland. Civil servants represent only **15%** of public employment.

The legislative decree n. 165 of 2001 establishes what the public administrations (article 1) are and identifies: i) the civil servants, who are regulated by private labour laws (article 2) and ii) public employees whose status has not been privatized (article 3).

Reforms in the area of public employment aimed at reducing the differences between the public and the private status of employees and put the emphasis on accountability. As regards

political-administrative relations, reforms were schizophrenic sometimes emphasizing performance orientation and others introducing spoils system features (Kickert 2011).

Reforms of the civil service can be observed under the following timeframes (Ongaro 2011; OECD 2003):

- The Legislative decree 29 adopted in 1993 through which public employment became subjected to the **general rules of private employment**, labour contracts – negotiated between the government in its capacity as the employer, and the unions (the so-called privatization of public employment). It introduced the distinction between politics and administration with the former setting the strategic objectives of the administration, allocating the resources and evaluating the results achieved by managers. The privatisation of rules did not apply to senior executives, whose appointments and performance obligations remained in the minister's responsibility. Therefore, civil servants are governed by private labour laws and by provisions of collective agreements, while some categories of personnel (magistrates, State advocates, university professors, armed forces and police force, diplomats and prefects) have not been privatised in order to guarantee their independence. These categories are under public laws. Their status, working conditions and any specific details - salary increases, leaves, working time and flexitime, professional content, relation with union, etc. - are set out in collective agreements, negotiated between public sector employee unions and the ARAN, which represents all public sector employers;
- Legislative decree 80 in 1998 introduced a form **of spoils system for top-level positions** whose incumbents could be replaced within 90 days after the vote of confidence for the new government. **The job positions of all central level managers** (5.000 persons) became temporary (ranging between a minimum of two and a maximum of seven years), with confirmation of the incumbents subject to an appraisal of the performance of the manager during their stint.
- Law 145/2002 on the regulation of personnel in central government further strengthened the scope of the spoils system, by abolishing the minimum length of the appointment of managers (re-introduced in 2005).
- In 2009, the decree n. 150 sets a new framework for appointments and recruitment of managers and senior managers of the public sector aimed at recognizing merit and management competence.

Until October 2002, the management of senior executives was an inter-ministerial matter with the help of a pool known as the "ruolo unico dei dirigenti". The creation of this structure was the backbone of the reform conducted from 1993 till 2001. It was underpinned by a database of jobs and profiles. **This tool allowed the government to publish available positions in real time and to establish a labour market for managers.** The new text adopted in 2002 has replaced inter-ministerial management of senior executives with ministerial management. However, the inter-ministerial database and the labour market for senior executives have been kept.

Several differences exist between different levels of government. The local government has introduced the direct election of mayors/presidents of the provinces and a slow but constant development of a pool of senior bureaucrats is observed¹². At the regional level, the administrations benefit and select senior bureaucrats from the pool developed at the local level as well as, to a lesser extent, senior bureaucrats from the national level. Moreover, innovative mechanisms are applied such as internal and external mobility, short time contracts and accelerated carrier paths for high potential civil servants (Borgonovi, 2001, pp. 485-486). At the central level an explicit move towards a spoil system model is registered.

Senior civil servants form no part of the political leadership, unlike the administrative elite “corps” in France, Spain or Portugal (Kickert, 2005). However, the Italian New Public Management reform is considered to have failed in the separation of politics from administration and in the transformation of senior civil servants into public managers (Sotiropoulos, 2004). **Performance management reforms have failed to enter the realm of politic-administrative relations.**

There are two main areas of concern when it comes to human resources in the public sector. In the past decades, reforms have put the emphasis on the lower productivity of the public sector workforce compared to the private sector. This attitude has not helped strengthen trust in public employees. In fact, trust in the civil service as measured by the Eurobarometer is the lowest of the eight European countries, although it did appear to increase somewhat between 1997 and 2002 (Pollitt and Bouckaert 2011). Also, policies aimed at developing human resources have been missing. A second area of concern has to do with the hiring / turn over freeze that is putting an obstacle to the entrance of young people (and ideas) in the public sector.

2.6. The Case of Sweden

Institutional set-up

As mentioned earlier, the Swedish state system is **unitary but decentralized**. The welfare sector is regulated nationally but to a large extent funded and implemented (provided) at the regional and local levels. The county/regional councils are quite small and concentrate on health care, whereas the national and local levels are in relative terms larger. The varying possibilities for regional and local governments to implement the policies of the welfare programs and solve other problems call for **coordination and collaboration** (Dahlstrom 2015). To some extent this is handled by top-down national level initiatives, but many types of collaboration are voluntary needs-based networking among municipalities and county/regional councils. Executive government is commonly described as consensual rather than majoritarian even though some would argue that Swedish minority government are operating in ways that have much in common with majority governments (Isberg 2011). The stability of bloc politics and successful ways of turning opposition into long term and stable support parties often have made minority government stable. The political system is however

¹² Given the fact that senior civil servants have, in general, quite high remuneration, competitive to equivalent job posts in the private sector,

still, by need if not virtue, oriented towards cooperation rather than the type of polarized conflict that characterizes majoritarian systems. Minister-mandarin relations are separate and to a low degree politicized. One distinct feature of the Swedish multi-level system is **decentralization of implementation. Administrative dualism** has for centuries been the organizational mode of national government, with a small government office and many, resourceful state agencies. Local self-government with strong implementation mandates in the welfare state programs completes this picture.

One of the most important feature that characterizes Swedish Public administration (central and subnational) is the issue of **trust**¹³. Based on the historical, socio-economic and political factors already briefly mentioned, Swedish administration enjoys very high levels of **trust** and support from their citizens. The extremely efficient welfare state, the high quality of services provided horizontally to the population, regardless of the significantly augmented level of taxation in relation to other EU countries, allows for a strong consensus and abiding by the rules. The trust is based on a number of factor, like the principle of transparency and accountability, that is implemented horizontally, across all levels of the administration. All administrative documents and data, including the level of individual salaries, are considered as public property (unless it violates personal data and/or information related to the security of the state). Citizen (and of course journalists and reporters) are allowed to request all possible public documents. This approach creates strong accountability reflexes and eventually culture, minimizing corruption and bad practices (EUPAN 2010).

This high level of trust is also reflected in municipal level. In Sweden, unlike the vast majority of EU member countries, there is no such thing/position as the Mayor. Citizens elect a municipal council which has the political responsibility, the right to decide on WHAT the municipality needs to do for the years to come. Nevertheless, the political personnel, the elected members of the council are not allowed to be involved in the implementation of the strategies that they decide, based on the democratic legitimization they gained from the elections. The sole responsible for the implementation and everyday management of operations is the administration per se, under the guidance of the sole managerial position that is prescribed in the regulation as obligatory, the General Secretary. The latter is a highly skilled professional, recruited based on a open call, and bears all relevant managerial responsibilities. The General Secretary is accountable to the municipal council, as the administrative level is the sole responsible for the HOW strategies and policies decided by the political personnel will be implemented. To sum up, the **strong checks and balances mechanism**, which is well established both within the local administration as well as across public administration in Sweden, safeguards the high level of **trust** already acquired, supports the smooth and effective running of the municipal affairs and protects the institutional memory.

¹³ Precious input and information regarding the organizational set up, the HR system in local government, the cultural attributes and the key features regarding the management of personnel at local level was provided through the conduction of interviews with the Head of the Swedish Association of Local Authorities (SALAR), Mr Magnus Liljestrom and representatives of the Municipality of Umea in Sweden.

Key Mechanisms of Audit and Enforcing Accountability

In 2003 a new organization for the National Audit Office was set up. To secure the independence of this audit institution this function was moved from the executive branch, where it had been placed as a regular government agency under the Government, to be an authority under the Riksdag (Swedish Parliament). The National Audit Office carries out both financial and performance audits, and the office has the right to audit the whole chain of the executive power. However, it has no powers to apply sanctions by itself. Instead, the published reports – which are all accessible to the public – are delivered to the Riksdag, and thereby give the Riksdag, the Government and/or the public the possibility to respond to the findings (Feltenius 2015).

At the local and regional government level, the audit institution is modelled in a completely different way. The auditors are elected politicians and perform not only traditional financial audit, but also **political and managerial audit**. All members of the municipal and county councils are elected in general elections every four years. Each council then appoints the auditors, a minimum of five persons with a term of office of four years. The system with popularly elected auditors has been the cause of debate for a long time. The proponents, often headed by the Swedish Association for Local Authorities and Regions (**SALAR**), argue that long tradition of local self-governance enables the municipalities and the county/regional councils to organize the audit differently from central government. It has to be mentioned also that municipalities are not allowed to have deficits in their budget, thus aligning their planning and actions accordingly. Therefore, compensation to civil servants (as well the possibility of salary raising or availability of funds to provide non-monetary motives in order to implement effective HR policies in local level) are related to the financial robustness of each municipality.

Key features of the Swedish civil service

As noted above, and in contrast to most other countries, the central government administration in Sweden is organized into two levels: the Government Offices and central government agencies. The Swedish Government Offices (ministries) employ only a relatively small number of staff, and government agencies enjoy a relatively autonomous status – i.e. what is called administrative dualism (Ahlbäck Öberg & Wockelberg 2015). This means that the Government Offices work mainly with supporting the Government in its operations, including starting investigations, performing follow ups and formulating operational goals for the central government administration. Hence, the bulk of the state administration is working in government agencies, which may have central, **regional and local offices**. Government agencies are joint entities responsible for most operational activities of the Swedish public administration. Each of them is managed by a Director General, appointed by the Government, and for most of the agencies the government has also appointed an advisory council (insynsråd) or a lay board (styrelse). Apart from these leading positions, **each agency recruits, manages and dismisses its own staff**.

In most agencies, the formal career systems were abolished already in the 1990s. Ever since, the Swedish system is best depicted as a **positioned based** system characterised by position-

related recruitment, open access route to public service and a greater permeability between the public and private employment sector (Kuhlmann & Wollman 2014). **Consequently, there is no central recruitment procedure into a civil service career as such, and in general there are no special higher education institutions to access a civil service career.** However, there are a few career-based civil servants left in the Swedish system, and these are confined to the diplomatic corps, the judiciary, the police force and the armed forces, which constitutes about 1–2 percent of the total number of employees in the public sector. In these cases, the respective agency is still responsible for appointments and training.

In terms of the structure of public employment the best description is that the **same employment rules are applied to public sector employees as those applied to the private sector.** Although state employees carry some special conditions, there is **no formal legal status for them.** Hence, Sweden does not employ civil servants under a public law status, which is a clear exception in the EU member state setting (Demmke & Moilanen, 2010, 52).

In general, employment rules in Sweden are similar for the public and private sectors. This means that in principle the same overall labour law applies to the public sector as to other sectors in the labour market, e.g. the Employment Protection Act (1982:80) and the Working Hours Act (1982:673). It should, however, be emphasized that in a comparative perspective few laws are issued within the area of labour legislation in the Swedish setting. The Swedish labour market model relies heavily on collective agreements, and since 1965 all central government employees have had the right to negotiate and to take industrial action in the same way as other groups on the Swedish labour market. Swedish public employment conditions are, thus, based on sectoral agreements which complement legislation in other aspects than specified by law. There is one set of agreements for the regional and municipal sector and another set of agreements for the sector of central government administration. The authority to conclude collective agreements on behalf of the state has been delegated to the Swedish Agency for Government Employers (SAGE), which in turn may delegate this authority to other government agencies. Procedures for negotiations, disputes and industrial action are regulated by collective agreement. However, it should be noted that the Public Employment Act does include certain limitations to the public employees' right to industrial action. E.g. it is not allowed to carry out industrial action aimed at influencing domestic political circumstances, nor is it allowed to carry out industrial actions that are "damaging to society". The question of whether a labour dispute is damaging to society is dealt with according to the collective agreement. In addition, the parliament may pass legislation ordering the cessation of a labour dispute considered dangerous to society, irrespective of labour market sector. In practice, the parliament very rarely exercises this right.

In sum, Swedish laws do not regulate many areas of public employment, with the exception of public employee responsibilities (the Public Employment Act (1994:260)). For employment in central government the Instrument of Government lays down recruitment based on meritocratic principles. However, for the bulk of the public employees – hired at the local and regional government levels – the meritocratic principles laid down in the Instrument of Government are not applicable but can instead be found in ordinary law (the Public Employment Act (1994:260)).

As follows from having a position-based system, there is **no life-long employment** guarantee in central government posts. If redundancies become necessary, permanent employees may also be laid off. In 2015 80 percent of central government employees were employed on unlimited contracts, and 20 percent on temporary contracts. However, certain very small groups do enjoy greater employment security, for example higher judges, who may only be removed from their posts if they commit a crime or otherwise have shown to be obviously unsuitable.

Key Characteristics of Policy Making System in Sweden

As stated above, the Swedish civil service is **non-partisan and the career patterns of ministers and senior civil servants are largely separate**. Hence, there are few overtly party-political appointments made to the upper reaches of the public service, and hence also few individuals that leave due to cabinet turnovers. The top three officials in ministries are the State Secretary, the Director General for administrative affairs and Director General for legal affairs, and of these only the State Secretary is a political appointment. It should be added, however, that the category of ‘political advisers’ – individuals who are neither politicians nor career civil servants, but who are sympathetic to the party in power – has grown in numbers and influence since the mid-1990s (Garsten et al. 2015), even though their share of total numbers employed in the Government Office is still very low. As mentioned earlier, the Government also appoints the top executive staff at the agencies i.e. Director-Generals, County Governors, Heads of Agencies directly under the Government, Vice-Chancellors of universities and other university colleges, Deputy Director-Generals, Deputy County Governors and County Directors (approximately 280 people).

Sweden has a highly informal system with few rules or institutions in charge of guaranteeing **merit** and the proper delineation of responsibilities between ministers and the senior public service. The principle of **political non-partisanship of the public service is not spelled** out in the Constitution, law or regulation. However, in the Instrument of Government the principle of government by law is laid down (Chapter 1 Art. 1), and the same law requires that all appointments are made on objective grounds such as **merit and skills** (Chapter 12 Art. 5). Hence, even though there is not any explicit legislation on the neutrality of senior positions in the Swedish setting the idea is widely recognized in an informal and consensual manner (Matheson et al. 2007). This does not mean, however, that the Swedish political debate is free from allegations of top executive appointments made by government being partisan (rather than meritocratic). On the contrary, this kind of debate flares up on a regular basis irrespective of the colour of the sitting government, and some commentators hold **that from the 1970s onwards the politicization of top executive positions has increased** (Molander et al. 2002).

Sweden’s policy process is often portrayed as both rational and consensual by outside observers (Petersson 2015). The notion of a rational and a consensual process is evoked by two important features of Swedish policy-making. The first is the corporatist policy-making style, which, at least up to the 1990s, guaranteed policy influence from interest organizations generally, and labour market organizations particularly. The second feature is the commissions of inquiry and referral systems. There is, and has been, a strong emphasis on the preparation

of policy proposals. A Swedish trade-mark, especially historically, is that almost all complicated policy proposals are first investigated by a commission of inquiry and then sent to government agencies and private and public organizations for referral (remiss), before the government bill is sent to Parliament. Hence, the referral bodies may be central government agencies, special interest groups, local government authorities, higher education institutions or other bodies whose activities may be affected by the proposals. This way the policy process has been geared towards problem solving and towards building broad support among specialists as well as parties and organizations (Dahlström 2015). Hence, the process is oriented towards collecting both expertise and stakeholder input.

2.7. The Case of Greece

Institutional Set-Up

In the Greek public administration, central and subnational, there are basically two broad categories of public sector employees: **civil servants on the one hand and public employees with a labour contract on the other**. The latter may have a contract for an indefinite time period or a fixed-term contract. In principle, public employees with contracts for indefinite periods could be laid off, but court decisions have actually equated the status of civil servants with that of employees under indefinite period contracts. By contrast, public employees under fixed-term or project-based contracts, regulated by Labour Law, do not enjoy tenure. Sub-groups of such employees were indeed dismissed in the beginning of the Greek crisis. The status of civil servants is applied to state and local authorities' employees with no major distinctions (Art. 103 para. 6 of the Constitution). Public sector personnel, including those in central government, deconcentrated administrations and local self-government are classified into categories and grades. Categories are determined according to level of education and professional skills. Grades and posts are not automatically linked, for example grade A (a high grade) employees do not necessarily hold the post of a unit head.

Civil servants are appointed with tenure and their employment relation with the state is regulated by the Civil Service Code (included in Laws 3528/2007, 3584/2007 and 4057/2012). Civil servants who are trusted supporters of the governing party may also be temporarily recruited into the 'ministerial cabinets' (in case of ministers), "mayors cabinet" (in the case of municipalities) or Head of Region (in the case of regions). Despite their political affiliation or policy preferences, all categories of civil servants and public employees under contract are officially required to serve the public interest.

In Greece there is a career system rather than a position system. There are also many different **corps of civil servants**, constituted on the basis of occupational specialisation (e.g. agronomists, computer technicians, etc.).

The *corps*, shaped after the French career model, are the gateway for entry into public administration, but do not enjoy the social esteem or substantive power of the corresponding French *corps* or Spanish *cueros*. They merely reflect minute divisions of specialisation within the body of civil servants. The access to a *corps* determines the range of positions that a civil

servant is entitled to apply once this person has passed the public competition exams, managed by an independent authority, the Higher Council for Personnel Selection (*ASEP*).

Once a civil servant is hired by a public entity in central or subnational administration, there is very little if any horizontal mobility for him or her between sectors or government levels. **Civil servants and contract employees have rights and obligations defined by the Civil Service Code.** Individual rights include the right to privacy, the right of non-dismissal, the right to participate in political activities, the right of association and belonging to a political party and the right to strike. Major obligations include the requirement to discharge one's duties with impartiality and integrity, under the supervision and guiding orders of one's superior in the administrative hierarchy.

2.8. The Case of Portugal

Institutional Set-Up

There is a Letter of Ethics which, in practice, corresponds to a code of conduct for the Portuguese public administration which emphasizes the importance of the principles of Integrity, Justice and Impartiality, Equality, Proportionality, Collaboration and Good Faith, Information and Quality, Loyalty, Competence and Responsibility. However, many times the practice does not coincide with the Letter principles. Across the entire Administration, there is a culture of small favours or great favours among relatives, friends, etc. The same is to say that there are still forms of nepotism and corruption of different levels of gravity which most of the time are not scrutinized.

Despite the introduction of paradigms such as Management by Objectives and the application of some of the principles of New Public Management in the Portuguese administration, in practice a **logic of bureaucratic procedural administration based on legal rules and processes rather than results still prevails.** Especially in the bodies of the direct administration of the State (directorates-general) the degree of autonomy of the top managers is extremely limited. According to Pollitt and Bouckaert's (2011) dichotomy of Rechtsstaat and Public Interest administrative cultures, Portugal belongs to the Napoleonic tradition which is considered to be a sub-category of the legalistic oriented Reichstag culture.

After the revolution of 1974, with the integration of the Portuguese who returned from the colonies and with the development of the National Health Service and the Education System, public administration grew in size and weight. However, the policies of state and administration reduction and the response to the impositions of the Troika (2011-2014) have led to a considerable reduction and thinning of the administration (Madureira, 2015). Between 2005 and 2013, according to official data, public employment decreased by 24,6%. However, the welfare state in Portugal can be still envisaged as social democrat, since it continues to ensure the principle of universality in areas such as education and health. On the other hand, it is not yet a state with great openness regarding citizen participation in decision making in accordance with Law No. 35/2014 of June 20 (General Labour Law in Public Functions), there are three public employment modalities:

- **Contract of employment in public functions** (The overwhelming majority of Portuguese public employees (including local government) have this type of contract. The term “civil servants” or “public servants” has been replaced by the term “public functions workers”. This contract has many similarities with the contracts of **private** sector workers. With regard to dismissal, the law is silent, however there is an academic debate about whether or not these workers could be fired, a possibility that did not exist in the past);
- **Nomination** (the Nomination modality only applies to civil servants working in following areas: permanent army forces, state external representation, security information, criminal investigation, public safety and inspection. Nowadays, the Nomination is the only lifelong work link in the Portuguese public administration);
- **Service Commission** (applied principally for managers who serve 3 to 5 years in a modality of “Service Commission”. When this Commission is finished, managers should return to their professional place of origin).

Until 2008 the main kind of link between the Portuguese State and their public employees was the Nomination. However, the Law 12-A/2008 made a deep approach of public employment to private employment characteristics. Most of the employees (both the older and the newly hired employees) lost the nomination status and started to have a contract with several similarities to private sector contracts (the abovementioned contract of employment in public functions).

Despite the ongoing changes in Portuguese public employment, the country continues to have **a career-based system** compared to most OECD countries (OECD, 2012). The list of rights and obligations of public employees is described in Articles 72 and 73 of Law No. 35/2014. Duty of obedience and loyalty to the State can be seen as the most emblematic obligations for Portuguese public employees.

Key Features of Portuguese civil service

In terms of organization and management of human resources there’s a significant degree of centralization. There are three public bodies of crucial importance:

- The Directorate-General for Administration and Public Employment (DGAEP) which provides advice on the legal framework as well as on management of pay systems, promotions, appraisal (SIADAP), recruitment and working conditions;
- The Directorate-General for the Qualification of Public Employees (INA), which is responsible for development, training and recruitment processes;
- The eSPap which provides Shared Services for Human Resources Management in Public Administration, aiming to provide quality services, contributing to the reduction of costs, supported by the use of common use solutions and capabilities, by integrated processes, standardized and best practice enablers for more and better information.

The provision of Shared Human Resources Services is supported in the shared Human Resources Management solution - GeRHuP - which integrates human resources management processes and the Integrated Management of Performance Assessment of Public Administration - GeADAP - which implements the SIADAP. The GeRHuP is based on a modular logic, composed of different functional blocks, which offer a set of services, available through processes related to the worker's life cycle, in the following areas:

- Administrative management of human resources,
- Organizational management,
- Wage/Salary processing, among others.

Negotiations regarding base salary, the employment framework, the right to strike/minimum service and the introduction of new management tools are centralized, with consultation of unions required by law. Bonuses and working conditions also require union consultation and are negotiated at central level or may be the result of collective bargaining. Union consultation is voluntary regarding the code of conduct, which is centrally negotiated, and unions do not receive public funding. Most public employees are granted the right to unionize and strike, except security and the armed forces or when striking is restricted by minimum service rules (OECD, 2012).

Nevertheless, it should be mentioned that:

- Due to public administrations fiscal deficit, annual pay negotiations continue not to be carried out. Public employees' salaries are frozen since 2010.
- In 2013, the salaries of civil servants suffered a major cut from 2.5% for lowest wages (€ 600) up to 12% for higher wages. In 2010 the previous Socialist Government had already instituted cuts in salaries of civil servants, between 3.5% and 10%. However, the measure only applied for salaries above € 1,500.
- In 2015, 20% of the salary cut has been repaid and in 2016 a gradual repay has been made (25% by quarter), so that the full value of the salaries be attained before the cuts.
- Public Administration contracting rule according to which it is possible to hire a public employee for each two leavers from is maintained. In practice, there is still a kind of hiring freeze in place. The main method of recruiting new public employees is through the Program of Advanced Studies in Public Management (CEAGP). Students who can be selected for this course, after completing it, have direct entry into the Portuguese Public Administration. However, the number of new entrants remains very low.
- Despite the creation of the Commission for Recruitment and Selection for Public Administration (CRESAP), which theoretically aimed to democratize the selection of top managers, as well as to make it more transparent and objective in order to reduce the degree of patronage and politicization in the Portuguese public administration, so far there is no data to prove that the patronage has disappeared from the process of choosing top managers.
- With regard to regulation and negotiation of remuneration in the Portuguese public administration, there is a tradition of social consultation that sits at the same table the

Government (as employer) and the unions. However, today's public sector unions have little strength in determining wages for most of public administration careers. The ability to develop a collective bargaining of wages in the public sector is almost non-existent when compared to the private sector.

- It should be recalled that Portuguese public employees continue to have their wages frozen since 201

Mobility of Employees

In Portugal the concept of mobility in public administration concerns the assignment of employees to other public or private entities due to public interest; internal mobility at the initiative of employees; mandatory transfer owing to organizational restructuring; and special mobility (Law 80/2013). "Special mobility" was created primarily to safeguard employees' rights who were left without work, as a consequence of restructuring by extinction or merger of public bodies. In practice, during the MoU period (Memorandum of Understanding among the Portuguese Government, IMF, ECB and European Commission), the concept of "special mobility" led to attempts to promote the dismissal of public employees. Actually, through the Requalification system (also planned in the Law 80/2013), the Government tried to legally provide the dismissal of "surplus" civil servants in "special mobility" who could not find a new job in public administration. However, this attempt was banned by the Constitutional Court. Moreover, the current government has suspended the possibility of dismissal of employees towards a mobility situation.

In fact, although there is an approximation of public employment to private employment (in terms of rules, rights and duties, number of holiday days, etc.), the great difference between the two systems remains the fact that, since the law is silent on dismissal issues, it is more difficult to dismiss an employee in the public sector.

3. Recruitment Policy and Process

Overview

Recruitment is a long-term investment and the aim is to recruit taking account of both immediate needs and the ability of future recruits to adapt to their future posts. On-going training and mobility are determining elements of public employment management. The management of civil servants' careers must meet the needs of public services, which calls for management of jobs and skills as well as management planning of staff numbers and mutual enrichment of good practices. Local government authorities have developed personnel management systems in order to retain the loyalty of their civil servants. Another aspect that concerns the recruitment of civil servants, with significant reforms for pooling competitions, centralising communication about competitions (with a dedicated Internet site, SCORE), a central competition management process, professional juries, and a start at a thorough overhaul of the competitions. While few EU countries have retained a career system resembling mostly to France, the competition system is still used in many countries.

Civil Service Job Security the Last Decade

Writers on public administration have long suggested that without a specific status, legal protection, lifetime tenure and special ethical rules, societies would be open to terrible corruption (furchtbarer Korruption – Weber), which would undermine the capacity of the state to rule society. In most countries, job security in the public sector is both an important motivational element for the recruitment and the retention of staff, and a way to provide independence and protection from undesired forms of politicisation. At present, most countries still agree with the argument that job security is important, but many suggest that the highest levels of job security can only be justified for specific positions and functions.

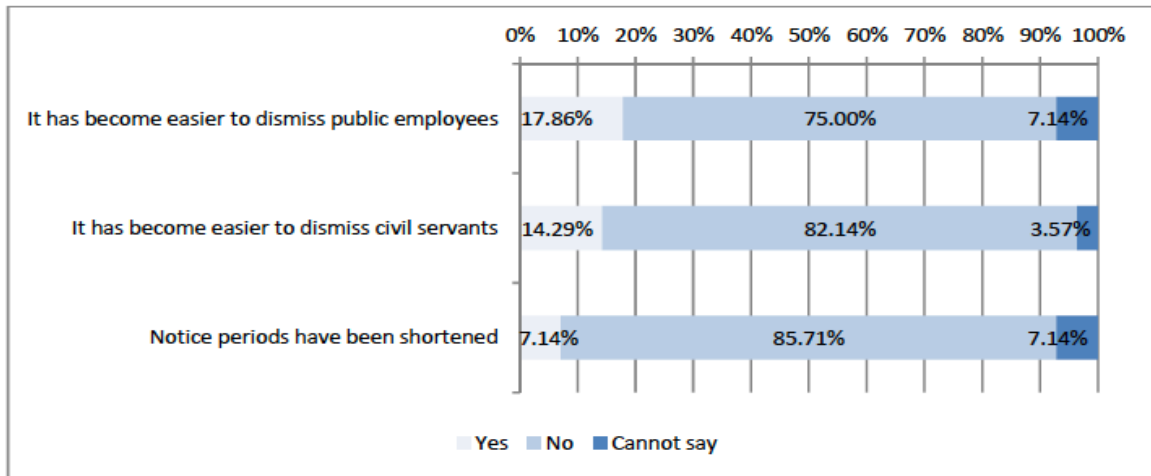
Lifetime employment appears to be less prominent than it was some decades ago, with many countries moving away from the classical lifetime tenure principle. In more countries it is now possible to dismiss civil servants for various reasons (mostly cases of poor performance). Countries with a more traditional bureaucratic career system still have a higher degree of job security. Thus, if a country decides to reform its traditional career structure, it is also likely that it will reconsider traditional job security patterns. For example Portugal, which has completely reformed traditional bureaucratic employment features.

Latest downsizing trends in many countries show that it would be misleading to speak generally about the “stability of public service employment”. In fact, people often have a false image of employment in the public sector as they believe that it is more stable than employment in the private sector. The trend towards the relaxation of job security is not also a trend towards a continuous weakening of job protection for civil servants. Despite the trend towards less job security, many countries seem to maintain a high degree of job security for central administration employees.

However, budgetary pressures, combined with a country's desire to establish more workforce agility, mobility, innovation and exchange with private and third sectors, may also be a

justification for reconsidering the job security levels of some categories of employees, and for looking at alternative contract regimes for specific professions.

Figure 3 Changes to the employment protection of public employees and civil servants (percent of responding countries) (2008-2013)



Source: OECD (2014b), Question 18, Survey on Managing Budgeting Constraints: Implications for HRM and Employment in Central Public Administration, OECD, Paris, www.oecd.org/gov/pem/2014-human-resource-management-survey.pdf.

3.1. The Case of Belgium

Key aspects of recruitment policy

Compared to previous settlement, the federal employment system is relatively open. It remains in essence a career-based system but where entries in the past were only possible at junior level and advancement slow, heavily regulated and following fixed quotas, entries can now be at more senior levels and advancement is subject to personnel planning and financial means and of course the presence of required competencies (OECD 2008).

When it comes to Regions and communities, they have freedom to establish their staff establishments as they see fit. More specifically, the Flemish government **set up its own employment system but stayed within the boundaries set by the Royal Degree**. The Flemish employment system remains a career-based system. The movement away from the traditional career-based system has been similar to that at the federal level, with a mandate system coupled with some opening up of posts for lateral entry at senior grades (Council of Europe 2014).

As it became apparent after interviewing personnel of local municipalities in Flanders region, one of the most important features of the HRM in local level is the **level of flexibility**, almost in all major areas of personnel management. Currently, local municipalities in the Region of Flanders, are recruiting their personnel through direct open calls, open to all people speaking

Flemish in an excellent way, regardless of their nationality (the only limitation is the possession of a passport of an EU member state). Based on **planning** and projection of human resources that will be needed in a local level, which has an horizon of **6 years** (due to the political cycle in municipal level, as indicated in the 2nd Chapter), the **HR Directorate** of municipalities launch open calls, that has 2 stages. The first includes a written exam. The successful candidates reach a shortlist stage and are invited to an open interview in front of a panel composed by 5 members (subject matter experts invited from other municipalities based on their experience and distinguished career in the specific field). The selected candidate(s) is/are sent for a typical approval/endorsement by the Mayor and the municipal council. Any objection or rejection of the selected candidate(s) must be based on very strong justification. In reality, approval by the political authorities is seen mostly as a formality (OECD 2012).

One of the most innovative tools that are currently mobilised from the local municipalities in Flanders, in the engagement of specialised private companies with expertise in the conduction **of psychometric tests** and evaluation of psychological aspects for the selected, to be recruited, candidate(s). This practice, which has been followed for several years by companies in the private sector, **is perceived as a very useful, practical and beneficial in terms of efficiency in the field of recruitment of personnel, with significant added value.**

The same goes for the Brussels Capital Region and the Walloon Region. In principle **statutory recruitment** is the main way to enter the administration -- and entry into the administration is only possible at the level of recruiting grades. Some exceptions do exist through recruitment on a contract basis.

Nevertheless, before the launch of any possible open calls, when a job opening occurs (i.e. due to possible long-term sick leave, maternity leave, dismissal or retirement), the municipalities primarily try to cover the gaps with internal mobility, within existing resources of the municipality, proposing and motivating their own personnel for upskilling, undertaking new duties, functions and responsibilities, enriching their experience, offer additional career options opportunities.

When it comes to short-term (less than 12months employment) recruitment, this is rarely an option. Based on the above-mentioned strict planning and forecasting of the personnel needed on a 6 years horizon, recourse to add-hoc recruitment is extremely limited to exceptional cases, with the consent of the Mayor and the municipal council under well justified reasons. In real life, in the vast majority of cases, municipalities prefer to outsource works or specific activities (especially when in-house implementation is too expensive) following methodologies to documentate such options from a value-for-money (VfM) perspective (Giordano et al, 2011). Quite often, given the fact that local and regional authorities tend also to follow a project-based approach when it comes to execution of administrative duties and responsibility allocation of the organizational units of municipalities (and not just follow a typical distribution of competencies in a strict hierarchical pyramid, which sometimes ends up in working with silos) there can be cases of recruiting personnel to execute specific roles within predefined projects for a limited time duration. In the case of Belgian local administration, due to the importance that is given in supporting the local community, priority is given to people

living with disability or find it difficult to be employed in other jobs, due to health-related challenges.

Recruitment of Senior Management

The recruitment of senior managers is specific and has evolved at all levels of government. Recruitment at these levels is open to all applicants, and mandates are automatically renewed or reopened to external competition after they terminate. These management changes represent a major move towards more position-based systems for the management of senior managers. The Belgian government has developed **sophisticated recruitment mechanisms**, with pre-selections handled by **SELOR, Belgium's central** HR recruitment agency. SELOR is a selection office that connects candidates with more than 150 potential employers in federal administration. They fill around 3,000 vacant positions every year, not only in federal public services, but also in other levels of the administrations or public companies. SELOR follows a set of neutral selection procedures which guarantee everyone equal opportunities. The same philosophy applies to language tests, in which around 60,000 candidates participate each year. All SELOR processes are fully digital. Applications or test registrations are always made online. The final selection on the shortlist is a discretionary ministerial decision.

Every federated government has introduced a position-based management corps of senior civil servants. In Flanders six-year mandates have been introduced for senior managers. In Brussels Capital Region the managers will be appointed for a 5 year-term through an open selection procedure to which are admitted internal candidates, candidates from other administrations and from the private sector. In the Walloon Region, the Senior Civil Servants are also appointed for a 5-year term¹⁴.

3.2. The Case of France

Key aspects of recruitment policy

As mentioned previously, France has 3 civil services: the national civil service; the local government civil service and the hospital administration. All three civil services are governed by the **same regulations laying down** the rights and obligations of public employees. The work of civil servants is organised by grade and by area of activity. Civil servants are recruited into **corps** and **job families** in which they will subsequently work in several different posts. Each job family is divided into grades which distinguish between officials according to their experience, seniority, qualifications or responsibilities. Each grade is in turn divided into steps corresponding to a level of pay and representing different stages in the progression within a grade. Job families and grades are divided into three categories corresponding to the level of education of civil servants and their responsibilities (A, B, C).

The French civil service is a **career-based system**: anybody entering the civil service will remain there until the end of his or her professional life. The number of persons employed by the

¹⁴ Critical input was collected through the conduction of fact finding mission with the Municipality of Zoersel in Belgium (see Annex 1).

three civil services rose by 26% between 1980 and 2002, taking the share of public employment in total employment from 17.8% to 19.4% over the same period. This increase was primarily attributable to the number of civil servants employed by local government authorities, which rose by 46.2% between 1984 and 2005 compared with an increase of 11.6% in the number of civil servants employed by the national civil service (OECD 2010a). However, the municipalities are the largest employer in local government, accounting for 85% of all local government employees. While the General Civil Service Regulations set out the rights and duties of all civil servants, specific provisions also apply to each of the three civil services.

Management Centres, local public administration establishments managed by local government employees, are responsible for overseeing the career of local government employees. Local government authorities employing fewer than 350 employees are directly attached to such Centres, others can make use of them if they so wish. The Management Centres organise entrance competitions for the local government civil service and help to manage the career of civil servants by overseeing the provision and operation of joint social institutions dealing with issues such as secondment, evaluation, promotion and discipline, as well as measures relating to working conditions (OECD 2011d). They also circulate job vacancies issued by local government authorities and process requests for posts from civil servants wishing to change job, successful applicants from competitions and employees on fixed-term contract

Established **civil servants are recruited by competition**. There are three types of entrance competition to the civil service: external competitions open to candidates with a given qualification or level of education; internal competitions open to civil servants meeting certain conditions in terms of length of service; and a “third competition” open to elected officials, managers of associations and the private sector (Guilloux et al, 2011). Unlike the national civil service, successful candidates from a local government civil service competition are not automatically assigned a post. Thus, they are allowed to conduct job searches, based on a list of skills, for posts that may be located anywhere in France.

In the course of one’s professional career, a local government civil servant may perform different duties depending upon the post to which he/she is assigned, pursue a career path by rising to a higher step or grade, according to seniority or through a professional examination, or advance to a higher-level job through an internal competition or promotion.

Division of Local Government Personnel

Local government civil servants are divided into two categories: **local government employees** appointed to a **permanent post**; and **non-established employees** governed by a special decree and not by the General Civil Service Regulations. This latter category also includes public employees employed on a seasonal basis or to replace officials assigned to a permanent post. Between 1994 and 2005, the number of employees on fixed-term contracts rose¹⁵ at the same rate as the number of established civil servants. There are now more employees on fixed-term

¹⁵ Similar trends are also observed in Turkish Local Authorities

contracts than established civil servants in the local government civil service due to the specific way in which public sector employment is managed at this level of government.

The national civil service employees around 2.5M civil servants (i.e. 50% of the total public sector employment) divided between government departments (Ministries, Prefectures, etc.), public establishments run by the government, as well as a number of public enterprises (Post Office, etc.). The local government civil service employs 1,6M officials (i.e. 31% of the total) in local authorities, public establishments managed by local government (social housing offices, etc.) or inter-municipal public establishments. On the other hand, the local government civil service was established twenty years ago to provide a single set of regulations for local government employees working for authorities at the level of the municipality, département and region. This status allows local government civil servants to pursue their career in any of these authorities. The local government civil service is made up of 70% Category C employees, 12% Category B employees and 8% Category A employees (OECD 2008). The hospital administration has 850K employees working in public health and social establishments (hospitals, retirement homes, etc.).

Employment Systems and Competition Mechanism

Overall, local authorities enjoy greater autonomy than central government departments in the management of human resources due to the **principle of administrative freedom** that governs them and that has also been included into the French constitution.

It has to be noted that the competitions seem to downplay occupational competencies in favour of academic qualifications, and they generally involve a written test. Competitions of this kind are rare in EU countries, even for those that have traditionally resorted to mass competitions (other countries, particularly those with a public employment service, traditionally hire by mail, with systematic publication of vacancies).

The competitions have become gradually more professional in their approach, with the introduction of motivation tests, interviews about current work, orientation sessions and collective interviews, personality tests, practical cases, etc. These tests are used in a minority of cases, but they are encouraged. As well, for the first-time place has been made for “recognition of experience” since 2007, in the context of “in-house” competitions, allowing a competitive exam to be replaced by new selection methods where candidates can demonstrate their competencies and professional know-how.

Competitions are organised by the **National Centre for Local Self-Government (CNFPT)**, or the Departmental or Interdepartmental Centre for Managing Local Self-Government Services (CDG); in some cases by the local self-governments themselves.

There are three ways of employment in local self-government by the way of a competition:

- External competitions: open to all candidates with secondary-school degrees + 3 years after graduation + 5 years of higher-level studies for competitions for category A; a

secondary-school or equivalent degree + 2 years for competitions for category B; no mandatory degree, or a vocational school degree, for competitions for category C. In some competitions the educational qualifications required are specified more precisely. Candidates who are the parents of three or more children whom they are raising or have finished raising, as well as renowned athletes, may apply without having to fulfil the educational qualification standards.

- Internal competitions: open to public officials and appointees with at least four years' seniority in the public service.
- Third type of competition: open to elected persons, managers of associations, persons employed in the private sector, usually under the condition of a four-year term of office or four years performing the particular activity.

The entrance examination consists of a written part and an oral part. The general requirements for employment by way of a competition:

- Persons aged 16 or above are eligible.
- French citizenship, or that of another EU member-country; the latter, however, cannot compete for jobs in the Communal Police.
- Completed service in the military and fulfilment of all other obligations to the state of which the candidate is a citizen.
- Full enjoyment of civil rights: that the candidate has not been punished in connection with offences incompatible with the performance of the desired job
- Fulfilment of the physical fitness requirements for the performance of the desired work.

Exceptions:

- Direct employment without a competition is possible for workers with the lowest ranks in category C, in any of the three public sectors.
- Handicapped persons may also be hired directly, if they meet the necessary educational requirements.

Employment of appointees under certain conditions:

Local communities may employ appointees without a competition, under conditions explicitly prescribed by law, for a fixed period of time in cases when it is necessary for various reasons; for example to replace workers who are absent for a substantial period of time, for seasonal work, for irregular work lasting no more than six months, when the increased volume of work so demands, and for temporary jobs.

Local communities may conclude temporary service contracts (on a term of no more than three years, and a possibility of renewal), when there exists no body or range of work of a public official who could perform the necessary activities, or when it can be justified by the nature or needs of the work. Under public law, such appointees have a special status. At the expiry of two fixed-term three-year employment contracts, if there exists a need to extend the term of the contract such appointees will be employed on a permanent basis, but this form of

employment cannot lead to the acquisition of a status of an official in the local self-government.

Besides the aforementioned, personnel can also be employed on the basis of temporary service contracts at certain positions in the 'cabinet' or in the administration of large self-government entities (regions, departments, cities with populations exceeding 80.000).

In contrast to the other public sectors, success in a competition for the local self-government sector does not imply automatic assignment to a certain position. Local self-governments do not have an obligation to hire, and, conversely, successful candidates may, for their part, select their employers, either based on a position they have been offered or according to their place of residence. All successful candidates are registered automatically in the official national eligibility list for a period of one year, with a possibility of being extended by a year twice, at the request of the candidate, who is looking for work during that period. After the three-year period, a successful candidate who has found no employment is deemed not to have passed the competition (Chevallier, 2010).

In order to get a job in a local self-government unit, candidates who passed the competition must submit an application to potential employers which consists of a CV and a letter of motivation, either in response to an advertisement, or of their own volition. As soon as a candidate from the official national list has been admitted to a local self-government, he or she becomes a trainee public official and generally retains that status for a year, and is then struck from the list. During that period the trainee undergoes appropriate training. After the expiry of the trainee period, the employer decides whether to promote the trainee to a public official, extend the trainee's training period, or lay off the trainee (Barbier-Gauchard et al 2010)

In 2012, a major law on civil service introduced a more competency-based selection in the recruitment of civil servants. In addition, this law gave opportunities to public employees having an employment contract (*contractuels*) with the administration to become statutory. Specific competitive examinations dedicated to this target groups were organized. Because of the distinction between statutory staff (*fonctionnaires*), who is employed for the whole career in public service, and contract staff (*contractuels*), the latter only gets temporary contracts to work in the public administration. The European obligation to offer a permanent contract to temporary contracts staff who worked 6 years in a company or a public administration created a third category of staff, permanent contract staff, which could be seen as an infringement of the recruitment rules of officials (competitive examination) whose main feature is to be permanently employed. Thus, those specific competitive examinations for contract staff were created for few years by this law in order to avoid the development of too many public agents with permanent contract.

Recruitment of senior management

In contrast to other advanced EU countries, there is **no proactive management of leadership in France**. Developments during the RGPP (French General Review of Public Policies) have,

however, marked the beginning of a reform that will be important for the future of the civil service. First of all, the highest positions in senior management have been opened to **candidates from the private sector under contract**. This is a significant development consistent with experience from other EU countries, one that brings new insights and refreshes the culture of senior management. Management of the senior echelons has also undergone some streamlining, with the deconcentration to the ministerial level of current management tasks concerning civil administrators and the appearance of a new, unique and horizontal employment status to govern all heads of deconcentrated services of the central government and their deputies.

3.3. The case of Germany

Key aspects of recruitment policy in Germany

The Länder and the municipalities are free to lay down their **own staffing plans**. The municipalities are subject to restrictions to the extent that their budgets are subject to supervision by the Land in question when their budgets are undergoing consolidation measures, which come to bear if and when the local budget cannot be balanced within their possibilities to borrow fresh money. The federal Länder are not subject to such restrictions.

Germany has a dual employment system composed of **civil servants** and **public employees**.

The exercise of State authority on a regular basis shall, as a rule, be entrusted to members of the public service who stand in a relationship of service and loyalty governed by public law that is to civil servants. The rights and duties of civil servants are governed by federal law, which means that the parliament determines the rights and duties as well as the remuneration and pensions of civil servants. The service of judges and military personnel, like that of civil servants, is governed by public law. Effective employment of civil servants can only be terminated, other than by death, in the cases permitted by law. As a rule, the active employment of civil servants ends on retirement. By law, civil servants must retire on reaching the age of 65.

In addition, there are public employees hired on normal labour contracts. In contrast to civil servants, **public employees** are **not** recruited to a particular career, but for a specific occupation. The activity is assessed in accordance with criteria set out in the collective agreement and forms the sole basis of placing the employee in a specific pay grades. Promotion to the next-higher pay grade is on principle conditional on the employer assigning the employee to a different higher-ranking function. Similar to the practice followed in promoting civil servants, however, in most cases the collective agreements allow for public employees to advance to the next pay grade if they have performed their duties satisfactorily over time (so-called advancement on grounds of proven abilities). The length of time required for such advancement varies according to pay grade; it ranges from two years in the lowest pay grade to 15 years in one of the highest pay grades. Employees may be transferred, seconded or allocated under the existing employment contract. Furthermore, an employee may be temporarily seconded with his/her consent to another public institution which is not

one of the German employers (e.g. international and intergovernmental organisations), or also assigned to a non-public institution. A transfer to another public employer is not possible. In such a case a new employment contract must be concluded. Public employees may also take unpaid leave, like civil servants.

Public employees are by law generally obligated to be insured in the statutory social insurance, i.e. they are members of the statutory health, long-term care, accident, pensions and unemployment insurance schemes. The public employer and employee share the costs of social insurance in accordance with the applicable contribution rate which is a defined percentage of the gross income.

Originally the public service was the exclusive preserve of civil servants. Wage earners were employed in the public service as support staff for the first time at the start of the 19th century. Today about two-thirds, or 3 million, of the 4.8 million staff in the public service have the status of public employee (salary earners and wage earners). The high percentage of employees in the public service reflects the **fundamental change** in the **state's perceived role**. The state is no longer seen exclusively as the custodian of public order, but is **also** considered **responsible for the growth and well-being of the community**. These tasks have been assigned to a great extent to public employees, while civil servants are mostly allocated to the classic sovereign functions (police, inland revenue, customs administration and ministries).

The **civil servant system** is essentially a **closed** employment system. Non-civil servants may however enter the career system for the higher executive civil servant functions. Other public employees are employed on the basis of a contract under private law and subject to the general labour law. Specific working conditions are set out in collective agreements negotiated between the public employers and the responsible unions. These collective agreements specify almost all the major working conditions in the public service. The public service employee system is essentially open (a system of positions); however, access to the system is increasingly de facto restricted (staff surplus, scarce resources, for this reason vacancies are frequently announced internally).

Civil servant law used to be uniformly regulated until 2006. Major amendments have been introduced in the course of the reform of federalism. Currently, only the law concerning civil servant status applies **uniformly across** Germany. In April 2009, the Act on the Status of Civil Servants which has been adopted by parliament took effect. The federal Länder was given far-reaching scope of action with regard to their staff to accommodate the differing organisation and staff structures. This means that the uniformity of the civil servant law and the mobility of civil servants throughout Germany is safeguarded. Details are settled by the federal Länder on their own responsibility. The act created the prerequisites for modern staff management by creating clear structures and reducing red tape. This applies e. g. for the requirements to create or terminate a civil servant relationship or for secondments or transfers between several employers. It has been made easier to second civil servants also to private institutions outside the public service; this means that experiences from other fields can be tapped for the discharge of public tasks. Responsibility for the law governing careers, remuneration and old

age provisions rests exclusively with the federal Länder. Their regulations are also binding for the municipalities within the Land boundaries.

The Regulatory Framework

Human resources management in local self-government is carried out principally by towns and municipalities. Supporting the ideal of autonomy in municipal governance, HRM decisions are taken specific to each municipality (e.g., Städtische Richtlinien für Personalwirtschaft of town X), respecting the principles of equal opportunities and open competition.

A good example of the legal framework and individualised governance of towns and municipalities is the **Law on Municipalities of Baden-Vürttemberg province**, adopted by its parliament (Landtag), which must be observed by all 1,102 municipalities in the province and their 10.7 million residents, irrespective of size. Just three of the 147 articles (Articles 56, 67 and 58) concern HR. The three provisions state quite clearly that each municipality in Baden-Vürttemberg will employ officials, employees and workers with those qualifications that it requires for the performance of its activities and tasks. In the matter of staff training, municipalities will coordinate with the province and will ensure the professional development of their employees. **Municipalities decide their HR needs once a year within** the framework of their job systematisation (Stellenplan, Organisationsplan). Each municipality is also required by law to employ at least one medium- or higher-ranked official. More detailed regulation of the matter is carried out by the municipality itself through HR decisions.

Within the framework of the policies and budget of town/municipal council, the administration decides with a high degree of autonomy and in close co-operation with employee representatives on all issues relating to human resources (employment, training, HR management...). The town/municipal council participates in the election of a director of the secretariat/administration and assistant directors. A commission made up of council members interviews candidates who have previously been evaluated by the town/municipal administration, and prepares the vote, which is taken in the town/municipal council. All other staff hiring decisions are made by a commission which includes a representative of the interested administration/service (for example its director), one HR representative, and one representative of the employees.

Termination of Employment

The employment relationship between public employer and employee may be ended by terminating the employment contract. To terminate the employment contract **the staff council** must be involved, otherwise the termination is invalid. A distinction is made between termination with due notice (routine dismissal) and exceptional termination. They differ with regard to the notice period and the grounds for termination.

Routine dismissals are subject to a defined notice period. This period is two weeks to the end of the month during the six-month probationary period. After six months, the notice period increases to one month and rises - depending on the length of employment - up to six months.

After 15 years of employment, but not before the employee has reached the age of 40, employment of public employees subject to the Federal Collective Agreement for Public Employees/Framework Collective Agreement for Wage Earners in the Public Service can no longer be terminated with due notice. Such routine termination of the contract by the employer requires a cause justifying this from a social point of view. Termination is only socially justified if it is brought about by reasons inherent in the character or conduct of the employee, or because of urgent operational requirements standing in the way of the continued employment of the employee in this operation.

3.4. The Case of Spain

Key aspects of recruitment policies in Spain

The Spanish Public Administration Recruitment System is based upon three principles established in the 1978 Constitution. These principles are **merit, capacity and equality**. To become a civil servant in Spain it takes to pass a series of exams according to the category of civil servant to achieve.

The Constitution gives the Autonomous Communities financial autonomy as well as administrative. Each year the Annual State Budget Law establishes the number of jobs required for the State and the **Autonomous Regions Budget Laws do the same with the different regions**. Municipalities are under the tutelage of the regions. There are different recruitment processes for the State and the Autonomous Regions. The National Institute of Public Administration is responsible for the recruitment of those public employees who belongs to general categories in the Central Administration. On the other hand, each Ministry is responsible for the recruitment of those public employees who belong to special categories. This structure is repeated for the recruitment processes in the different Autonomous Regions. The recruitment needs such as education, experience in the job, skill etc, are established in the basis of the recruitment process. This is a public document published by the entity which is going to manage the recruitment process that explains all the details related to it.

The **homogeneity** of the foundation and the **diversity** in other matters is a characteristic of the Spanish Public Service. In giving the State the power to regulate the basic statutory regime for **public servants and applicable to all Public Administration**, the Constitution provides the Public Service system with the necessary consistency in its fundamental aspects. On the other hand, the Constitution's recognition of the **specific mandate** of the **Autonomous** Communities to regulate their public services opens the way to a large diversity of regulations on those aspects of the Public Service which are not basic in nature.

The Public Service Reform Act states that "each Autonomous Communities shall pass legislation in its Legislative Assembly to organise its Public Services". In use of these powers, the Autonomous Communities have each drafted their Public Service legislation. In general, they follow the State Public Service model, without significant differences, for example maintaining the mixed system of public servants corps and contracted employment.

The model for employment in the public service in Spain is complex, containing highly varied realities and diverse elements which may sometimes introduce a degree of confusion. Specifically, public service employment in Spain combines the following:

- dual basic legal systems and a variety of special ones,
- a diversity of public service employment relations, particularly the upshot of the large number of employers,
- a wide range of types of personnel,
- a dual model for labour relations (those created by the Public Administrations with their staff representatives) combining elements of the statutory system and that involving collective bargaining.

However, in spite of this variety of legal frameworks and employment relations, there is a number of principles and guidelines of conduct which are common to all employment in the public service, irrespective of the legal regime applied to them:

- equality of access to all citizens, as a guarantee of access to employment in the public service,
- the professionalisation of all public service employment relation because, save limited exceptions, this must rely on merit and ability,
- the impartiality of public service personnel, sought in a system of incompatibilities applicable to all such personnel.

The employment relations of public sector staff personnel are governed by two legal regimes, one under Administrative Law and other under Labour Law. Then there is a variety of special legal frameworks within these two basic systems. However, despite this duality of systems, lawmakers have sought to deal with the main aspects of their regulations in a single framework. Thus, the Basic Statute of the Public Employee regulates the public servant and contracted personnel system jointly, in the latter case referring to the Labour Statute and in others to their Labour Agreements.

These twin legal systems for job relations between the Public Administrations and their employees (individual relations) also affect the relations with their representatives. Thus, there are two different regulatory frameworks defining the relations for the representation and collective bargaining of public service personnel and, as a result, two systems for representation and collective bargaining for public servants and other applying to contracted employees.

The Constitutional Court has ruled that the Constitution opts for the statutory regime for public service personnel, albeit without excluding contracted employment. This means that the Public Administration must fill their vacancies chiefly with public servants. The possibility allowing Public Administration to hire their personnel under contract is seen legally as an exception.

Contracted personnel is the exception

The possibility allowing Public Administration to hire their personnel under contract is seen legally as an exception, and only those specifically included on the closed list in article 15 of the Public Service Reform Act may do so, for certain jobs. Article 9.2 of the Basic Statute of the Public Employee includes the following limitation: *“In any event, use of functions involving direct participation in the exercise of public powers to safeguard the general interest of the State and the Public Administrations are assigned exclusively to public servants...”*. Bearing this in mind there is a possibility in certain cases, for full time contracted employees holding jobs classified as reserved for public servants to participate in selective internal promotion procedures, for entry to the associated public service Corps or Scales.

3.5. The Case of Italy

Key aspects of recruitment policies in Italy

150 years after unification, the Italian public administration is relatively young when compared with the administrative systems of other European countries such as France, Spain, and the United Kingdom. The Italian public administration is the result of the cross-fertilization of different administrative cultures, including the Rechtsstaat tradition (Austro-Hungarian derived, Lombardia and Veneto), bureaucratic Napoleonic traditions (Piemonte and Sardinia), and weak-state models more similar to the Vatican State and the Two Sicilies realm (South Italy). These administrative cultures **embody vastly differing visions of institutional and organizational models**, and a **diversity of relationships** between public administration, citizens/civil society and other social and economic actors. These cultures further influence more minor themes such as public accounting and the management of public assets. This can be seen in northern regions, where attention was given to openness and clarity of bureaucratic processes and the delivery of basic public services such as waste and garbage collection, road maintenance, and public lighting. Here the philanthropy of the aristocracy and bourgeoisie played a strong role in the provision of social services and health care¹⁶.

In contrast, the southern civil servants were known for their arbitrariness and free-riding behaviours, which determined the low quality of public services and a greater distance between the government and the citizens). In the Sabaudia realm, the French army had imposed Napoleonic institutions such as the préfet, with highly formalized careers and a strong hierarchy. Prior to the political and administrative unification, the Italian states with the exception of Lombardo-Veneto, were converging towards the French administrative model. Still, in the years immediately following unification, there were many discussions about which administrative model to adopt at the national level. The two main options were the Lombardo-Veneto model, based on a contingency approach emphasizing local specificities and considered highly successful, and the French-inspired Piedmont (Napoleonic) model, based on principles of organizational uniformity. The Piedmont model was selected hesitantly,

¹⁶ Critical input was collected through the conduction of fact finding mission with the Metropolitan Municipality of Milan in Italy (see Annex 1).

considering the bureaucratic fragility of the southern administrative systems and the decentralization experienced under the Bourbon rule (Fedele 2002).

Significant elements of the Italian administrative system include: a tradition of state direction of the economy and society; the presence of an elite state cadre, including the Consiglio di Stato (Council of State), the Corte dei Conti (national audit office) and the Ispettorato Generale (a financial inspectorate); the strong presence of the central state at regional level, personified in the person of the prefetto (prefect); the importance of a special body of administrative law, based on the concept that the state occupies an autonomous domain (Pollitt and Bouckaert 2011). The public service culture is strongly juridical (Kickert, 2005, Meneguzzo, 2007)

The Department for Public Administration at the Presidency of the Council of the Ministers is in charge of human resources policy for central government administrations and public agencies, including their selection and recruitment processes. Until October 2002, it managed Senior Civil Servants, which was an inter-ministerial matter, coordinated by a special professional body called the Ruolo unico dei dirigenti, but since 2002 each Ministry manages its own Senior Civil Servants. Some policies are dealt in cooperation with the Ministry of Labour and the Ministry of Economics and Finance. Regions and Local Authorities (Provinces and Municipalities) have certain autonomy for their personnel organization, in accordance with the principles of subsidiarity, differentiation and adequacy (EUPAN 2013).

Recruitment process

The legislative decree n. 165 of 2001 establishes the procedures and the criteria for recruitment: i) adequate selection publicity to ensure impartiality, cost effectiveness and speed of execution; ii) transparent mechanisms to verify that the candidates are in possession of the required training and professional skills in relation to the position to be filled; iii) respect of equal opportunity; and iv) decentralization of recruitment procedures to ensure efficiency. Selection is based on a competition (concorso) that usually includes a written and an oral exam, mostly based on administrative and public law themes. Generally, each annual Budget Law established the ratio of new hires with respect to dismissed or retired staff. **Each Public Administration (both central, regional and local) sets its staffing needs over the three years.** The Department for Public Administration and the Ministry of Economy and Finances authorize the recruitment for each Public Administration, adopting a special decree signed by the President of the Council of Ministers.

Each one of the Municipalities across Italy have the right to launch an open competition in order to cover the needs identified and planned in the beginning of the year. Due to the demanding nature and the high costs for launching such competitions, quite often municipalities coordinate their planning and actions and collaborate in order to conduct common competitions¹⁷.

¹⁷ For instance, Metropolitan Municipality of Milan conducts competition on behalf of **183 municipalities in the broader area, in order to achieve economic of scale and maximize synergies.**

An alternative to attract new personnel in a municipality is through internal mobility across the Italian public administration (central and subnational). Internal transfers (in the form of secondment or permanent repositioning) are feasible but quite complicated and bureaucratic. There is a rather long process which -among other issues- requires consent of both entities involved (the one the employee actually works, and the other that the employee wants to be transferred). Consensus among different public entities is not always given, since there has been a freeze of recruitment for several years and the need in terms of personnel are significant. Therefore, a veto right in terms of rejection of transfer request is quite common.

Another possibility for recruitment of personnel in municipalities is through short-term contracts. **This possibility is given to highly skilled personnel, that can cover specific, complicated job posts (i.e. related to advanced ICT issues, climate challenges, resilience etc).** In the majority of cases those posts are deployed as advisors to the Mayor while the selection process concerns the assessment of the CV through a panel interview attended by subject matter experts (written exam are not used in this case) in an open, public and transparent process. Participation to this competitive process is allowed to candidates that fit to the minimum requirements based on a clear job description (while written exam for horizontal positions are accessible for all candidates possessing a university degree). Maximum up to 5% of the total number of managerial positions can be recruited with this specific status (not more than 5 posts).

Finally, municipalities can cover their seasonal/short-term employment needs through short-term contracts for basic tasks (i.e. workers to cover basic needs in cities with high number of tourists). The number of seasonal personnel can't exceed 30% of the administrative personnel of the municipality.

Senior Civil Service

The creation of the Senior Civil Service in Italy dates back to the 1970s (dirigenza) and has undergone several legislative changes since then (in 1972, 1993-1998, and 2002). Their status has been governed by diverse laws and private contracts since 1998. However, it can be said that there is a formal Senior Civil Service status in Italy. The Secretary-General, Director-General or Senior Executive functions could be carried out both by Senior Civil Servants and by politically-appointed experts. **Lower-level executives are excluded from political appointment.**

The Senior Civil Service in Italy includes two levels: executives (managers of 2nd level) and managers of 1st level (directors-general, upper level). Once a candidate qualifies as a manager of 2nd level, he/she signs two contracts: 1) a public contract with the public administration in which the vacancy was created. This contract determines full-time employment and gives the right to be paid according to collective agreements; 2) a fixed-term contract (3 to 5 years) that sets out the purpose and objectives to be achieved in relation to programs defined by political level and provides an additional remuneration.

The appointment to manager positions of 1st level is conferred by the President of the Council of Ministers, upon the proposal of the Minister responsible; while the appointment to manager positions of 2nd level is conferred by the director-general. The appointment will take into account the following criteria: i) technical and management skills, ii) previous results obtained and assessments received, and iii) previous experience in management positions, inside or outside the public administration.

It is possible for an executive (manager of 2nd level) to be appointed for a position of 1st level, on a proposal of the Minister and after five years he/she will qualify for obtaining the 1st level. Only those managers of 1st level can access to the posts at the level of Secretary General and head of Department.

External professionals can only be hired for a fixed term to fill management positions for a specified and limited period of time and for a small percentage of positions only.

The Legislative Decree n. 165 of 2001 sets two systems for external recruitment of managers who must have a university degree: i) a public competition exam; ii) a combination of an examination, a course in the National School of Public Administration and a practical experience (internship) in a public or private organisation. For the public competition exam route, candidates need a minimum of two to five years of managerial experience.

In order to ensure a high level of transparency and equal opportunity for civil servants, job descriptions for vacant posts will be posted on the administration's website. The Legislative Decree n. 150 of 2009 established new procedures for the access to the senior levels (top positions of directors-general) based on qualifications and examinations, held by each administration for 50% of positions available each year. Because public employment in Italy is mostly career based; the introduction of a 50% reservation of posts for externals is an attempt to open it and make it more position based. The selected candidate is further required to spend a six-month training period in EU member State administrations, EU institution or international organisations.

In February 2017, some areas of human resources management have been reformed: selection, role of trade unions' bargaining and performance management. The issue of temporary employment in public administrations is tackled. This phenomenon has uncontrollably grown to escape the hiring freeze. The decree envisages a special hiring plan. More in general, a new approach to selection and hiring based on competencies is being introduced.

The decree designs a model in which the law establishes the main framework inside which the contract can regulate specific aspects of human resources management.

3.6. The Case of Sweden

Key aspects of recruitment policies in Sweden

As mentioned earlier, Swedish system is quite unique in relation to the rest countries that have been reviewed in this report. There is no typical notion of a public servant or of a cadre, following the French school of thought. There is only one way of recruiting personnel in the municipalities of Sweden, through a direct, individual contract of indefinite duration, that follow a lean and transparent procedure, following an open call. There is a frequent use, depending on the nature of the position, of tests (which are not intended to check academic knowledge, they rather focus on competences, aspirations and talents). More and more there is also use of panel interviews by evaluation committees, and there is general trust in the system that only the best person will finally be offered the position. Each municipality is free to establish its own process for recruitment, nevertheless the process is based more and more on state-of the art methodologies and tools to support the most effective selection of personnel¹⁸.

Currently, Swedish administration most important challenge is the rapidly ageing of the personnel working, especially in local administration. As explained throughout the course of interviews with SALAR and municipalities of Sweden, the current projections that has been made, reflect a drastically ageing population and the -positive- nevertheless challenging for the sustainability of the pension system raise of the life expectancy duration. More specifically, Swedish statistic agency estimates that 50% of the children that were or will be born after 2020, will reach a life that will reach, or even exceed 100 years old. Given the fact that retirement limits do not exceed the age of 67, this poses a huge burden on the sustainability of the pension and welfare mechanism, with huge impact on the financial projections for the Swedish economy. It is worth mentioning that for instance, the Municipality of Umea, in the north of Sweden, which currently employees 11.800 people, by 2030 will lose 6500 employees due to retirement and will need to recruit 9400 people until 2030 to cover its minimum needs in terms of personnel.

3.7. The Case of Greece

Key aspects of recruitment policies in Greece

HR policy and management fall within the Ministry of Interior (previously under the Ministry of Administrative Reconstruction). However, in practice this ministry collaborates with - if does not fully succumb to decisions of - the Ministry of Finance on a number of HR issues. The latter include the grade system, pay system, pension system, and control of payroll of civil servants. The Ministry of Interior is responsible for standardising recruitment and skills profiles, overseeing the initial and in-service training of civil servants in the National Centre of Public Administration (*EKDD*) and monitoring the conduct of competitions for entry-level civil servants, i.e. competitions which are assigned to the **independent authority of Higher Council for Personnel Selection (ASEP) through the Law**, whose independence was also foreseen in the revised Greek Constitution of 2001. Local autonomy is restricted through constitutional provisions regarding human resources management (Art. 103 of Constitution). Personnel with the status of civil servants (so called “permanent personnel”) can only be hired if a

¹⁸ Critical input was collected through the conduction of fact finding mission with the Municipality of Umea in Sweden as well as SALAR (see Annex 1).

corresponding post is provided in the organisation chart (“organigram”) of the local authority (Art. 103 para. 2).

The Law 2190/1994 (together with its various updates through-out the years) is a basic, umbrella law which foresees the broader public employment framework, focusing on recruitment to the public administration (central and local). ASEP is, by far, the most important intervention and successfully implemented reform in the field of HR in Greece, as it managed to minimize the spoil system and reduce significantly clientelism and control of the political parties in the recruitment, staffing and operation of the Greek public administration. After the institutionalization of ASEP in 1994, the only way of recruiting civil servants (permanent staff of life-long tenure) was through the conduction open, public, written examination process, accessible by all Greek citizens, provided that they meet the minimum requirements, applicable to specific positions¹⁹. Despite strong pressures that the Greek political system exerted over the operation of ASEP throughout the years, ASEP is still the basic pillar of recruitment of civil servants in Greece, which although it follows long and burdensome hiring and contracting procedures for the administration, it was an effective mechanism to promote meritocracy withing the Greek civil service (in central and local level)²⁰. Before the establishment of ASEP and the effective implementation of the new system, for decades local governments had been able to hire personnel through their municipal enterprises and on a private contract basis. In the past, temporary municipal employees used to strike in order to obtain private law contracts of indeterminate duration. Through such methods, personnel of municipalities climbed from 25.000 persons in the beginning of the eighties up to 50.000 by the late nineties and further increased until the beginning of the crisis, when it started to decrease. It should be pointed out that clientelistic methods did not favour quality-selection of personnel. For this reason, many municipalities lack specialized employees such as engineers, economists and accountants, public health inspectors and computer specialists.

Table 15: Employees of public law entities in Greece (only permanent employment)

	2012	2013	2014	2015	2016
State and other Public Law Entities	527.942	508.212	488.235	477.567	476.126
Deconcentrated Administrations	6.786	6.454	6.811	6.790	6.749
Local Governments	94.386	84.541	81.810	82.556	82.796
	629.114	599.207	576.856	566.913	565.671

¹⁹ Critical input was collected through the conduction of fact finding mission with the Decentralised Administration of Central Greece (see Annex 1).

²⁰ Main statutory laws in Greece concerning local government are the Municipal Code (Act 3463/2006 MC) and the so called “Kallikratis” law (Act 3852/2010). The Code of Municipal Employees (Act 3584/2007), the laws on hiring employees (Act 2190/1994 as amended) and the law on transparency (Act 3861/2010) are also relevant for local governments.

Source: Register of General Government Employment “Apografi”

The lack of qualified staff is a problem for most municipalities, despite the implementation of the Kallikratis reform (Law 3852/2010) and of several norms encouraging mobility of personnel. At the same time, some municipalities are burdened with employees, mostly with secondary education diploma only that used to work for numerous local entities of private and public law connected to the municipalities (which were abolished by Kallikratis reform). These employees were transferred to the corresponding municipality in agreement with trade unions: law 3852/2010 and law 3463/2006- municipal code). Permanent lack of specialised staff led to the practice of assigning “extra tasks” to certain municipal employees, causing work overloads and blurring responsibilities²¹.

According to the Constitution of Greece (art. 103), objective criteria are applied to the recruitment procedures of the civil service. Vacancies are filled through competition (under the responsibility or the auspices of ASEP), based on written examinations followed by interviews with candidates. Announcements of job openings include the required credentials and the specific *corps* (e.g. *corps* of economists, civil engineers, etc.) to which successful candidates will belong. There is a probation period for newly hired civil servants, but no one among new recruits is ever dismissed. Regardless of their point of entry or time of entry into the civil service, civil servants (and public employees with indefinite time contracts) may receive in-service training, which counts in advancing their career. Still, it is not uncommon to find a discrepancy between the title of one’s administrative post, the content of one’s daily tasks and the type of training received. This probably results from the fact there is still **no detailed job description** for each post, a project which is still under way in Greek ministries and local authorities.

Separate entrance competitions are conducted by the *EKDD* centre, mentioned above, in order to recruit future higher civil servants. Successful candidates are trained at the National School of Public Administration (*ESDD*), and during training receive a salary. Since 1982, more than 2700 senior executives have graduated from the National School of Public Administration and staff critical positions in the central and local administration across Greece. Since 2016, there is a **National Registry for Senior Executives** (Laws 4369/2016 and 4389/2016, still in the early stages of implementation). Civil servants wishing to participate in internal competitions for higher civil service posts in ministries and state agencies are expected to register in this senior executive system. In practice, there are various amendments to the legislation on senior executives. Meanwhile, ministers, heads of Regions and Mayors prefer to hand pick civil servants and appoint them to senior level posts on a temporary basis which unfortunately leads to a sequence of successive temporary appointments of the same favoured employees.

Civil service unions in Greece are organised in the traditional, *state* corporatist sense. In other words, there are no unions competing for the loyalty of civil servants. All unions belong to the single nationwide confederation (*ADEDY*), the administrative council of which is elected in highly contested elections in which collateral organisations of ND, Pasok, Syriza, the

²¹ Training needs analysis of local government in Greece, N Komninos-Hlepas & C Trutkowski, Council of Europe, 2018.

Communist Party and smaller far left political parties take part. Parties put forward candidates, i.e. party cadres who happen to be civil servants. The *ADEDY* confederation of civil service unions and separately some of its member-unions, such as the *OME-OTA* union mentioned above, the union of public hospital personnel and the unions of teachers of primary and secondary education (*DOE, OLME*) are wholly dominated by political parties and in fact often strike against the government. Naturally such unions reject salary cuts and pensions cuts resulting from austerity policies such as those adopted over the last eight years (2010-2017). They also regularly resist any major or minor attempts at administrative reform (e.g. the transfer of personnel from one public service to another, the relocation and transfer of a ministry's offices to new headquarters, the re-drafting of a ministry's organisational chart and the like). They also fight against any changes in personnel policy (except for the hiring of new personnel).

4. Performance Management and Promotion Mechanism

The Valuable Use of Competencies and Job Profiling in Modern HRM Systems

Competencies usually include sets of behaviours, skills and knowledge that are considered essential for a job. Competencies can also be generic lists of attributes that apply to a group of jobs. For example, a number of public services have sets of competencies that apply to the senior civil service. Other examples would be applying competencies to job families (e.g. programme manager, policy analyst), managerial competencies or competencies for front office staff. Applying competencies in this way allows for greater staff mobility within similar functions across organisations.

A related practice to competency management is job profiling. Job profiles are a way of describing positions in terms of competencies. Together with competency management, job profiling reflects the changing nature of organisations and work. Traditional job descriptions, which tended to describe jobs in terms of a finite set of tasks to be done, have come to be regarded as a source of rigidity. Job profiling focuses, instead, on the outputs of results, and on the profile of the person needed to do the job. The job profile is about the purpose of the job, why it exists and what results it is expected to achieve for the organisation. It is an approach that is associated with greater organisational flexibility, team-working, employee competencies and sharing of knowledge.

Many organisations use competencies as part of the job profile, as a way of defining and measuring the skills, abilities and behaviours considered necessary for the job. The competencies required are defined by the job profile: for example, behavioural competencies could include things like the ability to work in teams or build networks; if there are managerial responsibilities, competencies would typically include interpersonal skills and leadership abilities; other examples of competencies might be strategic thinking, customer focus or analytical skills.

Job profiling and competency management are not ends in themselves. They need to be carefully integrated into HR processes, particularly performance management, staff development and long-term HR planning. When effective, they provide a foundation to integrate HRM and broader organisational and management imperatives. They should reflect organisational priorities and performance targets and then help to define individual staff performance indicators.

Training and Lifelong Learning in Civil Service

Training is increasingly discussed in the context of lifelong learning, knowledge management and skill development. Consequently, the importance of learning and training in a modern civil service should be growing, to ensure that civil servants are able to continually update their skills and innovate in response to fast changing political priorities, technological advances and citizen expectations. *“Training has many roles in public administrations. Firstly, it is related to the implementation of tasks and focuses on developing skills and competencies in order to fulfil objectives of the organisation. Secondly, it is part of **the motivation system** and functions as*

an instrument to retain a high-quality and high performing workforce. And thirdly, training is an instrument to raise civil servants' awareness of their role and responsibility and introduce shared values among civil service staff". Bossaert et al (2008) also claim that training is linked to organisational performance and, as such, is an asset and an investment in human resources. Learning opportunities are often ranked as the most attractive features of jobs by recent graduate.

Today, the most important differences relate mostly to job security, recruitment procedures, pay systems and career development policies. However, even these features are undergoing tremendous changes: job security is being reduced, recruitment procedures are being made more flexible, pay systems are individualised, and career structures are modified and, in some cases, even abolished. As a consequence, civil service employment differs less from private sector employment than ever before.

Although **the differences between civil service employment and public service employment are becoming less clear**, the challenges faced by the public sector are perhaps more pronounced than ever, meaning that the kind of employment system required to meet these challenges should be explored. In many EU countries, job security levels differ amongst public law civil servants and labour law public employees. Consequently, countries with high budgetary pressures have focused on the relaxation of job security for public employees. In most of these countries, dismissals have become easier for public employees, but not for civil servants.

These figures suggest that despite alignment trends between the public and private sector and amongst civil servants and other public employees, differences in job security are increasing amongst the various employment categories. This is mostly the case in countries with high budgetary pressures, due to the focus on dismissing public employees rather than civil servants.

Challenges of Local Administration

Today's public administrations face policy challenges that are increasingly intertwined, cross-jurisdictional, and less predictable. Globalisation, technology, ageing populations and the shifting values of an increasingly diverse population are some of the trends that impact the capacity of public administrations to keep pace with the needs of the citizens they serve. This fast-changing world requires organisations and their workforces to be flexible and open to change. They are also expected to innovate and use a diverse range of competencies to meet citizens' expectations, and to promote increasingly tailor-made solutions for citizens and other stakeholders. Furthermore, public, and more specifically subnational administrations have a democratic and ethical function to serve the society and the law, protect the population, and function in a sustainable manner.

In this sense, government employment frameworks in EU member countries are very ambitious. They want employment systems that guarantee the observation of fundamental values and administrative law principles, and that ensure a focus on performance,

effectiveness, efficiency, integrity and accountability. They are also expected to ensure equal treatment and fairness, and make their employment structures more diversified and representative of the population, while ensuring the merit principle, the equality of chances and the principle of non-discrimination. To attract the best candidates, governments are seeking to be more attractive and competitive compared to private sector policies; however, they must prudently manage taxpayers' money and reward individual performance.

Since 2008, the difficult economic and fiscal situation in most EU member countries has added another layer of complexity to the list of challenges above. Most European countries are contemplating different ways of managing people to address tensions in the current socio-economic context:

- Governments need to balance budgetary constraints with the need to have productive, satisfied, innovative and high performing employees.
- Organisations are required to address workforce costs while maintaining and build trust and legitimacy amongst the workforce to ensure the commitment and motivation of their employees.
- Human resource management (HRM) is about the need to be both a cultural guardian and an architect of a new culture (Ulrich, 1997).

Table 14 Budgetary constraints in selected EU countries

Cuts to civil servant compensation in select EU countries (including central and local government)

Portugal implemented wage cuts, suspensions of performance bonuses and decreases of overtime pay.

Spain implemented a salary cut in 2010, and in 2012, the extra December payment was not paid to civil servants. In 2015, 25% of this bonus was paid.

Poland froze pay in the civil service in 2009. It was decided to extend this freeze until 2016. In 2009, the scale that determines the basic pay of civil service corps members and the civil service bonus (paid to the civil servants only) was changed. A special bonus of optional components of pay was also eliminated.

Hungary eliminated the 13th salary (13th month of wages paid each year).

Estonia abolished career-based salary components, such as additional remuneration for tenure, foreign languages, and academic degrees.

Belgium slowed down automatic pay increases by spreading the increases over more time, and by slowing down advancement if there is unsatisfactory performance.

Germany no longer takes seniority into account in middle and top management. For the remuneration of agents in professional and secretarial positions and technical support, pay regularly increases in eight levels in line with experience. Remuneration is also based on performance: agents effecting extraordinary performance can enter new levels faster; agents with low performance may not reach a new level in the regular periodic interval.

The **Czech Republic** increased the average salaries for top-level staff due to non-systematic changes introduced in 2011. The overall budget for state employees' remuneration

decreased by 10%. This resulted in a decrease of salaries for a vast number of regular staff, and an increase in salaries for some managers.

Source: OECD (2014b), Survey on Managing Budgeting Constraints: Implications for HRM and Employment in Central Public Administration, OECD, Paris, www.oecd.org/gov/pem/2014-humanresource-management-survey.pdf.

Many public administrations are searching for innovative ways to respond to budgetary pressures (and latest to public health related challenges due to the Covid19 pandemic crisis), while continually improving services to citizens and increasing productivity in order to raise confidence and trust by the public.

This emphasises the competencies and experience of personnel as essential factors for success, and many EU member countries are looking for the right mix of HRM reforms to boost performance while addressing cost concerns. Some countries are managing budgetary constraints while maintaining job satisfaction and job commitment through a focus on HRM and leadership tools to measure and manage employee engagement. Covid-19 crisis accelerated this trend even more.

4.1. The Case of Belgium

Careers in Sub-national Government

Subnational governments in Belgium **set their own wages**. The national government has no possibility or even legal capacity to introduce or strengthen a framework for controlling or capping overall compensation costs. There are mechanisms for consultation and cooperation, but these seem to be less formalized than in other EU member countries.

Belgian subnational administration has developed a well elaborated competency framework for levels of employment, which is connected to a job description (which is dynamically evolving and adjusting to new trends, developments and needs throughout the years) and to annual performance assessment. When it comes to assessing performance, there is a performance appraisal cycle, where a performance appraisal interview is of critical importance. The performance appraisal interview involves the manager and the subordinate employee, sitting face to face to discuss threadbare all aspects of the employee's performance and thrash out any differences in perception or evaluation, talk about work conditions and level of cooperation, mutually voice acknowledgement and critique in a factual matter, agree on measures to boost development and further education and mutually agree on long term goals and focus points. The interview provides the employee with a chance to defend himself or herself against poor evaluation by the manager and also gives the manager a chance to explain what he or she thinks about the employee's performance.

The performance evaluation cycle includes also a holistic assessment (following the pattern of a 360° evaluation) of all hierarchical levels involved, together with an assessment of the working condition and the option that the municipality provides to its employees. This

approach is linked with a broader policy of retaining a high level of work satisfaction and engagement of the employees to municipalities' mission and strategic goals. Significant efforts are oriented on improving working conditions by identifying non-monetary incentives (like targeted training, remote work, work-life balance, opportunities to grow and develop skills and competences etc).

The remuneration system is a traditional system: the salary depends on the **level**, the **grade** and **seniority**. Within the salary scale, annual or biannual raises are foreseen.

The civil service salary system is based on fixed amounts for different levels of employment (A to D, based on schooling levels), responsibility and seniority. There is no system of performance pay in the federal government. Yet, when evaluated positively, seniority premiums may follow faster than in a standard trajectory. The wages of the top managers with mandates are calculated based on a formula with 13 criteria measuring the load of the responsibilities.

As stated earlier, the Flemish authority has started with a limit performance remuneration approach which allows managers to grant employees a small bonus (around 5% of the salary) and only in the event of outstanding performance with significant achievements. The organisation structure of the Flemish authority grew in accordance with the addition of new competencies due to the institutional reforms. The structural changes are now followed by a phase that focuses on cultural improvements (more internal cooperation, more continuous improvement). The ageing of society is challenging the Flemish authority due to the increase of retirements and the labour shortage.

The constitutional autonomy gives also the freedom to determine the remuneration and the working conditions for the employees. This gives the entities the possibility to remunerate and to give other advantages according to market demands. The only limit is the budgetary bearing capacity of each entity. The national government has no possibility or even the legal capacity to introduce or strengthen a framework for controlling or capping overall compensation costs within the entities since it is their own responsibility. This freedom of setting remuneration is a thing to be reckoned with in the future: as long as the federal level is taking care of and financing the pensions of all civil servants of every federated entity.

At **federal level** the remuneration system has the following general characteristics:

- The career structure is divided into levels (A, B, C and D) and in the case of level A again in classes and scales. B, C and D have only scales to differentiate. Each scale has its fixed minimum and maximum
- This division is based, on the one hand, on the nature of the work, and can be explained, on the other hand, on the basis of the existing system of education;
- The level, class or scale is the basis of the salary;
- In the past the technique of specific grades was a way to obtain superior pay scales in comparison to the general grades. Recent reforms have limited the cases in which specific grades are allowed (technical functions, IT, financial functions); in all other

- cases specific careers have been abolished and merged with the general grades;
- The advancement in remuneration is twofold: each scale has its automatic annuities or bi-annuities within the same scale on basis of seniority and between scales one can evolve from one scale to another, higher scale when certain conditions have been met;
- The salary one gets is not performance related, only working scheme related: working full time, half time or within another regime has its impact on the salary and other working conditions;
- Remuneration is composed of the salary, the hearth and station allowance (if applicable), the holiday allowance, the end-of-year bonus and other allowances (e.g. the competence allowance which is only for certain scales and of which the amount differs according to the scale)
- All amounts are linked to the index, this means that the applicable base salary is automatically multiplied by a factor each time the pivot index is exceeded. In times of progressing inflation this helps to keep up with the evolution of prices, but of course this is a supplementary burden for the budget;

At the **Flemish level** the remuneration system has the following general characteristics:

- The career structure is divided into levels (A, B, C and D) and the different levels are divided in grades. Grades are divided in different salary scales. Each salary scale has its fixed minimum and maximum
- This division is based, on the one hand, on the nature of the work, and can be explained, on the other hand, on the basis of the existing system of education;
- The level, class or scale is the basis of the salary;
- In the past the technique of specific grades was a way to obtain superior pay scales in comparison to the general grades. Recent reforms have limited the cases in which specific grades are allowed (technical functions, IT, financial functions); in all other cases specific careers have been abolished and merged with the general grades;
- The advancement in remuneration is twofold: each scale has its automatic annuities or bi-annuities within the same scale on basis of seniority and between scales one can evolve from one scale to another, higher scale when certain conditions have been met;
- The salary one gets is not performance related, only working scheme related: working full time, half time or within another regime has its impact on the salary and other working conditions;
- Remuneration is composed of the salary, the hearth and station allowance (if applicable), the holiday allowance, the end-of-year bonus and other allowances (e.g. the competence allowance which is only for certain scales and of which the amount differs according to the scale)
- All amounts are linked to the index, this means that the applicable base salary is automatically multiplied by a factor each time the pivot index is exceeded. In times of progressing inflation this helps to keep up with the evolution of prices, but of course this is a supplementary burden for the budget;
- Functional promotion to a higher salary scale is mostly seniority based, but with increasing managerial discretion depending on taking performance appraisals. Functional promotion now requires the absence of a negative performance evaluation.

The Flemish Community is the only government which has introduced performance-related pay with bonuses, but bonuses are relatively minor. However civil servants whose performance was evaluated as outstanding may receive a bonus of maximum 5 % of their annual salary. Performance bonuses exist for senior management. The Flemish Government intends to implement reforms that better link performance assessment to career progression.

At Brussels Capital Regional level the career system is also based on the classic 5 levels (level A till level E).

Within each level, with exception for level A, exist 2 grades: an entry, selection grade (code 1) and a promotion grade (code 2). In level A there are 7 grades, from A1 till A7. Each grade corresponds to a salary scale and one can jump from one scale to another after 9 and 18 years. This can be done quicker to 6 and 12 years when the civil servant follows a professional training of his choice. Unlike the federal system, there are no classes here. There's no competence allowance, but the linguistic premium is much more consistent.

At Walloon Region level remuneration system is based on the following principles:

- There are 4 levels divided in ranks; to each rank corresponds a grade with its particular salary scale (2 for the 1st rank; the second and 3rd rank of level 1).
- Each salary scale has its' minimum and maximum and intermediate steps (annual, bi-annual and sex-annual) given in function of seniority. Changing for one scale to another within the same level or from one level to another is also possible when certain conditions are met;
- The remuneration is not related to the quality of the work done but to the labour regime: working full-time or half-time has a direct impact on the remuneration and other working conditions;
- The remuneration is composed of the actual salary, hearth or residence allowance (if certain limits have not been transgressed), holiday allowance, end of the year bonus and other forthcoming allowances and bonuses related to the nature of the work done;
- All scales evolve in function of the index;
- There's no performance related pay. Nevertheless, some public bodies of general interest give productivity bonuses in function of how the individual and organisation related targets are met;
- Careers evolve in a well-defined way: Promotion by way of advancement in grade within the same function is conditioned by several criteria like seniority, favourable evaluation and passing a competence validation test. Furthermore, quotas have been set. Promotion by way of advancement in grade within a staff function is merit based and a vacancy has to exist; Promotion by passing to a superior level is given to the laureate of a comparative test for a function which has been declared vacant.

Compared to other countries, the public sector pay premium is relatively small in Belgium (Giordano e.a., 2011). One possible reason is that the pension benefits – sometimes

considered as a delayed remuneration - for similar careers are much higher in the public than in the private sector. A focus on leadership positions reveals that senior managers are paid 3,4 times the average salary of a tertiary educated employee (OECD average). Senior professionals (1,8 times the average), lower (2), middle (2,2) and upper (2,7) management earn substantially more than their OECD counterparts.

Political Interference in Belgium Civil Service

Historically, political interference in the bureaucracy has been quite strong in history and occurred at all levels (Dewachter, 1995). Today, the situation is better. For most entry-level appointments, no political support or intervention is required. Also, middle management positions are increasingly freed from political interventions. For promotion to the senior management, a political decision is still made by the local government, but only after a professional assessment of the candidates. Candidates that are not capable should be excluded at this step.

The **political interference** in the appointment however is not optimal, mainly because the system is not transparent. In a HR review of 2007, the OECD notes *“among OECD member countries, Belgian governments stand out regarding the lack of clarity in the political/administrative interface, resulting in (...) unclear accountability of senior management. (p.23)”* This analysis partially holds today. Politicization of the senior management is only acceptable, according to OECD, when there is absolute transparency about the positions that are subject to the spoilage system. This is presently not the case in Belgium.

Nevertheless, in local administration level, the effect of the political cycle has been significantly reduced the last 20 years. Due to several reforms and initiatives that took place and raised the effectiveness and efficiency of the services provided to the citizens, there is a significant raise of trust towards both the administrative as well as the political personnel of local administration. On the other hand, an shift in the political personnel of a municipality brings very limited staff turnover, since the administrative culture protects the institutional memory and safeguards continuity in long term strategic goals.

4.2. The Case of France

Careers in Sub-national Government

Overall, there are 230 diverse professions in subnational government belonging to the following eight groups of activities (healthcare/social activities, cultural/educational activities, activities in the area of economic development, transport, urban and rural development, etc.) and 55 ranges of work.

Eight activities: Administrative, technical, cultural, sports, healthcare/social, animation, communal police, fire fighting. These activities cover the key areas of activity of local self-government and encompass the ranges of work of the same families of jobs.

55 ranges of work: Each range of work includes employees whose jobs and professions are extremely similar by their professional characteristics. Their common factors are their skills, abilities and knowledge, training, manner of employment, remuneration and promotion in service.

Ranks: Within each range of activities employees are classified in several ranks, depending on their experience, years of service, qualifications or levels of responsibility.

There are three categories of jobs according to a vertical division: Employees engaged in various activities are divided into three categories.

- Category A encompasses conceptualizing and management functions. Jobs of this kind require higher education qualifications (three years). Public officials classified in category A are engaged in expert or managerial activities.
- Category B encompasses implementation functions. These jobs require a secondary-school education. Civil servants classified in category B may manage teams, workshops and services. They are part of the middle-ranked managerial staff.
- Category C encompasses implementation activities which in some cases require qualifications obtained from specialized vocational schools.

In all three types of work in the public sector, professional life is based on the principle of career. This means that a person is employed in a range of activities which allows that person to perform various types of work, depending on the assigned position. The continuity of the employee's career is not interrupted by a change of employer or a change of activity.

Essentially, the French career system recruits entry-level staff by **competition**, allows for **competitive promotion**, **separates grade and job**, and **guarantees lifelong employment**. In theory, it should make for high staff mobility and ensure fairness upon entry, stability and continuity in the service, and a high level of ethics in government. Yet this system has **intrinsic costs**, in that it is more difficult to induce employees to change and more difficult to make changes in the allocation of human resources. To these intrinsic difficulties must be added the consequences of a system that has never been reviewed from scratch, characterised by a **multiplication of "corps"**, of **regimes** and of **bonuses**, and by an entrenchment of identities around these two sub-groups of the civil service (with employees identifying with their "corps", their "ministry" and even their "directorate"). According to both several academicians, as well as the French Administration per se, (as acknowledged by "The White Paper on the Future of the Civil Service" (April 2008)), which followed a number of reports that contained similar findings, some of the most critical challenges that the French Civil service is encountering is the multiplication of corps and employment statutes and the impossibility of differentiating careers and rewarding merit. These corps no longer represent professions or occupations: they have created what is sometimes a **corporatist identity**, they frustrate mobility, while at the same time they are a factor for steadily rising payroll costs.

The French Job Classification System: (Répertoire Interministériel Des Métiers De L'état (RIME))

France has adopted a job classification system known as the Répertoire interministériel des métiers de l'état (RIME). The "métier" approach, as it is referred to, aims to: i) name and quantify as precisely as possible the necessary jobs within a service; ii) ensure the best possible definition of the job profile; iii) supply a reference table of skills to accompany training and mobility; iv) prepare referential training and build referential for inter-services training; v) guide the revision of the content of the competitions and organise common competitions for several ministries; vi) feed the processes to acknowledge acquired professional experience. The RIME identifies and describes each "métier" (job) within the administration of the state. It is considered a key element to ensure ministerial and inter-ministerial coherence on employment policies. The RIME proposes a common language on "métiers" to develop the ministerial capacities in the area of human resource management.

The tools of the RIME are mainly: i) the Inter-ministerial dictionary of competencies with the definitions of 21 social skills (savoir-être), 102 know-how skills (savoir-faire) and a database of competencies and their equivalents; ii) the inter-ministerial job fair (Bourse interministérielle de l'emploi public, BIEP) and the regional inter-ministerial job fairs (bourses régionales interministérielles de l'emploi public, BRIEP) which are online databases of available positions and use the same nomenclature as the RIME (since 2006 it has offered 30 000 jobs and has had 5.6 million connections); iii) the mobility kit.

Managing of Performance and Promotion Mechanism

In 2007, the law modernising the civil service authorised ministries to institute employee interviews with superiors giving rise to an appraisal report that could lead to a reduction or an increase in seniority for acceding to a higher level. Such interviews exist today in the great majority of OECD countries, and they have been used for many years in the Nordic countries of Europe and in English-speaking countries. The appraisal report is also taken into account in establishing grade promotion tables. This system replaced the conventional rating system, which did not really recognise performance.

At the same time, following negotiations with the unions in 2008, the government decided to systematise performance-related pay in the civil service, in the form of a "**function and outcomes bonus**" (Prime de fonction et de résultats, PFR), to be applied to administrative staff and to senior positions as a priority. This bonus consists of two parts, one that takes account of **responsibilities, level of expertise** and special demands related to the employee's functions, while the other is based on the **results** of the individual appraisal procedure and the manner of performance.

The system is centralised, and this should theoretically allow for pay control and system transparency. But in fact, there is no sound methodology for pay evaluation. The system is saddled with many sub-systems that build in an upward bias without guaranteeing pay transparency either within the system, mainly because of the miscellaneous bonuses and

allowances, or outside the system, where there is no methodology for accurately assessing all-in pay throughout the working life of public employees.

Apart from performance-related pay recent reforms have not tackled the pay management system. Today, miscellaneous bonuses and allowances (apart from social allowances) represent around 14% of central government employees' pay (Ministry of the Budget, Public Accounts, the Civil Service and Reform of the State, 2010a). They have continued to rise in value since 2007, while basic pay has declined. These bonuses are the result of long-standing supplementary allowances with no coherent link between different ministries or corps, and their rationale is now hard to justify. Moreover, a little less than half of the bonuses are indexed to the civil service index point, creating a built-in upward bias in compensation. These bonuses are part of the managerial discretion that has been left to ministries, but without any official recognition and without any methodical monitoring.

More specifically, with respect to the major item of direct pay, i.e. salaries and allowances, the system is highly centralised and has solid statistical and budgeting tools, but the method for assessing pay could be improved and made more strategic. There is no correlation today between inflation and general pay increases, or between pay increases in the private sector and those in the public sector. Yet, the overall level of pay in the private sector still exerts significant influence on salaries and wage negotiations. In addition to the insurmountable statistical and methodological problems at the global level – different qualifications, different qualification trends – the very principle of overall comparison can be but one indicator among many, and pay indicators by profession or occupation are more important.

When it comes to pay in the different occupations and corps, there is no overall methodology for considering all lifelong compensation. As well, there is too much weight accorded to “catch up” among the different sub-groups in the civil service, who are always comparing their situations, a process popularly known as the “parrot ladder”.

Significant changes have been made since 2006-2007 in renewing the index grids in the civil service, including an upgrade of the Category C career, an overhaul of the grids for Category B, and higher starting pay for teachers. These upgrades were originated from a concern to make career considerations more coherent and dynamic.

The occupation-based approach still seems to be secondary in terms of criteria. The methodology for overall pay management as well as the criteria for raising pay could be significantly improved, then, in order to bring to the fore pay increase criteria that are based on occupations that take into account the attractiveness of the civil service, the motivation of staff, and the compatibility of pay with an “ethical” attitude

Procedures of individual assessment have been implemented for **all State civil servants** in France. Annually individual interviews are made – a civil servant has a discussion with his manager on professional results, annual goals to reach, and the individual career perspective. The civil servant assessment procedure is set out in decree, on the classification and promotion of civil servants in administrative scales. Assessment is carried out by the direct hierarchical

superior and is based on performance as well as professional development prospects. The civil servant is informed of the result of the assessment. It is carried out in each public agency, in accordance with the functions and corps to be managed, whereby it may adopt its own classification system in agreement with trade unions. Classification is the responsibility of the Head of Service. The Decree provides a regulation defining the procedure to follow, classifications, notes, etc. for the specific characteristics of each agency. The assessment may be annual or twice yearly and is based on the rules established for each administration. It may be reviewed on the civil servant's request, who is also entitled to appeal to the administrative jurisdiction. The importance of seniority in career development has been reduced in favor of merit. The result of the assessment serves for career advancement by means of a change in level or grade. Each grade is divided into levels and it is possible to go up a level in the same grade. There are 3 types of grade advancement: by **authority appointment**, by **examination** or by **competition**.

Collective Participation in the Sharing of Profits of the State Public Sector

Bonuses based on collective performance are a means of rewarding public servants which enables the state to reward the individual and collective performance of officials and to give them credit for their service.

The basic principles applicable here are the following:

- The state administration determines the objectives, indicators and results which should be achieved.
- The administration determines the modalities of awarding bonuses, which are only defined in general terms by the decree: how long a public official actually works, the possibility of selecting officials who are employed part-time on the same basis as those working full time, the possibility of accumulation with other income, with the exception of other compensation for collective performance.
- The amount of the bonus is identical for all employees, irrespective of status and function.
- The amount of the bonus should be 'significant and serve as a good incentive', but in view of the current financial situation, bonuses could vary between 150 and 600 € per employee.

Specifically for the local self-government sector the applicable basic principles are:

- Each local government in France can determine remuneration and other employment conditions for its employees, but their actions are regulated by law and by the fairly complex regulations for the French corps (or career) systems
- Each local self-government determines the departments to be concerned, the objectives to be achieved, the indicators to be used, as well as the amount of the bonus.
- The maximum amount of the bonus is 300€ per employee and per year (as this maximum is established by decree, local self-governments are not free to introduce

higher bonuses).

Remuneration Mechanism

Although the salary of a **national civil servant cannot exceed that of a local government civil servant, in accordance with the principle of parity between the local government and national civil services**, local authorities nonetheless enjoy some leeway in the remuneration of their employees in accordance with the principle of administrative freedom. Since 1984, each local authority can **freely** set its **own salary scales** for its employees, provided that they do **not** exceed those of national civil service, and since the Act of 19 February 2007 on the local government civil service, local authorities are free to determine the **rates of promotion** to higher grades. The remuneration of civil servants consists of a basic index-linked salary, whose gross amount is equal to the product of the new increased index (which depends on the position of the civil servant in the index linked scale for his job family) multiplied by the value of the civil service point (set by the government); a living allowance designed to take account of the cost of living differences between regions; bonuses and allowances relating to the post directly held and individual performance, which are set freely by the local government authorities; and, where applicable, an additional family allowance that will vary according to the number of children the civil servant may have.

A civil servant's remuneration depends on both general measures (changes in the value of the civil service point); measures aimed at specific job families; and positive "age and skill-based adjustments" resulting from the increase in the remuneration of a civil servant when he or she is promoted to another job family or a higher grade, when his or her position on the index-linked salary scale rises through seniority (age component) or when after passing a competition he or she progresses to a higher grade or job family (skill component).

Over the past twenty years, the average remuneration of a civil servant has risen twice as fast in the local government civil service than in the national civil service. This trend is due to the improvement in the **average level of qualification** of civil servants, the outsourcing of low-skilled work and the **minimum qualification requirement** introduced by the government for **certain** posts. It is also due in large part to the choices made by local executives and the way in which the funding envelope allocated by central government will be assigned to staff expenditure. Consequently, disparities between "wealthy" and "poor" authorities can affect salary scales. There is therefore **competition** among authorities over recruitment due to the differences that may exist between salary scales.

Senior Management

The management of senior executives in France is highly specific in comparison with other EU member countries. **Managers are often selected very early in their career from among an elite corps, often very few in number, while the link between career advancement and individual performance is not very transparent** and is often closely tied to political functions involving a stint in ministers' offices, which are many and heavily staffed in comparison to other EU countries. These factors make the French senior civil service one with singular features,

marked by a fairly specific culture. This, together with the grouping by narrow but often inter-ministerial corps, no doubt facilitates the flow of information within the senior civil service and keeps the transaction costs of managing it low.

Nevertheless, and in contrast to other advanced EU countries, there is no proactive management of leadership or any policy for career-long training and selection of competencies in supervising and managing change. Developments during the RGPP have, however, marked the beginning of a reform that will be important for the future of the civil service. More specifically, emphasis should be given to the fact that the **highest** positions in senior management have been **opened** to candidates from the **private** sector under contract. This is a significant development, consistent with experience in other EU countries, one that brings new insights and refreshes the culture of senior management.

Progress in terms of managing senior executives, however, has remained limited. For some years now, this issue has received close attention in all of the more advanced OECD countries in terms of career-long selection and training, measuring performance together with the performance of organisations, and bringing accountability to organisations' management. According to various academicians, much more could be done to improve the selection of senior executives by strengthening pre-selection at mid-career rather than at the conclusion of university studies, instituting a transparent selection procedure for persons coming from outside the public sector, making competitions more professional, creating a single senior management corps, and introducing formal procedures for systematic and transparent competition for the award of all positions, while making them accountable for their management (specifically through an accountability framework such as in Canada or the United States).

Internal Mobility Mechanism

Despite a number of initiatives to promote greater mobility in the civil service, there are still many impediments to its full deployment. According to the 2006-2007 report on the state of the civil service, only 10.8% of civil servants benefited from socio-professional mobility between 1998 and 2003 (i.e. access to a higher job category) compared with 18.8% in the private sector. There are indeed **many impediments** to mobility in the civil service. In order to advance, a civil servant can first change grade or job family by taking a competition or through **promotion**. However, there are an incalculable number of procedures governing mobility and recruitment (590 competitions a year, 2000 different procedures) which also vary from one administration to another. It is therefore not easy for civil servants to find the competitions for which they might be eligible and the nature of the examinations themselves is also open to question as they are often highly academic and unrelated to the actual duties required for the post.

Furthermore, the secondment procedure is still rarely used: it is hard for civil servants to find information on vacant posts in other job families or administrations. Mobility is also blocked by the specific cultures reigning within different job families. Before any secondment, a civil servant's file must be reviewed by the joint administrative commission of his or her

administration. However, this commission only meets once a year and priority is often given to civil servants from the same job family, to the detriment of civil servants from other job families.

The Law on Mobility of 6 August 2009, which removed legal obstacles to secondment and integration into corps and job frameworks of the same category and the same level. It also instituted the right to integration after five years of secondment to another corps or framework, the possibility of direct integration into another corps or framework, and recognition of advantage acquired during a secondment. Lastly, this law offered new guarantees for employees assigned to a unit that is being reorganised, in support of the RGPP restructuring reforms.

This stress on mobility gave the French career system the means to function better. Continued efforts in this direction brought the system closer to the degree of responsiveness and flexibility found in other EU civil services. An employee should be able to be much more mobile, and the pool of employees from which a position can be filled should be expanded, thus promoting a better allocation of positions and personnel. Mobility is also favoured by an online tool introduced in France in 2008, the Bourse inter ministérielle des emplois publics (“Inter-ministerial Jobs Platform”) which offers vacant positions for government units, with a counterpart at the regional level. Many EU countries have had similar services for many years and they encourage not only mobility but also transparency in careers and transfers.

Training

Most managers, especially top managers, have also to attend these schools for two or three years, during which they have the opportunity to alternate practical and theoretical training. The training provided in those Schools of public service is designed to teach future civil servants who are specialized in technical matters, as well as future civil servants who are meant to occupy executive functions. These specialised schools also provide courses designed for specific categories of civil servants, such as judges, police officers or top managers. Only civil servants who are recruited at the lowest levels in the civil service hierarchy, do not need to attend these public schools for administration and public service²².

Benefit Scheme and Pension Mechanism

France has a traditional defined benefit scheme. National civil servants are covered by a State pension scheme, while subnational civil servants are covered by a pension scheme for subnational government employees. The benefit level is linked to the period of service and typically reaches its maximum when the civil servant is between 50 and 60 years old. The gradual ageing of the public work force necessitates a gradual increase in contributions, and the government has been concerned about the sustainability of the system. The government has therefore initiated reforms intended to slow the evolution of the costs for retirement

²² In 2013, as for central government public agents (excepted teachers) 1 523 million of euros were spent for training among which 715 for formation statutaire (schools of public administration pre-service training) and 813,9 million for formation professionnelle (in-service training).

benefits including an increase in the number of years that a civil servant has to serve in order to reach the necessary age eligible for retirement.

4.3. The Case of Germany

Careers in Sub-national Government

The Federal Civil Servants' Remuneration Act (Bundesbesoldungsgesetz, BBesG) governs the remuneration for all civil servants, judges and soldiers in the Federal Republic of Germany, covering thus not only federal employees, but also those in the Länder, municipalities and other self-governing bodies. In addition, there are regulations governing remuneration. As a result of the reform of federalism, since mid-2006, the Länder have been entitled to legislate with regard to the remuneration law governing civil servants and judges of the Länder (and municipalities). For this group of persons the Federal Civil Servants' Remuneration Act continues to apply only until Land laws governing remuneration have been adopted.

The Länder now have exclusive legislative powers in the following areas:

- careers of civil servants
- remuneration of civil servants
- pensions and allowances for civil servants

With regard to civil servants, there is generally a closed employment system in place (what is known as a career system). It is however particularly for higher executive civil servant functions (the highest remuneration grades in Germany, which would be equivalent to an A-grade in international organisations) that non-civil servants may enter the career system.

With regard to public service employees, the system is generally open (a system of positions); however, access to the system is increasingly restricted in actual fact (staff surplus, scarce resources, for this reason vacancies are frequently announced internally).

The ratio of civil servants and public service employees, is as follows:

For the federation: 55% public service employees and 45% civil servants; federal Länder: 36% public service employees and 64% civil servants; municipalities: 86% public service employees contrasting with 14% civil servants. These ratios reflect the degree of openness of the employment system²³. **The Länder and all major municipalities have an active and modern staff management in place.** At the core are systematic human resources and executive staff development schemes, further training programmes including in the use of new technologies. The Länder exchange experience with regard to these issues on an ongoing basis. This corresponds with the far-reaching competences of the subnational territorial communities for all major human resources management affairs.

²³

Promotion Mechanism

The activity is assessed in accordance with criteria set out in the collective agreement and forms the sole basis of placing the employee in a specific pay grade. Promotion to the next-higher pay grade is on principle conditional on the employer assigning the employee to a different higher-ranking function. Similar to the practice followed in promoting civil servants, however, in most cases the collective agreements allow for public employees to advance to the next pay grade if they have performed their duties satisfactorily over time (so-called advancement on grounds of proven abilities). The length of time required for such advancement varies according to pay grade; it ranges from two years in the lowest pay grade to 15 years in one of the highest pay grades. Employees may be transferred, seconded or allocated under the existing employment contract. Furthermore, an employee may be temporarily seconded with his/her consent to another public institution which is not one of the German employers (e.g. international and intergovernmental organisations), or also assigned to a non-public institution.

Career Paths

The complex career system which is based on specific training should enable civil servants to assume not only individual tasks but all tasks linked to a particular career. The fact that a civil servant can be assigned a great variety of roles within the framework of his/her specific career qualification also ensures greater flexibility in human resources management.

The training for careers that are rather untypical for the public administration is provided as in-service training in the course of a preparatory service. For the performance of particular tasks the public administration also needs specialists who - thanks to their education - have obtained expertise which cannot be conveyed by the public service and which need not be improved in a preparatory service (e. g. doctors). For these specialists, service careers for specific disciplines have been established. Admission of specialists to the public service is conditional on a certain length of full-time occupational experience, instead of completion of preparatory service and the career examination

Even if an applicant does not have the necessary specific career qualification, he/she may be admitted to the public service under certain conditions. In the case of these "other applicants", the ability to perform the duties of an office must be acquired by experience in life and at work inside or outside the public service, as established by a special independent body, the Federal or Land Personnel Commission.

In view of the different tasks in the public administration on the federal and regional levels, certain career paths are offered only by the Federation and the Länder. For example, career paths in the Foreign Service or the military administration are offered only at the federal level, while the preparatory service for teachers at primary and secondary schools is subject to Land legislation. The preconditions for admission to the preparatory service are:

- in the ordinary service, successful completion of secondary school education or a

- recognised equivalent,
- in the intermediate service, successful completion of general school education (10 years) or attendance of a secondary modern school as well as follow-up professional training or a recognized equivalent,
- in the higher intermediate service, successful completion of a polytechnic education (Fachhochschule) or other school education qualifying for admission to a university or a recognised equivalent,
- in the higher service, successful completion of university studies in an appropriate subject area. Here, studies in law are regarded as being equal to economics, finance and social sciences for the general administrative service.
- The preparatory service provides practical and theoretical training and ends with a career examination. Civil servants are employed subject to revocation during the preparatory service, which lasts between 6 months and 2 1/2 years.
- In most cases, the preparatory service for careers in the higher intermediate non-technical service is carried out at polytechnics (Fachhochschule) inside the administration. Training consists of specific studies at a Fachhochschule and professional practical study periods of 18 months each in training authorities.

The Länder operate their own polytechnics for administration with, in most cases, the following subjects: general administration, policing, fiscal administration, and administration in the judiciary.

After the successful completion of the career examination, civil servants are to prove themselves during a probationary period. As a rule, the probationary period stretches over a period of one year in the ordinary service, over two years in the intermediate service, over two years and six months in the higher intermediate service and over three years in the higher service. After successful completion of the probationary service, civil servants, if they are at least 27 years of age, are appointed for life.

Remuneration System

The basis of remuneration is very different for civil servants and public employees but for both categories is a rather traditional career-based system with remuneration based on a combination of a basic salary – based on qualification-specific position/function and seniority, and is organized in a transparent system of remuneration groups (Besoldungsgruppen) plus various types of supplements (e.g. for families, specific agencies, specific functions, specific burden).

In 2005, a new wage agreement for public sector employment at the federal level was reached, followed in 2006 at state level. This **entailed the possibility of performance related pay**, and also entailed a maximum share of 8% of the overall salary costs to be used for variable pay. The system, however, started with only 1% over the overall payroll costs and remained at a low scale. A rather bureaucratic procedure and a leadership culture very hesitant to make a stronger differentiation has limited the impact of this system in practice, both with regard to incentivizing higher performance but also with regard to allowing government to better

compete for skilled labour. Performance related payments were based on a set of Key Performance Indicators which through the years have been developed and improved, including not only quantitative but also qualitative requirements.

Based on **job descriptions** and **responsibilities** in the municipal organisation, employees can have the status of a municipal official or of an employee in the public sector. Overall, there are 15 pay grades depending on qualifications (Entgeltgruppen) and six categories depending on years of service (source: ver.di-Bundesverwaltung). Groups 1 to 4 cover employees without formal education. Groups 5 to 8 cover employees with two to three years of formal education, groups 9 to 12 employees with higher education (university of applied sciences/ Fachhochschule, Bachelor). Finally, groups 13 to 15 cover employees with university master's degrees.

A systematic comparison of public vs. private sector remuneration is very difficult to conduct due to different and rather complex systems within the public sector, an overall higher qualification in the public sector, but also to a more generous retirement system, especially for civil servants. Whereas public sector trade unions regularly complain about an overall lower remuneration for the public sector, more systematic comparisons and analyses indicate that average public sector payment in average is quite appropriate. Calculations by the Deutsches Institut für Wirtschaftsforschung (DIW) based on official salary statistics from Destatis show that average public sector salaries for different qualifications are about 25-30% below average salaries in the chemical industry but well in line with most other industries. The only gap is for very high-skilled employees.

Politicization of the German Public Administration

The German (federal) bureaucracy is characterized by a medium level of politicization. The first two hierarchical levels within the federal ministries are positions for so-called 'political civil servants', who can be removed from office without specifying a reason. This constitutional provision is intended to secure the political loyalty of higher civil servants to the minister of the day. While incoming ministers do not necessarily replace all 'political civil servants', there is generally a high level of congruence of political affiliation between the ministers and the top civil servants, although career tracks are usually separated. Bureaucrats play a traditionally strong role in policy-making, and the '**minister-mandarin relations**' have been characterized as a dialogue model of mutual exchange. More recently, a stronger functional politicization and growing diversity of policy advice have been diagnosed. However, in comparative perspective, ministerial bureaucrats still play a strong role in policy-making. The COCOPS survey conducted among top civil servants in 20 European countries also confirmed a medium politicization of public administration in Germany, higher than in the Netherlands, the Scandinavian and Anglo-Saxon countries but lower than in Austria, France or Eastern European countries.

4.4. The Case of Spain

Careers in Sub-national Government

In general, the access to the civil service is **merit-based for the central and regional government. However, there are certain political interferences at the local level. Promotion** is also formally based on a **competitive procedure**. In practice, however, this internal competition hardly takes place and the preselected candidate is given an advantage in the process. In any case, party patronage does not necessarily play a role in this process (Parrado 2012).

The internal competition produces at least two types of anomalies: the design of the vacancy is adapted to the profile of the preferred potential candidate which leads to degradation of the assessment of merits. On the one hand, the profile of the vacancy can be “adapted” to the desired result by including requirements that only a **particular candidate** may fulfil. Furthermore, that vacancy may be first filled by an “acting” civil servant, who will have in the future better chances to obtain finally the position. On the other hand, the degradation of the merit-based process takes place when assessing the generic and specific merits of each candidate, in particular in the regional authorities, where the use of **interviews** is customary. Most civil servants have little trust in this open system that leaves room for the interference in the process. Moreover, there is a group of positions within the civil service that is open to the discretionary appointment of the superior.

In sum, this is a typical career and close system with some minimal elements of the position system for remuneration and promotion. Constitutionally, the civil service is the standard employment status but in practice, this only happens at central administration with a higher proportion of labour contracts at the other levels of government. Except for some functions that only civil servants can perform, there are no great differences between civil servants and public employees. After elections, civil service turnover is low.

Remuneration Mechanism

There are three kinds of wages: **basic, supplementary and extra pay checks.**

Basic remunerations are composed by salary and triennial bonuses. The salary remunerates for the knowledge required, equivalent to an academic degree. The triennial bonuses reward the official for **length of service**. They are raisings the official gets on his salary every three years.

Supplementary remuneration, linked to the position, are composed by: the post supplement to pay for the difficulty and the responsibility attached to the job; the specific supplement to pay for the special conditions of the job; appraisal supplement, designed to pay for the productivity. The latter is rather on paper, not actually corresponding to performance related pay.

According to the multiple administration system applying in Spain, some of these wages are the same for all the three levels of government (central, regional and local). Thus, **basic remuneration** is necessarily equal for **all administrations**. However, when it comes to the post supplement, the specific supplement and the appraisal supplement, the different administrations may set out different amounts. In order to maintain a certain level of coherence in the remunerations, the General Budget of the State limits the top of the raisings for all administration and in case of breaking this top there are special procedures designed to solve the situation. Regarding other employment conditions, subnational governments are free also to define working hours of their public employees with respect to the minimum established by the state. The higher the hierarchical level, the less relevance is assigned to the three basic components (basic salary, seniority and rank), and more to complementary rewards that are not used for working out the pension scheme.

The Ministry of Finance and Public Administration and the most representative public sector unions negotiate salary measures. However, for wage increases, the annual inflation forecast is used and each year's budget law proposes the maximum allowed increase. In general, the Ministry of Finance and Public Administration has always connected the remuneration level and the general economic policy by disconnecting the salaries of officials from the cost of living in the past before converging with the Eurozone, or by freezing salary increases from 2010 during the economic crisis. In periods of high economic growth, wage increases remained at a distance from the consumer price index.

In Spain the law that regulates the Civil Service also regulates the structure of the pay system for civil servants at both national and subnational level. The annual increment of the wages is contained in general State Budget. Contracted staff are employed under normal labour market conditions. These competences are to be transferred to the subnational governments, but the new powers have to be defined in an enabling law, which is still being processed in the Parliament.

Exceptionally, some organizations use performance management and when there are resources available, they pay **a performance bonus**. These performance management systems have been normally preceded by the training and development of managerial skills. However, by and large, the training of human resources at all levels of government is ad hoc. There are no competency frameworks in most Administrations (except for some experiences at the regional level) and there is **no** performance or competency appraisal **on a regular basis**. Since public authorities want to link performance appraisal to monetary incentives and there has been a considerable crisis which has forced to cut funds available for productivity bonuses, **the performance appraisal methodology has not been really implemented in most authorities**.

In general, working in the public sector is very attractive in spite of low salary for higher positions (comparatively higher salaries for lower positions) given the high rates of unemployment. Probably, the public sector is not the employer of the first choice, but most respondents to different surveys (Ruano et al. 2014) highlight that **employment security** makes public sector jobs attractive.

Professionalisation of Public Administration

Over the years, there has been a trend towards the professionalisation of senior management at all levels of government (including local government) as a guarantee of efficiency, impartiality and neutrality of the administration in Spain. However, since the enactment of Law 6/1997, secretaries of state and secretary-generals are appointed without major selection requirements; the remaining officials with managerial responsibility, such as under-secretaries and director-generals, have to be selected from the pool of A-grade officials. While these appointments are based on political confidence, the professional capacity is a condition sine qua non. The principles of selection on the basis of **merit** and **performance** established in the civil service regulations apply in full to positions below director-general level. All of the latter have professional responsibility and are personally accountable for their performance and remain subject to monitoring and evaluation by the corresponding line manager.

Public servants can hold political responsibility or become members of parliament, with a guarantee to return to their previous position in the public administration. This makes the limits between politics and administration less clear-cut. On the other hand, since public officials are the main source of policy advice, the influence of the bureaucracy of the government is high. At the same time, mobility between the public and the private sector is not very high in comparison with other EU countries, which could imply a very endogamic administrative culture (like Greece and Italy).

4.5. The Case of Italy

Careers in Sub-national Government

Human resources management in Italy is highly centralized and has become even more so as a consequence of the spending reviews in order to handle the strong fiscal the country faced during the past decade. This is also one of the reasons why several management mechanisms (performance management and others) **have not worked out very well**.

During the global economic and financial crisis (2008-2013), several instruments were used to restructure and reduce employment in central public administrations such as supporting voluntary departures, outsourcing, recruitment freeze, non or partial replacement of retiring persons, reduction of remuneration for top-level, reduction of Performance Related Pay, pay freeze and reduction of budgets of training system (OECD 2016).

The salary increases and the detailed rules for disbursement of the performance awards are defined by the **collective agreements, which were blocked**. Thus, **non-monetary rewards** – such as tasks based on greater responsibilities, missions abroad, high level training, among others – became the only one under consideration. Pay rises for public sector employees were automatic until the 1993 reform. Since then, remuneration is determined by the employee collective agreements.

Salary increases, for public employees (i.e. under private law), are set out in collective agreements. Since 2010, pay negotiations take place every three years but at national level, however, the collective bargaining has been blocked by the Financial Laws until 2013 (law n. 122 of 2010 and law n. 111 of 2011). Due to the blockage of collective bargaining at national level until 2013, there is only the annually decentralized bargaining at the local body level.

Performance assessment for senior civil servants takes place **annually**. The remuneration system of senior civil servants is based on merit, the position and productivity, whereby aspects such as seniority or years in public service are not taken into account. Senior public administrators in Italy are paid quite more than in other countries. The income differential between (low) senior-level civil servants and secretariat-level employees in the public sector is also higher in the latter group. Following legislative reforms in 1993, one central agency (ARAN) representing public administration at the central level replaced many different organisations, which had previously intervened in the negotiation process (Dell’Aringa et al. 2007: 450). This strengthened the bargaining position of civil servants. In addition, since around 1995, top-level Italian public servants have managed, by exploiting their favourable political situation, to increase their salaries substantially.

A reason that prompted the reform of collective bargaining was the greater growth of public sector wages compared to the private sector, since 2000 (in the period 2000-2009, the average yearly growth rate of real unit wages has been 1.9% for public employees and 0.5% for private sector employees). Such a divide has been determined by a bargaining model in place from 1993 to 2009 that constrained wages by the economic results of the firms, but did not do the same for public administrations. A linkage between wage increases and budget performance in public sector is established by Law nr 133/2008.

A significant reform in the field of **performance management** took place through the Legislative decree nr 150/2009, broadly known as the Brunetta Law. This regulation actually established the assessment of performance in the local and regional administration, based on merit. The assessment of performance is solely focused to the strict evaluation of the employee against **predefined targets but includes also an assessment of the performance of the organisation per se (i.e. a specific organisational unit, depending on the nature of the work of the employee)**. In municipal level, the goal setting regarding the organisational performance must be approved by the Mayor, who at the same time is the one to select **3 independent experts/professionals to conduct the assessment of the performance of individual organisational units and/or sector of the entity**. In parallel, the evaluation of the personnel’s performance is important in order to provide a comprehensive approach taking into consideration a variety of factors affecting both organisational as well as individual performance. Provided that both levels are positively assessed, a financial bonus is offered to employees. According to information collected throughout the conduction of interviews with Italian municipalities, this bonus may range between 1.500-2.000 euro for regular employees, 4.000-4.500 euro for middle managers and 15.000-20.000 for top management of municipalities. In real life, the evaluation of personnel is -in the vast majority of cases- positive or outstanding, which reveals a challenge regarding the actual and accurate implementation of the performance evaluation mechanism. Quite often, this evaluation is used as a justification

to raise the income of personnel, which has indeed been affected the last 10 years, as already mentioned earlier. Challenges are also encountered during the selection and identification of shared goals, to be achieved in an organisational unit's level, as the implementation across the Italian territory is not streamlined. The effective implementation of the performance evaluation system is also hindered by the lack of resources (in terms of financial, human and technical means). The ageing of the personnel of municipalities (for instance, in the Metropolitan municipality of Milan, 2 out of 3 employees are more than 50, while in 2020 the rate was 1 out of 3, while during 2020 there was no maternity leave offered to an employee).

Since 2017, through the Decree 174/2017, the performance assessment of organisations has been enriched through the inclusion of the citizen's (client's) perspective. Therefore lately, performance assessment should include the user's and stakeholder's satisfaction. The implementation of this provision is still on its initial steps, especially due to the Covid-19 crisis and its impact in administration and interaction with citizens. Nevertheless, it is expected that it will be a useful tool to raise accountability, reduce corruption and improve transparency.

Employment in Italian civil service (central and subnational) doesn't secure a clear career path. Promotions are possible only after succeeding in exams (written and oral, similar to university exams focusing in assessing static knowledge rather than competences). Trainings, due to limitation in budget allocation, is offered mostly for specific topics (i.e. anticorruption system, health and safety at work etc) to limited audience, while a 6 months induction program is provided to newly recruited personnel.

Overall, working in local administration is lately becoming a rather attractive destination for young graduates, as it offers a rather secure working environment, allows to have a satisfying work-life balance, allows more flexible working conditions (4-10 per month smart/remote working became obligatory). Policies (i.e. internships) to attract talented graduates to municipalities are used extensively by municipalities, especially to those hosting universities.

Level of Patronage and Politicization

According to **art 98 of the constitution Italian civil servants only serve the nation. However, Italy is considered to be similar to other southern Europe countries characterized by pronounced party-political recruitment, patronage and clientelism between political parties and administration** (Kickert 2011). On the other side, ministerial officials are considered to have a low level of influence on policy making processes.

Italy has witnessed extensive political decentralization and for some authors this has altered the borderline between politics and administration. Confidence in the political system fell to very low levels in the late 1980s and early 1990s, and there were even two 'non-political', technocratic governments in the mid 1990s (Gianfrancesco, 2010). However, there too, there is little evidence that the civil service has been the beneficiary of the loss of confidence in politicians. Rather it, too, has a low status in the eyes of the public.

4.6. The Case of Sweden

Careers in Sub-national Government

The Ministry of Finance carries responsibility for overall policy for the central government administration including HR. However, executive HR responsibility is **highly decentralized in Sweden, i.e. delegated to each of the 345 central government agencies. Each agency recruits, manages and dismisses its own staff, except the heads of agencies who are appointed by the Government.** The government agencies are obliged to cooperate within the frameworks of the Swedish Agency for Government Employers (SAGE) to form their collective employer policies (EUPAN 2013). The overall unionization rate for public sector employees in Sweden is today about 80 % (Kjellberg 2017).

There is no central pay system, so each of the agencies managing public employment is responsible for managing its own budget, which includes assigning a part to staff salaries²⁴. All in all, the social partners form regulations by binding agreements on pay, working conditions, work environment, job security benefits, supplementary pensions etc. Collective agreements are initially negotiated at central level²⁵, then within each agency and finally individually. At the local level, individual salaries based on the pay-for-performance principle were introduced in the 1980s in the public sector in Sweden, which gives scope for negotiation at the individual level. The overall aim is to ensure that remuneration is competitive to the labour market when performing the same kind of activities. In general, it should be noted that the wages in the private sector are higher than in the public sector. However, the public sector can many times offer employment conditions that are attractive, e.g. flexible working hours, health benefits, and longer vacations (Dahlstorm, 2015). The delegated employer policy of the Government and Parliament has for many years been that Swedish central government should not be wage leading in relation to the private sector, but the pay should be competitive enough to secure the hiring of competent staff.

When it comes to the evaluation of employees' performance, Sweden follows a very similar system to the one used in Belgium. More specifically, the evaluation process focuses on conduction of minimum 2 individual conversations/meetings throughout the year between the employee and the manager in order to debate about the performance in terms of goal setting, revising key performance indicators and goals. All discussions are positively oriented to the

²⁴ Its worth mentioning that the average wage level in general is competitive. For instance, the Secretary General of the Municipality of Stockholm earns more than the Prime Minister of Sweden. The municipalities are free to set the wages and the remuneration of the politicians of the municipality. This take place before the conduction of local elections, in order to avoid moral hazard.

²⁵ The Government decides only on Senior Civil Servant salaries (e.g. Heads of Agencies). The general pay framework agreement is determined at a central level by national social partners whilst more detailed negotiations take place in each agency at local level. The salaries of the Heads of Central Government Agencies are decided on with regard to their qualifications and experience. Salaries are also based on the size of the workforce, budget, complexity, results obtained, annual appraisals, etc. (EUPAN 2010).

development of the skills, competences, talents and attributes of employees (either through the identification of training needs, or selection of specific training program or hands on training etc), rather than just assessing the level of achieving a set of strict indicators and goals. In parallel, another discussion about the salary, based on the achievements that were achieved the previous period. Two are the main criteria that salary identification is based on: a) Professionalism and good working spirit and b) achievement of results (Demmke & Moilanen 2010). Overall, municipalities management prioritize the motivation and long-term engagement of the employees, through the provision and constant improvement of the working condition and environment and provide further incentives to attract talented personnel.

One method to attract talented employees is **a well-developed mechanism of internships**. Municipalities are very often connected with local universities, business association or specific big and prominent corporations in order to incentivize young prominent students or even graduates to conduct internship either within the municipality or a company collaborating with the local authorities, in order both to develop skills and competences as well as to provide a better understanding and familiarize students with the nature and the characteristics of working for the local communities signify.

There is no such thing as a career path in the Swedish central and subnational administrations. Promotions in local administrations are only feasible after applying and expressing interest for a specific position (which is always described based on a clear job profile, describing specific competencies which are necessary for the position). Applications are open for every interested citizen (either from inside the administration or coming from the private sector). An evaluation of the applications takes place from the evaluation committee, based on merit, personal capacity (academic background and working experience fit to purpose/job profile),

4.7. The Case of Greece

Careers in Sub-national Government

In Greece, implementation of HRM although -in principle- its decentralised in practice, central government exercises a strong oversight on implementation and gives detailed instructions to decentralised services on how to interpret and apply legislation. Municipal human resources management is not only affected by rigid legal restrictions on recruitment procedures. Local government has little freedom in developing a human resources management system of its own. Managerial autonomy on salaries is limited to some temporary contracts' posts of heads of units and regards special allowance granting additional benefits and payment of extra working hours/days. When it comes to remuneration, Greece's salary system is complicated because on the one hand there are three components in each salary and on the other hand there are variations by ministry and by state agency, (i.e. Independent Authority of Public Revenue, Organisation for Employment of workforce -OAED, National Agency for Social Insurance -EFKA etc). The three components, which are common across the Greek public administration (central, regional and local) are the following: a) the basic salary which depends on educational level, b) a seniority allowance added to the basic salary every three years; and c) a post allowance only for the civil servants who serve in managerial posts, e.g. the post of a director who heads a directorate. Basic salary, seniority and **post allowance** are established by

law, which often changes on an annual basis, depending on the condition of the state's finances. For instance, since the eruption of the economic crisis in 2010 there have been annual decreases in the salaries of civil servants. In detail, between 2009 and 2013 the average income of civil servants fell by eight per cent, while the average income of employees of public corporations (starting from a comparatively much higher level) fell by 25.2 per cent. In comparison, salaries in the non-banking private sector fell by 19.1 per cent in the same time period.

One has to take into account the factor that salaries of employees of public corporations, which have decreased the most, used to be on average far above the salaries of either civil servants or private sector employees. A general pattern of salary shifts cannot be precisely described, since salaries varied and still vary by public corporation and also by ministry. For instance, allowances, paid on top of salaries, may differ a lot from one ministry to the other and are determined by each ministry. This tendency has declined since 2010, but is still evident, for example, if one contrasts the salaries of civil servants of the Ministry of Finance with the much lower salaries of civil servants of comparable rank serving in other Ministries. The same applies for the salaries in local and regional administration.

There are no performance-related bonuses. Successive governments have passed a relevant performance-based evaluation law, but eventually hesitated to implement it. Civil service unions, plus all left-wing parties and also traditional, patronage-bred politicians of the parties of the centre and the right have converged on a reluctance to establish any evaluation scheme. Unions and critics on the left, claim that performance-based evaluation is a neo-liberal practice leading to dismissals of civil servants and public employees.

Civil service unions are particularly hostile to any performance-based evaluation review of civil service personnel, even though in autumn 2017 the competent minister linked refusal to apply performance-based evaluation to participation in mobility schemes which could be favourable for career advancement in the civil service. The complete rejection of any performance-based evaluation is convenient in quarters of the public administration exhibiting absenteeism and/or reluctance on the part of some civil servants to discharge any of their duties. On the other hand, resistance to any performance-based evaluation is also owed to past legacies of discrimination of civil servants on the grounds of their political beliefs and also to fears of dismissals or further salary cuts imposed on public employees (Hlepas 2015).

Although civil service unions (for central and subnational administration) have since 1999 obtained the right to negotiate salaries, in practice governments used to determine salary levels even before the economic crisis struck. They could thus retain the pattern of uneven salary levels prevailing in different ministries and state agencies, aiming to win the political support of ministry-based unions. After 2010, owing to pressure by Greece's creditors, the government started determining salary levels by fiat. Nevertheless, civil servants were not as negatively affected by the economic crisis as private sector employees. Although expectedly the salaries of top managers of the largest private companies by far exceed those of high-level civil servants, traditionally the entry-level and also average salaries of civil servants were and still are higher than the salaries of people working in the private sector.

Effects owing to the crisis were also visible on the size of the public sector. The downsizing of public employment started after 2010. It took approximately two years to become visible as there was a lot of political resistance and bureaucratic inertia regarding any quantitative or qualitative reform of the public sector.

In view of the above, it has to be mentioned **that politicisation is rampant** in the Greek central and local administration (Makrydimitris, 2013). While access to the civil service is merit-based for central, regional and local government, there is a lot of political interference at all stages, namely in the recruitment, transfer and promotions of civil servants. Temporary employment in the form of short-term, patronage-based recruitment to the public sector is rampant. Promotion is formally based on a transparent selection procedure by a competent committee in each ministry and state agency, but in practice party patronage plays a major role in this process. None of these are new phenomena but have been observed by successive teams of experts visiting Greece to review the public administration since the 1950 and also by more recent reports of international organisations (OECD 2012).

Despite the passing of new legislation in 2016, which provided for the creation of an administrative elite (the Registry of Senior Executives stipulated by Law 4069/2016), in practice the procedure to streamline promotions never took off. As already noted, ministers tend to make temporary appointments to posts of heads of administrative units. Temporary appointments are usually renewed and thus heads of units are hand-picked and appointed on purely political criteria. Depending on the organisational structure of each ministry, there is therefore a set of high-ranking posts within the civil service which are open to discretionary appointments. The same model applies in the regional and local administration. Both Heads of the Regions and Mayors have the right to appoint in the position of advisors people with a simple university degree as advisors, high competitive remunerations. Heads of Regions can recruit up to 5 advisors, while Mayors have the right to recruit a number of advisors which equals to the number of vice-mayors (based on the geographical coverage and population density of the municipality it can differ between 3-8 vice mayors).

4.8. The Case of Portugal

Careers in Sub-national Government

The modernisation of public administration is viewed all recent Portuguese governments as an essential piece of the strategy of economic growth of the country (OECD 2012). It has focused on the following:

- Restructuring the state central administration, with a programme entitled PRACE, that aims at improving the quality of public services, at decentralising functions to local administrations, at reducing public services of the direct administration and public institutes (rationalisation of its central structures), as well as their resources, including staff numbers.
- Reforming the civil service.
- Modernising and simplifying regulation (better regulation and SIMPLEX).

- Modernising public management (creation of the position of financial controller of ministerial area to reinforce the control of budgetary implementation of services; establishment of patrimonial and state property management).
- Developing e-administration (Technological Plan of the Government; creation of the State Electronic Certification System)

Regarding changes in the civil service system, the new system of employment is divided between a system of appointments, for functions with the powers of public authority, and of employment contract in public functions, for the remaining functions. Most public employees will thus now have a contract with their public administration, which is a general labour law contract. The revision of the current career and remuneration system aims to reduce drastically the number of existing careers (1460 before the reform), simplify their structure, and relate the professional advancement and promotions of civil servants as well as their remunerations to their performance.

Remuneration and Management of Performance

In addition to the Constitution of the Republic, in 2014 a fundamental law was created allowing Portugal to develop a comprehensive legal framework for public workers. The main foundation, content and reform of civil service/public employees regulation at a central government level as been achieved by the publication of the Law 35/2014. For the first time in the history of Portuguese public administration reform there's a **single law** containing, in an organized way, all the legal provisions on all matters related to public employment (guarantees and duties of employees, hiring methods, nominations, careers, recruitment and selection, training, remuneration, promotions, performance assessment, etc.).

Based on the above regulatory framework, over the last few years, an allegedly more demanding and **transparent performance evaluation** system (SIADAP) has been developed, an investment has been made in the **training of managers** so that they could update not only their knowledge but also their leadership behaviors models (CAGEP and FORGEP programs), two restructuring and reduction programs have been carried out (PRACE and PREMAC) and a commission was created that supposedly would end the politicization in the selection of top managers (CRESAP). Career advancement and change of pay step is **-in theory-** based on performance assessment and according to available budget appropriation. In the new integrated system of management and assessment in the public administration, for the first time, an **assessment of the unit or service** will be made along with those of top and intermediate managers and remaining staff, thus facilitating the coherent alignment of the performance of services and of the staff working therein (OECD 2016).

Based on a logic of approximation to employment rules in the private sector, Law 35/2014, as well as all other reform measures, are not free of a critical evaluation. It is debatable though, whether the results met the initial expectations. Considering that salaries have not been updated in the last 10 years, that the good performance of public employees **does not contribute** in practice to **any promotion** or improvement of their working conditions and that new hires are almost non-existent, the attempt to approach the classic model of employment

in the private sector seems of limited value. Currently, there seems to be a total contradiction between theory and practice in the management of the human resources of Portuguese public administration.

According to OECD (2016), countries with high budgetary pressure are also those who have implemented more far-reaching changes in their HRM systems. The 4 years of implementation of fiscal and restrictive measure due to the MoU, created an atypical situation in the Portuguese public administration.

Regarding **remuneration mechanism**, a single pay scheme has been established with a significant amount of pay steps. Remuneration supplements have been rationalised and are granted for the fulfilment of functions under demanding conditions (OECD 2012). The determination of the remuneration level is negotiated in writing, between the worker and the top manager of the service for employees with an employment contract (for appointments, the pay scale is publicized beforehand).

The procedures for the appointment and the termination of functions of management staff of the public administration have also been changed (Matheson et al 2007). Only top management positions terminate automatically when there is a change of government (EUPAN 2013). Simplified open competitions for middle management positions have been introduced.

Furthermore, other changes have also been introduced that include the establishment of suitable training courses for managers in the **central** public administration, the creation of the chart of mission, which develops specific mission standards for the function of those managers that are relevant for assessing how those functions are performed; the possibility to hire managers externally in the absence of suitable applicants; the clarifications of incompatibilities and conflicts of interest in the public service. Within the framework of human resources qualification in public administration, significant amounts of money have been invested by EU structural funds (Operational Programme for Public Administration 2014-2020) by focusing on the training for managers and senior staff, and on training for support to mobility and resume activities in other sectors and initial training.

Social Protection Mechanism

Regarding social protection, the civil service social protection standards (and 32 special regimes) have been harmonised with those of the general social protection regarding retirement conditions and the calculation of pensions. The retirement age was progressively increased up to 65 years in 2015, and early retirement, although possible, is discouraged.

The sustainability factor has been introduced. It links the calculation of pensions to the increase in the average life expectancy, i.e. the number of years that a worker can expect to benefit from the pension. In order to make up for the sustainability factor, the worker may work several months after the age of 65, discount a little more for some time or accept a reduction in pension. Since 2009, all civil servants are subject to an additional deduction of 1%

of their salary which goes to their unemployment fund, to guarantee their right to unemployment benefit in case they lose their jobs.

5. Conclusions – Final remarks

One basic note that becomes apparent from the analysis of 8 EU member countries is the fact that, only in very few cases (i.e. Sweden) the subnational administration has been offered significant level of authority and competences to self-regulate and manage, in an independent way, the human resources of its own Municipalities, Regions, Lander, Prefet etc, without the supervision, control, monitor, guidance of the central administration. **Therefore, it would be rather ineffective to ignore the institutional, organisational, cultural set up of the HRM in central level and accordingly explore the link, relations and actual deployment of all critical factors in regional and local level.**

One of the lessons learnt from the past 20 years of reforms in EU member countries is that there cannot be a government reform (either at national or at subnational level) without an emphasis on HRM. Since all reforms in the management of government affairs require the involvement of staff, all reforms should include a component on how to best manage staff in the context of other reforms. The workforce is now considered a strategic resource that should evolve as the priorities of organisations evolve, and their attitude towards broader management reform is seen as crucial and something that must be successfully managed.

The experience of large public management reform shows that failing to take into account or underestimating the importance of human resources can impede reform efforts or create unwanted and deleterious effects. For example, the lack of flexibility in the management of staff has at times created difficulties in the implementation of performance management in countries such as Belgium, France and Greece. In some cases, for example, the creation of agencies – meant to build administrative capacity and/or to increase flexibility to respond to policy issues – has also resulted in the development of small and closed parallel systems of public services, undermining the whole-of-government perspective and the goal of horizontal mobility. This is similar to the current situation in Spain, where the rapid devolution of responsibilities, budgets and staff to the ACs appears to have led to a duplication of resources in various areas of service delivery, reduced staff mobility and resulted in fragmented public administrations across the country.

Reflections over different institutional frameworks

It is difficult to draw any firm conclusions from the results of this first synopsis of institutional set up, except the most obvious; that context matters and that employment arrangement, human resource management practices and reform strategies vary significant across EU countries.

The selection of the previous, briefly presented countries has not been at random. The countries that have a history of delegated and/or devolved responsibilities have found models for managing the relations between national and subnational governments in a way that is appropriate, given the national context. The case for this is implicit and rests on the observation that none of them seem to face significant challenges. The only exception might be France, where the traditional corps system seems to generate some challenges. One can

assume that they represent countries with an interest in or experience from transferring responsibilities to subnational governments and from governing delegated and/or devolved competences. There are other EU countries such as Ireland, where local governments have more limited responsibilities and are more subordinated to the national government.

Europe has passed through a decade long period of **slow development/growth**, which had an impossible to avoid- impact in the public finances, in the strategic workforce planning and the public employment in almost all of the under analysis, selected countries. Several fiscal measures (i.e. restructuring, freeze of recruitment, shrinking the number of employees – at least the cadre /permanent ones), or impose of a strict ratio employment ranging from 1 recruitment for 5 retirements/dismissals up to 1/10, reform in levels of remuneration, etc) were undertaken. The impact of the above mentioned measures, had a significant effect over the structure, the provision of services -mostly in local level- in terms of quality and efficiency the effectiveness, even the moral of the local administration in several countries (in particular in Spain, Portugal, Greece and Italy). One major example constitutes the composition of the workforce in local/subnational government since the rapidly ageing population was not properly replaced with equivalent, talented, new resources, while subnational administration has become less attractive to the eyes of young and prominent university graduates.

Overall, national governments seem more concerned about determination of remuneration and other employment conditions, and there is a range of different coordination measures ranging from very formal to very informal. One can reflect that the main concern is not the financial costs but the need to prevent a wage-driven inflation. A key aspect is here the need for cooperation between, and coordination across a country's local governments since they compete for the same type of skills.

Overall, EU member countries tend to have the same type of employment arrangements at national and sub-national level. This means that if countries have civil service systems (career-based systems), then these systems cover both national and subnational administrations. One argument in favour of such systems is often the need to enable **mobility** among public administrations. One can however note that the countries that have extensive public employment systems (position-based system) do not seem to have any mobility problems. A reasonable conclusion is therefore that the potential for problems lies in having **parallel** but **different** civil service systems. This finding could be of specific value for the Turkish Civil Service, since there is more than one major civil service systems.

Local government capacity has evidently been a major concern for the countries that have a history of delegated and/or devolved responsibilities. Several of these countries have undergone a process of forced, or voluntary mergers of local government (i.e. Greece, Italy). Other countries have enabled and promoted formal cooperation between neighbouring local governments leading to joint organisation and joint services (i.e. Sweden, Germany and Belgium).

A few countries have also started to experiment with an **asymmetric distribution of responsibilities**. A few **Icelandic** municipalities have for example, on an experimental basis,

signed service contracts with the state about services, mainly for health-care and services for the handicapped and the elderly. Sweden is also discussing an asymmetric distribution of responsibilities as an option when mergers are not realistic, that is for small isolated local governments in the inland northern parts of the country. Given the characteristics of the subnational government of the Turkish Republic, the variations in terms of number of population, density of buildings and inhabitants per km², urban planning, environmental challenges and specific needs that depend on land scale, geography and nature of economic activity, an asymmetric distribution of responsibilities could -in theory- support a more tailored approach to the management of local needs and provide higher levels of agility to the local authorities.

There are quite **a few examples and cases that local governments might be more innovative than national governments, for example in modernising services and developing new human resource management practices.** Opinions though vary, since its highly possible that the reason for boosting innovation and developing top notch solutions in HRM is the outcome of managerial freedom rather than decentralisation of duties and competencies to subnational governments. In any case, Turkey should strongly support innovation and introduction of innovative tools, methods and systems, (not necessary IT related) in order to boost professionalism and effectiveness in management of local affairs and finding well targeted solutions to their constituents needs. **Therefore, introducing culture of innovation in Turkish local and regional administration should be one of the priorities for the coming years and should be reflected in a series of training programs and career counselling,** while at the same time it should leave space for high-flyer civil servants to take initiatives and be offered the opportunities to innovate.

The performance of the public service depends on the capacity of its civil servants. Turkey could follow other EU countries in thinking more broadly about developing a **culture of performance management** rooted in a **competency-based HR system**, covering all levels, from the senior civil service downwards. Many EU countries have already made progress in these areas in the last two decades. In this respect, Turkey stands to benefit from the experience accumulated and lessons learnt from those countries which have made similar transitions. While there is no single best way to achieve efficient and effective Human Resources Management, the experience of EU countries gives indications of challenges met by governments, and of the trade-offs that countries faced when reforming their HRM in local government.

Integrating HRM Performance with Competency Management

In EU member countries, **competency management** has been used as a way of integrating the HRM function with organisational business goals, as well as integrating the various component parts of the HRM function itself (i.e. recruitment, induction, promotion, training, development, performance management, discipline, reward, etc.) Competencies are used as a way of expressing the key behaviours, skills and experience deemed necessary to effectively perform in a job or a set of jobs. When used to their full potential, competencies provide a common

foundation for the selection, development and assessment of staff. They facilitate promotion, career progression and the internal mobility of staff by providing a focus on transferable skills.

Competencies usually include sets of behaviours, skills and knowledge that are considered essential for a job. Competencies can also be generic lists of attributes that apply to a group of jobs. For example, a number of public services have sets of competencies that apply to the senior civil service. Other examples would be applying competencies to job families (e.g. programme manager, policy analyst), managerial competencies or competencies for front office staff. Applying competencies in this way allows for greater staff mobility within similar functions across organisations.

A related practice to competency management is **job profiling**. Job profiles are a way of describing positions in terms of competencies. Together with competency management, job profiling reflects the changing nature of organisations and work. Traditional job descriptions, which tended to describe jobs in terms of a finite set of tasks to be done, have come to be regarded as a source of rigidity. Job profiling focuses, instead, on the outputs of results, and on the profile of the person needed to do the job. The job profile is about the purpose of the job, why it exists and what results it is expected to achieve for the organisation. It is an approach that is associated with greater organisational flexibility, team-working, employee competencies and sharing of knowledge. Examples of job profiles can include horizontal or vertical job positions. Horizontal job profiles can be encountered -even identical, with just minor variations based on the local needs- in positions that could be found in all municipalities of metropolitan municipalities in Turkey covering horizontal needs, like HR Director, Procurement Officer, Public Finance Head of Department, Head of ICT Unit, etc. Vertical job profiles can be subject-matter oriented positions like, officer responsible for coordination of sewage collection in Municipality XXX, Head of the Tourism office in Metropolitan Municipality YYY, Officer for managing port authority of Municipality ZZZ etc.

Many organisations use competences as part of the job profile, as a way of defining and measuring the skills, abilities and behaviours considered necessary for the job. The competencies required are defined by the job profile: for example, behavioural competencies could include things like the ability to work in teams or build networks; if there are managerial responsibilities, competencies would typically include interpersonal skills and leadership abilities; other examples of competencies might be strategic thinking, customer focus or analytical skills.

Job profiling and competency management are not ends in themselves. They need to be carefully integrated into HR processes, particularly performance management, staff development and long-term HR planning. When effective, they provide a foundation to integrate HRM and broader organisational and management imperatives. They should reflect organisational priorities and performance targets and then help to define individual staff performance indicators.

Turkey does not yet have a country-wide competency management framework to enable integrated people management. While some organisations both in the central as well as in

subnational administration employ tools designed to achieve a minimum level of standardised job description, tools and formats vary according to the organisation and the area in which they were developed. Turkey could consider developing an integrated competency management framework drawing on the experience of EU countries (such as France, Italy or Belgium).

Competencies and Mobility

The use of competency management and job profiling has been associated with an evolution of career structures and mobility in many EU countries in recent years, as governments seek increased flexibility to manage the workforce. Developing a standard way to describe positions, based on standard competencies that are common to the whole local administration, can help to overcome common barriers to mobility, such as different job classification systems in different parts of the public service. Standardising the requirements for similar types of jobs and defining the competencies required make it possible for public servants to compete effectively for job vacancies in other departments and agencies and to take responsibility for developing the competencies required. For this to work, Turkey will be required to invest in training and development programmes.

Achieving the long-term benefits of a more strategic HRM function in Turkish local administration will depend on the capacity of senior civil service leadership. Senior civil servants in local administration should embody and transmit core public service values such as integrity, impartiality, transparency and merit. They should set the example in terms of performance and probity and are essential players in the development of future planning and strategic capacity. A move towards a focus on performance management in any organisation requires strong management accountability, a shift of attitudes and focus of managers, new management competencies and building ownership of the performance management system. This means **performance management of the managers themselves**. This not only improves managerial **accountability** and **performance**, it sends a signal to staff that the senior echelons of the local administration are serious about performance management.

Career-based systems generally emphasise the development of internal staff to eventually take on management roles. Any organisation which focuses on internal leadership development needs to take steps to ensure that managers are not promoted based only on their functional performance, but also on their managerial skills and effectiveness as well. A **competency or accountability framework for managers** can also help to establish common managerial expectations and the means to measure performance. A career system also offers the best barrier to politicization and nepotism, since -in theory- it is more difficult to influence the recruitment procedure and the career will depend less on the influence of the present employer.

The principal argument against a career system is the fact that it is difficult to implement change and promote drastic reform with a well-rooted workforce, which most probably will demonstrate resistance to change. Therefore performance-based pay and contracts limited in duration to the term of the political mandate have been introduced in some countries. This is

also possible in a career-based system. However, the difficulty lies not so much in the employment regime but in determining objectives and in assessing achievement of these objectives mindful that political priorities can change rapidly.

On the other hand, term-limited contracts can also run counter to their express purpose: rather than facilitating the commitment of managers to their tasks by making a clear-cut distinction between political and managerial responsibilities, they can result in **increased politicization**. It is important that the State and the local government public service do not live in isolation from each other, there should be a possibility for transferring from one service to the other. This brings advantages in terms of professional experience, and it may enlarge promotion opportunities. Both branches of the public service should be based on similar principles, the ranks should be parallel and the remunerations should be equal, but with compensation for specific responsibilities related to the function.

The boundaries between the political and administrative arenas are never simple to manage, but many countries have found their own way to balance the implementation of policy, the delivery of services and the management of public sector institutions in a nonpartisan manner, while maintaining the responsiveness of the administration to political priorities. Some of the features often found in these systems include entrusting the processes for entry, promotion and posting of senior civil servants to a professional body using clear and transparent competency-based criteria (i.e. Greece in the case of ASEP), and using performance assessments and rewards as a way of increasing the responsiveness of senior management without infringing on their neutral professionalism.

Turkey should benefit from establishing mechanisms to strengthen the political **neutrality of senior civil servants**, which could result in stronger sustainability of long-term policy objectives. The possibility of establishing specific positions of senior executives/officers, who will be selected based on a very demanding selection process, corresponding to advanced educational as well as technical and managerial skills should be explored. Precondition of establishing a number of **senior technical experts positions**, which would be protected from the effects of the political cycle and consecutive changes in the political management of municipalities, should be armoured with additional **institutional guarantees** (i.e. developing a transparent and demanding selection process based on a clear predefined competency framework and specific qualifications, conducting open to the public selection interviews, structuring a specific career path, based on predefined qualitative and quantitative predefined KPIs, providing higher salaries and non-monetary incentives that would secure the engagement of the qualified senior experts/practitioners on committing for a longterm horizon etc) that would allow for the creation of the necessary preconditions of providing on as steady basis high level service to the local administration.

Experience in EU member countries shows that a clear delimitation of the responsibilities of different layers with subnational government (e.g. between senior management and political advisors) helps to find this balance (i.e. Sweden, Belgium). It is very important that political appointees who are not in management positions not play the role of managers of organisations. It is indeed very important to develop mechanisms that allow the emergence of

leadership in the politically neutral part of the civil service and establish clear reporting processes and mechanism.

Taking direct aim at the practices of senior managers may require establishing separate management structures for senior civil servants in local government. A number of EU countries have established separately managed senior civil service (SCS) systems for senior management. An SCS system usually applies to the first three or four levels of management in large institutions and is typically managed through appropriate central institutions and procedures in order to provide stability and professionalism, but also allowing a necessary flexibility to match changes in local government.

Some EU countries have put in place comprehensive **management accountability frameworks** to support performance management and increased the delegation of management functions to departments. This system has supported a move from prescriptive rules and heavy central control to a **more flexible management system of risk-based monitoring and managerial accountability for results**. An important feature of this system is that the meaning of management is clearly operationalised – key indicators are identified to ensure that the system can be used to help senior managers assess progress and increase their accountability for results.

Recruitment

Based on the analysis regarding the recruitment mechanism and system across EU, it should be highlighted that all civil service recruitment schemes in EU Member States assume that:

- 1) The recruitment system is aimed at selecting the best-suited available candidate for a given position within the civil service is sought;
- 2) The country's legal framework acknowledges the right to equal, merit-based access to its civil service or public employment, heedless of race, ethnic group, gender, familial descent, religious beliefs, or political attitudes.

With the above conditions in place, the structure of recruitment is constituted by a set of rules embodying these principles and guaranteeing its effective practical implementation in real life. In this case, the minimal structural elements of an acceptable recruitment procedure, in accordance with the most commonly practiced standards of EU Member States, are as follows:

- 1) The rules governing the recruitment procedures are based on open competition among those candidates meeting a set of general requirements, which usually are: citizenship, legal adulthood, relevant university degree or academic credentials, a clean criminal record and physical fitness consistent with the job to be performed.
- 2) Candidates may be obliged to meet specific requirements demanded by the real job to be performed, in terms of knowledge and professional experience. To ascertain this, some sort of examination and CV screening are necessary.

3) The competition must be announced and dissemination of the vacancy notice must be ascertained throughout the country, in as wide a way as possible. As a rule, the official gazette is used. Other means like electronic publication and commercial newspapers are used too.

4) The vacancy notice includes every requirement for the procedure, in particular a list of subject matters for the examination, if there is one, deadlines for submitting applications and certifying documents, and any additional merits which may be taken into consideration by the evaluating commission (for example, valuable professional experience, additional training credentials, certified command of foreign languages, specific computer skills, etc.). A reasonable length of time should be accorded to candidates either to collect the required documents to be submitted or to prepare for the examination.

5) Later on, an independent commission shall be formed to evaluate the candidates. Fairness, objectivity, and due procedure should be the governing principles for the work of this commission. Any member of the commission having relatives or close friends of a candidate or his/her family is required to withdraw from the commission. Random choice among the list of subject matters for the examination is the rule or multi-choice tests.

6) Candidates are entitled to challenge the commission's decision before the courts within a reasonable time deadline. If the decision of the court is at variance with that of the evaluating commission, the former prevails and is to be immediately executed.

Conflict between Professionalism and Political Leadership

To preserve continuity, public administration requires **permanent personnel**: this is common to both the State and local self-government civil service. Stable personnel is a key element to ensure a well-functioning public administration and is in the public interest. **High staffing turnover leads to a loss of institutional memory**. Furthermore, it is easier to foster a spirit of cooperation among employees who share the mission and ethos of the administration. This probably explains why, even in contract-based employment regimes in the public administration, job stability is much more secure than in equivalent jobs in the private sector (i.e. Belgium, Sweden).

However, with regard to executives, the specific requirements of local government service, can lead to **conflicts between professionalism and political leadership**. Most laws on public service employment seek to promote professionalism, implying that people are recruited on the **basis of merit**, and are to some extent independent from the political leader (the mayor or another authority). Recent reforms across several EU countries have been aimed at strengthening **accountability** to citizens, reinforcing political leadership. This gives the political leader the increased discretion in making appointments, especially to higher positions. A crucial issue surrounding legislation on local government service is **how to guarantee professionalism and neutrality** in the public service, while, at the same time, reserving a

minimum of discretion for political leaders. If the regulatory framework is not clear on this issue, it can lead to increased politicization. This situation is often encountered with the Turkish local administration.

It is crucial that an appropriate recruitment procedure is followed. Although the principle of an open competition is now widely accepted, much depends on **the type of procedure and competition used**. Competitions based purely on oral examinations and psychometric tests only offer limited guarantees in terms of objectivity and impartiality; while recruitment organised on a position-by-position basis can be onerous without necessarily responding to the needs of public administrations, and in particular local government services.

Recruitment problems can also arise with regard to the geographic location of the post. Remote administrations sometimes find it difficult to recruit competent executives (i.e. Greece) due to remote mountain areas and several small islands far from the mainland). One possible solution is to organize, on a periodic basis a recruitment procedure for specific, remote areas (for example 20-40, or more) with clear and strict minimum time obligations (i.e. **in Greece there is a precondition of an obligatory stay in the specific local authority for at least 8 years**) and additional benefits/motives for people that need to relocate and/or move their family as well. This solution has the advantage of providing remote locations with the executives needed while ensuring the executives gain valuable experience. However, such a procedure is only possible where local government service legislation offers appropriate career prospects with professional and geographical mobility to public servants. While this can be considered a major argument in favour of a career system in local government service, it is difficult to organise as a promotion may imply a change of employer for example. It is only possible if all positions are reserved for transfers and leave is organised for those unable to find a new position immediately. Those solutions were also tested and regulated by the French local government.



Attractiveness of working in local government

Human resources should be seen as a strategic asset and partner of change. There are several tools and variable methods followed by EU member countries in order to make working for municipalities or regions attractive, both to already serving personnel as well as to young, **skilful and talented graduates of universities**.

Subnational governments in EU very frequently operate within very challenging financial and fiscal conditions (especially in the case of Portugal, Greece, Italy, Spain and France), which is translated into limited flexibility in terms of remuneration and provision of monetary incentives. Given this limitation, salaries in the local administration will have (?) difficulty to become a strong motivation for talented new, prominent employees. Therefore, other measures of non monetary character need to be mobilised and orchestrated in order to make employment in local authorities more attractive. Development of a total reward system (see figure below) could be also gradually deployed within Turkish local administration. Issues like worklife balance, flexibility in working conditions (remote working, more flexibility in term of leaves for family reasons, enabling environment which will allow for innovation and

implementation of new ideas in pilot, testing level, moral recognition and team awards, focus on personal development through training or mentoring programs etc) could differentiate the public perception and given the fact that working in local government is a stable working environment may improve the overall approach. Taking such measures may have a positive impact on staff morale and avoid burn out or disappointment resulting from lack of mobility or lack of incentives.

Table 15 Total Rewards in the United Kingdom

	Common examples	Reward elements	Definition			
Intrinsic  Elements which contribute to interval value or motivation	1. Quality of work	Engagement factors	Total award			
	2. Work-life balance					
	3. Inspiration/values					
	4. Enabling environment					
	5. Growth / opportunity					
Extrinsic  All the things to which we can assign a monetary value	6. Tangible benefits e.g. car, professional memberships, discounts	Active benefits	Total remuneration			
	7. Retirement	Passive benefits	Total direct compensation			
	8. Health and welfare					
	9. Holidays					
	10. Stock/equity	Long-term rewards or incentives	Total cash			
	11. Performance shares					
12. Annual incentives	Short-term variable					
13. Bonus/split awards						
14. Team awards						
. Base salary	Base cash					
. Hourly wage						

Source: Civil Service and Integrity, OECD 2009

Training & Lifelong learning

Training and lifelong learning is one of the most important policy tools used across EU member countries (despite the impact that the financial crisis had over the funds available for targeted training of personnel, especially in Italy, Greece, Spain, Portugal and France). Various institutions, either part of the public administration (like the Institute of Lifelong learning in Greece) or universities and training institutes have been mobilized in different times and means to support the development of the skills, competences and talents of employees of subnational governments. Training becomes even more valuable and motivate employees when it is linked with either a career path or with targeted, predefined training goals connected with a personal development plan (as in the case of Belgium and Sweden). Training can also be valuable in cases of staff reallocation and reskilling and/or focused and targeted hiring to reduce the risk of overworking remaining staff. It may also be prudent to continue to invest significantly in training and development to ensure that the remaining staff are equipped to function more productively and feel supported.

Promoting internal mobility and a rotation system of secondments

Several EU member countries, in order to boost internal mobility across local governments (or even across the whole public administration, make extensive use of the possibility of seconding employees. A secondment is the temporary transfer of an employee to another municipality or relevant organisation. Secondees get access to career development opportunities; municipalities get the chance to develop their skills base. A secondee can benefit significantly from a short-term secondment as he/she can acquire first hand experience within other – perhaps even more effectively organised and operating municipalities, are given the opportunity to widen their knowledge and boost their career, acquire valuable experience in new fields and challenging areas and gain the ability to apply specific skills in different organisational environments.

A new policy **for internships can** be another tool to improve the image of local administration. In several EU member countries, internships are considered as an entrance mechanism to local administration (i.e. Sweden, Belgium, Germany) in the sense of filtering young talented potential candidates that could provide added value to the municipality.

Annex 1

Several fact-finding online meetings with Regional and local authorities from 4 out of the 8 EU member countries analysed in this report took place during April and May 2021. The input collected was critical and significantly supported the accuracy of the reported facts, the crosschecking of information collected from a desk research. More specifically, the following meetings were conducted.

Country	Regional/Local Authority	Date of fact-finding meeting
Greece	Region of Central Greece	6/5/2021
Sweden	SALAR	26/4/2021
Sweden	Municipality of Umea	26/5/2021
Belgium	Municipality of Zoersel	27/5/2021
Italy	Metropolitan Municipality of Milan	24/5/2021

Annex 2

Institutional and Organizational framework

In order to provide to the reader a more comprehensive understanding of the 8 EU member countries, whose HRM system in the local administration were presented earlier, the Annex includes a rather short presentation of the broader institutional and organizational framework of each one of them. Therefore, significant effort was made in order to present in a brief way the main characteristics (tiers of government, distribution of competencies among different levels of government, outline of decentralization initiatives in the past, specific country characteristics and features related to local administration etc.

1. Belgium

Institutional set-up – Tiers of government

Belgium is a federal state, with five elected tiers of government. The first tier, the federal level, works for the whole territory of Belgium, including most of its international relations. The second tier of government is more complicated. Concerning both **Communities** (gemeenschappen) as well as **Regions** (gewesten).

There are **3 Regions**, based on territory foundation: the Flemish region, the Walloon region and the Brussels-Capital region. The regional governments have territorial competences; i.e. competences that can be linked to a particular place.

There are also 3 **Communities**, based on language: the Dutch-speaking Flemish community, the French community and the German community. Flanders is Dutch-speaking, Wallonia is French and Brussels is bilingual (but a large majority speaks French). The community governments have person-based competences; i.e. competences that can be attributed to individual citizens. The Flemish community and region are integrated in one parliament, government and administration. The other regions and communities have separate institutions.

The third tier of government is the **Province**. There are 10 provinces in Belgium. The Brussels-capital region takes over the responsibilities of the province in Brussels. The **fourth** tier of government is the **Municipality**. There are 589 municipalities in Belgium, with a considerable variation in size from a few thousand inhabitants to several hundred thousand (Antwerp, Brussels, Ghent, Charleroi, and Liège). The **fifth** tier of government is the **city district**. Only Antwerp has elected district governments.

The tiers of government have electoral cycles of four, five and six years. The federal government is elected every four years. The Regional elections take place every five years, together with the European elections. The local, provincial and district elections have a **six-year** cycle. The different timing of the electoral cycles has two consequences for the state system. First, it introduces **political asymmetry in the political system**. Different coalitions exist at different levels of government and at the same tier of government. Political asymmetries are not always supportive for intergovernmental cooperation. Second, the different electoral cycles lead to a quasi-permanent electoral climate in governance. Political parties are still learning to juggle the demands of governing and to seeking compromise at one tier of government, while campaigning and seeking confrontation at other tiers of government.

The **federal government** holds the defining functions of the state: i.e. the use of violence (police and defense), the justice systems, foreign affairs and diplomacy. The fiscal administration and fiscal policies are also largely a federal responsibility. Social security is another big part of the federal portfolio. Social benefits are managed in a public insurance system for amongst others health, unemployment, pensions and vacation. Child allowances have been transferred to the regions in the last state reform. Public companies such as the railroad companies and the postal system, with networks across the territory, remain federal, as well as aspects of economic and labour regulation. A number of large national scientific and cultural institutions, many of them located in Brussels, are federal.

The **regions/communities** have a wide array of person and place bound responsibilities. In terms of budget and staff, education and welfare are the most important ones. Regions obtain most of their **funds** from the federal government, based on a **complicated set of distribution criteria**. Yet, they also have **taxing powers in property** and **road taxes** and they can **levy a regional** surtax to the federal tax.

Local governments have an **open task setting**. They can do **anything the local councils assume to be in the local interest**. They cannot perform tasks that have been attributed to higher tiers of government, but they can **complement** them. A city for instance, cannot develop its own public transport system, but it can develop a bike sharing system to complement the services of the Flemish public transport agency and the federal railroads company. Due to the high variation in size and due to the high variation in local policy needs, governance capacity and policy ambitions of local governments are also very diverse.

Provincial governments also have a diverse set of competences, which mainly complements the tasks of smaller municipalities. They have responsibilities in spatial planning and permitting, water policies, rural policies, tourism, culture and education. Several provinces also attempt to develop area-based policies with groups of municipalities. In Flanders, the role of the provinces has been put into question. Flemish funding has been reduced and the task setting has been narrowed down to area-based competences (excluding person-based competences). Museums and other institutions need to be transferred to municipalities or the Flemish government. Wallonia has no similar reform of the provinces, which leads to **institutional asymmetry** in Belgium.

Hierarchy of Laws – Distribution of Competences

Like all constitutional democracies, Belgium follows the superiority principle in the hierarchy of laws. When lower legislation is in conflict with higher legislation, the latter prevails. The highest norms are the constitution and the international treaties. After the constitution, there are special laws that need majorities in both language groups. These special laws determine the institutional structure of the country. At the third level, one can find laws from the federal parliament, decrees from the regional and community parliaments and ordinances of the Brussels capital region. There is however **no hierarchy between these legal acts. A federal law does not overrule a regional decree.**

In theory, no hierarchy is needed. Competences are generally distributed based on **the exclusivity principle**. A competence is the responsibility of either the federal government or a regional/community and therefore, **conflicts** between tiers of government **would be rare**. There are some exceptions to the exclusivity principle in the division of competences. For economic policy, the federal government has framework competences. For the purposes of maintaining a monetary and economic union in the country, the federal government can establish general principles, which the regions can supplement. In fiscal matters, the regions and the federal level have competing competences: every tier can introduce taxes but not both. In that case, the federal initiative takes precedence and some hierarchy is introduced. Yet, there is no general rule similar to the German rule that the federation prevails (Bundesrecht bricht Landesrecht).

In reality, it is difficult to avoid interference of policies of one government on the other. A highly mediatised example concerns the noise norms for aircraft, which is a regional competence. The government of the Brussels Capital has set more strict norms than the Flemish region. The airport of Brussels is located in Flanders, but close to Brussels. As a result,

the burden of the airport is shifted towards Flanders. This episode is the last one in a long struggle between the regions to redistribute the benefits and costs of the airport. Other policy issues, such as mobility, economic development, water policies, zoning decisions and retail development all have impacts across administrative boundaries. The need for cooperation and coordination is high.

Perhaps the most important aspect related to the process of transferring or devolution of competencies from the federal levels towards the Regions and Communities is the fact that **if the competencies are transferred, so are the resources. This is a critical factor for the sustainability of this critical process.** Voluntary mobility between administrations not related to the devolution of competencies is rare and was more like an individual settlement. However, a by-law of 2007 installs an intra-federal mobility system. Such a mobility is only possible if certain statutory conditions are met, but it does not confer a right to be transferred to another federated entity since it's the prerogative of the administration of destination to decide whether or not to confer the vacancy to that agent who applied for this job by intra-federal mobility. Furthermore, the different entities on their side have to prepare executing by-laws.

Intergovernmental Cooperation

Intergovernmental cooperation is difficult in the Belgian federation. Some reasons have been dealt with already. There is a lack of coordination mechanisms that integrate policies; regions develop their administrative systems and institutional landscape (provinces and municipalities), which leads to **institutional asymmetry**; and electoral cycles of government tiers are not adjusted, which leads to **political asymmetry in the coalitions**. Two barriers can be added to this list. First, in contrast to most federal countries, the Belgian federation only exists of two major entities. The room for negotiation and coalition formation is therefore narrow. Discussions between Flanders and the French speaking community are **easily framed as win-lose issues**. Secondly, in the 1970s, the Belgian political parties were separated in French and Flemish parties. The electoral districts are also separated, with lists for the Flemish parties in Flanders and French-speaking parties in Wallonia. In Brussels, both parties present themselves to the voter. This setup creates **a deficit of democratic accountability**. A federal minister who was elected on a French-speaking list cannot be held to account in elections by the Flemish voter (and vice versa). Even the party of that minister cannot be held to account. As a result, there is no strong incentive for parties to seek cooperation across the language barrier. Political scientists have therefore proposed to introduce a federal electoral district for a number of seats in federal parliament. Yet, the proposal did not get much political support.

Which are the Sub-National Governments?

Belgium is a federal country which has been federalized from a unitary state into a federal State. It's been a long evolutionary process that has been going on from the 1970's and is still going on, taking into account the regional differences and aspirations. Its worth mentioning that back in 1831, Belgium was divided into 2739 municipalities. The number of municipalities was reduced to 2508 when Belgian borders were redrawn in 1839 as 124 municipalities were

ceded to the Netherlands and another 119 municipalities became the Grand Duchy of Luxembourg. New municipalities were created until 1928 and in 1929 there were 2675. In 1961, the executive Branch was authorized by the Parliament to abolish municipalities. Municipalities could be merged on financial grounds or on grounds of a geographical, linguistic, economic, social or cultural nature. When this authority expired in 1971, Belgium still had 2359 municipalities. In 1975, a new law reduced the number to 596.

Belgian federalism cannot be understood without reference to the origins of it: linguistic-cultural emancipation on the one hand (Flanders) and proper economic policy development on the other hand (Wallonia). It's no coincidence that Regions and Communities follow exactly the territories of the linguistic regions as set by the linguistic laws and confirmed by the Constitution.

It has to be stressed that Belgian federalism is a special kind of federalism. Unlike in traditional federal states, the horizontal structure of power devolution and equal balance of power has put all central governments on the same level so that we cannot speak of sub-national governments as in other hierarchal systems.

The competencies of the Belgian State are devolved between the federal level, the Regions and the Communities. The 3 levels of power are equivalent. Each federated entity (federal level, regional or community level) develops its own policies for which it has the necessary tools: its very own legislative ("Parliament") and executive body ("Government") and its very own central administration. Only the federal level has a bi-cameral system (Parliament, Senate). Each entity is sovereign and exclusively competent for the competencies – partially or completely devolved to her and in relation to the territory it manages. Not all the competency packages are homogeneous or clear cut. Some competencies are shared which arouses sometimes questions and various interpretations about final responsibilities or lawful exercise of powers. This leads sometimes to conflicts and/or legal proceedings if the way one entity exercises its competency harms, seems to harm or is bound to harm the competence of another entity. **Unlike in Germany** where the **federal** level has the possibility to **overrule decisions** made by the sub-national governments (Bundesrecht bricht Landesrecht), decisions by the legislative and/or executive body of a Region or Community cannot be overruled by the federal level. **Opposition and/or judicial appeal is still possible.**

Federalism is based on a 2-track system: on the one hand there are competencies that are territorial linked – the competencies of the Regions - and competencies that are linked to the individual, the competencies of the Communities. This unusual construction of splitting up competencies on individual related or territory related affinities through the structures of Regions and Communities allows to set a workable framework for the bilingual Region of Brussels Capital City. In this construction both the Flemish Community as well as the French Community can exercise their competencies on the territory of Region of Brussels Capital City. This system allows too that German speaking Community resides within the Walloon Region and is solely competent for individual related competencies, all territorial linked competencies remain with the Walloon Region. In Flanders the Region and the Community have merged into

one body. In Wallonia and the French speaking Community, the 2 bodies remain separated although currently there's only one Minister - President for both bodies.

Belgian federalism is knit together with **complex checks and balances** in order to uphold the **unity** of the country and the **cohabitation** of the different communities (federal solidarity and federal loyalty). **Federal loyalty** is the backbone in order to avoid conflicts of interests: each entity should **refrain** from stepping on another entity's competencies.

For that purpose, tools have been created to enhance collaboration and to avoid emerging conflicts:

- Collaboration between the entities has been institutionalized in creating the Consultation Committee and the Inter-ministerial Conferences. Whilst the first is composed of members from each government and treats ad hoc cases, the latter is used to (try to) prepare and develop cross-entity policies for a certain policy field (e.g. Civil Service policies)
- Collaboration protocols are another tool which is useful if competencies are shared or if the proper execution of competencies necessitates cross-entity conference or collaboration:
- In some cases there's the duty to inform other entities of the envisaged policies, in other cases the advice of the other entities is compulsory;

Consultations between National and Sub-national Governments

Belgium has probably the most advanced and therefore complicated system for consultations between the levels of government. This reflects Belgium's constitutional arrangements with no primacy for the federal level, and the high level of conflicts between the different federated entities. The collaboration between the levels of government has been institutionalized by creating a Consultation Committee and Inter-ministerial Conferences. The first is composed of members from each government and treats ad hoc cases; the latter is used to for the preparation and development of joint policies for a certain policy field. There are also Collaboration Protocols for situations when competencies are shared and when the proper execution of competencies necessitates cross-government collaboration.

Conflict Resolution Mechanism

There are some mechanisms to solve conflicts between legal acts of tiers of government. There is a **distinction** between **conflicts of competences** and **conflicts of interest**. When a legal act infringes on the distribution of competences, the **constitutional court** will deal with the case. When a legal act is within the competences of a government but has an impact on other government's interest, the case will be transferred to a committee for consultation in which leaders of the different governments of Belgium have a seat. This committee can also convene to prevent potential conflicts of competences and to avoid lengthy procedures for the constitutional court. While it is useful to have procedures to settle conflicts, the main limitation of the Belgian mechanisms is their reactive nature. Only after the fact and only when an issue

is politicized, the mechanisms come into play. Collaborative coordination of (joint) interest in the planning phase of policies is not strongly developed. Coordination of routine, non-political issues is difficult as well.

2. France

Institutional Set-Up – Tiers of Government

The organisation of the administration in France is a direct legacy of the French Revolution and the Second Empire which together enshrined the principle of administrative centralisation around a strong and unitary State, until the movement of deconcentration and decentralisation which was set in motion under the 3rd Republic and which reached its apogee in the two successive waves of decentralisation that followed enactment of the 1982-1983 and 2003 Acts. As a result, administrative jurisdictions in France are organised on a decentralised basis (enshrined in the Acts of 1871 and 1884 on the départements and municipalities and subsequently enhanced in the 1982 and 1983 Acts on decentralisation). The Act of 13 July 1983 unified the civil service by establishing a single status for all civil servants while distinguishing between those employed by central government, local government and hospital authorities.

There are **three territorial authorities** in France. They were officially established under the constitutional amendment of 28 March 2003, whose section 72 states that France has **26 regions** (of which 4 overseas), **100 départements** (of which 96 in metropolitan France) and 36 773 **municipalities (communes)**, most of which have fewer than 5 000 inhabitants, as well as 19 000 local public establishments. The territorial authorities are administrative structures that are distinct from the national administration and that are endowed with a legal personality which allows them to dispense justice, employ their own staff and administer their own budget. A local authority has regulatory power (enshrined in the General Local Government Code) and deliberative decision-making power exercised through a Council of representatives selected in accordance with the principle of administrative freedom for local authorities.

From a legislative standpoint, the breakdown of jurisdictions between **municipalities, départements, regions** and **central government** was modified by the Acts of 7 January and 22 July 1983 which defined the jurisdictions devolved to territorial levels of government and which transferred a share of the tax revenue of central government to local authorities. However, it was only with the implementation of Part II of then decentralisation process and enactment of the Constitutional Act of 28 March 2003 that the principle of **decentralisation** was written into the Constitution and that the principle of **subsidiarity** between central government and local governments was enshrined, together with the **removal** of central government oversight over local governments.

The municipalities have a deliberative body, namely the **Municipal Council**, elected for a period of 6 years, as well as an executive body, the mayor and deputy mayors. The number of elected officials in Municipal Councils ranges from 9 (municipalities with fewer than 100 inhabitants) to 69 (municipalities with 300 000 inhabitants or more). The Municipal Council votes on the real budget balance (divided into an “operating section” and an “investment section”),

administers property owned by the municipality, decides on the creation of new municipal services and authorises the mayor to sign contracts and instigate legal action.

The **départements** were created in 1790 to organise the administrative districts of the Ancien Régime and subsequently acquired autonomy from central government in 1871 to become an administrative district of the State as well as a decentralised authority. The devolution and role of the executive of the départements changed radically with the passing of the Acts of 2 March and 22 July 1982 on the rights and freedoms of municipalities, départements and regions. The President of the General Council is the executive of the départements, in place of the Prefect, and it is the former who orders expenditure and prescribes the levying of taxes at the level of the département. Since 1982, the Prefect is no longer the executive of the département, but has nonetheless retained his political powers since he advises the government about the local situation and remains vested with the authority of the State. As the person to whom all deconcentrated powers have been delegated, he is responsible for law enforcement and public order.

The status of regional public establishment acquired by the regions in 1972 changed to that of local authority in 1982. The Regional Council has decision-making power and is composed of members of parliament elected in the region and representatives of General Councils and Municipal Councils. There are wide disparities between different regions in France: the Ile-de-France region has almost 11 million inhabitants while Corsica has only 260 000; the Midi-Pyrénées region extends over 45 000 square kilometres while Alsace has a surface area of merely 8 290 square kilometres.

There are 35 416 **communes**. This is an enormous territorial fragmentation and small-scale nature. This administrative structure generally reaches back to the Middle Ages because of largely failed municipal amalgamations. 90% municipalities have less than 2000 inhabitants and only 1% more than 20 000 inhabitants. Since 2015, there is a new trend towards fusion of several small municipalities to build larger ones.

The **prefect** (préfet) plays a particularly important role at the local level. Appointed by the government, they represent the state as a whole and -more specifically- the minister of the Interior, to whom they answer. They embody the power and authority of the state at the local level and oversee ministries' local branches and field services. Prefects are chief departmental administrative officers and the upper senior civil servants in local administration. They have four main functions:

- Maintenance of law and order and public security, organisation of emergency and disaster relief, maintenance of order during demonstrations, etc.
- Arbitration of economic and labour disputes, talks between trade unions and employees often being held under their auspices.
- Administrative oversight: when the prefect considers that a decision taken by a commune, department or region is unlawful, he can ask the administrative court to overrun it. The administrative court, which is completely independent of any government or prefectural control by virtue of the separation of the judiciary and the

executive, has the final say.

- The oldest and last function is to administer policies and legislation emanating from the national government, except for military, judicial, and certain fiscal educational matters.

The prefect of a department in which the regional capital is located is also a regional prefect, and as such coordinates state action at the regional level and oversees regional administration. The administrative constituencies are the region, the department, the district and the municipality.

The Decentralization and Modernization Process

It was not that long ago that France was a model of full unitary centralized state. In 25 years it has become decentralized and this transformation has been accompanied by a reform of State administration itself with attempts to rationalize the existing layer cake (*millefeuilles administratif*). The strategic shift towards decentralization came in the mid 1980's when the socialist government under President Mitterrand removed the prefects' tutelle and created local collectives as autonomous authorities. Direct elections were established for regional councils, and legislation during 1982 gave local collectives significant new taxing and budget-making powers.

The deconcentration charter of 1992 marked a further step in shifting authority from the centre to the periphery. In the French context: decentralization means transfer of authority from the central state to the regional and local governments. Deconcentration means devolution of competence and managerial authority to the local administrative units of central government as well as the agencies. Autonomy in personnel management, in budget management, and for administrative decisions has been transferred to the deconcentrated states services and the prefects.

The second theme – modernization – came to prominence under Prime Minister Rocard in 1989, although earlier discussions and initiatives had occurred throughout the 1980's. The successive phase of “administrative modernization” has been characterized by a broad continuity of policy rather than by partisan differences between governments of the Left and the Right. A third theme, characterized by much greater divergence between the parties which held power, was that of privatization.

Since 2000, three reform movements, initially disconnected, seem to have developed in a converging and mutually strengthening direction. First came the “Loi Organique Relative aux Lois de Finances” (LOLF - 2001), which revamped the financial steering control and potential evaluation from a vast number of single line items to a limited number of missions and programs. Second, was the General Review of Public Policies (RGPP - 2007) which combined a presidentially guided policy review agenda with tough savings, and ultimately also a ministerial restructuring focused on efficiency and productivity. Third has come the territorial reform of the French state, where regions were created and the regional prefect acquired the leading and coordinating capacity for de-concentred, regional, and departmental activities.

Despite the considerable efforts made under decentralization to increase the power of local government authorities, they cannot be considered as fully fledged partners of the central government since they have limited financial autonomy. Central government is still responsible for setting rates of local tax and the overall appropriations for operating costs devolved by central government to local governments are index-linked to inflation, instead of growth. Relations between central government and local government in France are still strongly marked by the supervisory power that central government exercises over local authorities, despite the principles of autonomy and free administration enshrined by decentralization.

Central government is still slow to involve local government when Acts or EU Directives have a direct impact at the local level. Consequently, local authorities are often the victims of the prescriptive inflation of central government and, as a result, it has been proposed to set up a National Commission on Standards Assessment to study the impact of legislation and directives that would have an impact at the local level. Unlike certain foreign local government authorities (**i.e. Germany or Italy**), French local governments have no prescriptive powers other than the power to formulate and implement their own public policies on a trial basis. The issue of mobility between the national civil service and the local government civil service as a means of encouraging the development of a partnership-based approach remains highly circumscribed. The management of public sector employment is heavily influenced by the model adopted by local government authorities, which have been genuinely innovatory in managerial terms. The proximity of elected officials to users encourage the development of coherent, effective and reactive local initiatives formulated by mobile local government employees.

Breakdown of Responsibilities

The breakdown of responsibilities between central government and the three levels of sub-national government are characterised by an increased transfer of powers from central to local level. Local government authorities are covered by a general competence clause which allows them to settle local affairs within their jurisdiction without there being any limiting definition of such activities. They can therefore intervene in any area, under the oversight of a judge, on the grounds of local public interest provided that jurisdiction has not been devolved under existing legislation to another public person.

The **municipalities** have jurisdiction in the management of infrastructure, local services, land use, parks and gardens, housing and town planning, social services and education (construction of nursery schools, schools and leisure centres), culture, sport and the municipal police. To mitigate the disadvantages of the isolation of municipalities, inter-municipal co-operation has been substantially enhanced. In 2005, there were 20 500 groups of municipalities, of which 2 525 had their own tax-raising power. The Act of 12 July 1999 on the enhancement and simplification of inter-municipal co-operation brought an increased transfer of powers and employees from the municipalities to public establishments for inter-municipal co-operation (EPCI) with their own tax-raising powers (urban communities, municipal communities, urban communities), an increased supply of services and a rise in the number of officials in management positions.

The **départements** are responsible for the management of secondary schools and non-teaching staff, school transport, health and hygiene and social services, as well as the management of basic social benefits such as the guaranteed minimum income (RMI). The General Council is competent to approve certain mandatory expenditures (social aid, health, roads and highways), to create and organise public services provided by the département, manage the road network and participate in economic initiatives. Part I of the decentralisation process in 1983 consisted in major transfers of powers from central government to the départements in terms of social action and health, as confirmed in the Act of 13 August 2004.

Since the adoption of Decree of 1 July 1992 on deconcentration and its implementing charter, the region is the territorial level for the implementation of national and EU policies on economic, social and territorial development. The **regions** are responsible for pursuing and co-ordinating national government policies on culture, the environment, urban and rural areas as well as vocational training and secondary school management. They co-ordinate actions involving the départements by planning and assigning investment credits from national government and by putting in place contractual arrangements between central government and local authorities for annual programmes.

The **relationship** between **central government** and **local government** in France is particularly **complex** due to the wide **diversity** of local government bodies and the difficulty in determining their respective jurisdictions and degree of financial and political autonomy vis-à-vis national government. Relations between central government and local government are still strongly marked by the **supervisory power** that central government exercises over local authorities, despite the principles of autonomy and free administration enshrined by decentralisation.

The 2013 French Law on Metropolitan Areas

The 2013 French Law on Metropolitan Areas contemplated differentiated governance for Aix-Marseille, Lyon and Paris to include governance structures with own-taxing powers and the shift of competencies from regions and departments. In France, efforts were made by the central government already during the 2000s to encourage co-operation at an urban level. However, apart from the creation of urban communities in 1966, they had little success. The 2010 Law on the Creation of Metropolitan Areas has led to the creation of only one metropolis (Nice Côte d'Azur), confirming once again that regulation is not sufficient to induce reform. A new step was achieved in 2013 with the first discussions on the new law on metropolitan areas. The government adopted a new approach, based on governance solutions tailored to territorial specificities and local needs. The 2014 MAPTAM law on the modernisation of public territorial action and metropolises introduced a degree of diversification across French territories. Fourteen metropolises (more than 400 000 inhabitants) will be granted greater responsibilities than "standard" municipalities or inter-municipalities, justified by their larger size and urban nature. Among them, the three largest metropolitan areas (Aix-Marseille-Provence, Lyon and Paris, which already have a specific status since the 1982 PLM law) received ad hoc different governance structures – i.e. different organisation, responsibilities and resources.

The Métropole du Grand Lyon, operational since January 2015, has (unlike Aix-Marseille Provence and Paris) a particular metropolitan status: it merged responsibilities of the existing inter-municipal cooperation entity Grand Lyon and those of the département du Rhône, covering about 1.3 million people – the only one of its kind in France. Political representatives for the metropolis will be elected through direct suffrage from 2020 onwards. This innovative “asymmetrical” approach based on “recognising the diversity of territories within the unity of the Republic” is relatively new in France, where past policies were uniform across territories (except for overseas territories). It aims to adapt organizational structures and policies to the distinctive characteristics of territories at an appropriate scale. Another innovation is the setting up of two transitory inter-ministerial “prefiguration” task forces for Aix-Marseille-Provence and Grand Paris. These task forces, headed by the prefect and composed of national and local civil servants and experts, prepared the reforms and then helped in the transition process. They also work to gain support from citizens, local authorities, the private sector and civil society. Finally, the French metropolitan reform is a good illustration (at least in the cases of Aix-Marseille and Grand Paris) of resistance from local mayors and possibly from the regional level. The implementation process is as crucial as the nature of the reform itself: adopting a law is not sufficient as it may not, or only partly, be implemented in practice.

3. Germany

Institutional Set-Up – Tiers of Government

The Federal Republic of Germany has **three** constitutionally entrenched levels of government: the **federal government (Bund)**, 16 **states (Länder)**; 12 area states and 3 city states), and a **local government level** consisting of 295 **districts** (Kreisverwaltungen) and 11,091 **municipalities** (Kommunen/Gemeinden). This system is based on the Basic Law (GG, Grundgesetz) of 23 May 1949 and has its roots in the 1871 Constitution of the German Reich which already laid down the federal structure. Each state (Land) has its own constitution, constitutional court and court of audit. Local governments have the constitutional right of “**self-administration**”, although individual municipalities or counties do not have a guarantee of existence (i.e. state law can redraw territorial boundaries, as has happened repeatedly since the 1970s). The distribution of power between the levels of government is characterized by a fairly high centralization of legislative powers at the central (federal) level, but with strong involvement of the states as veto players (through their representation in the federal council, the upper house of parliament). The distribution of competences varies substantially between policy fields (see the table below), with education, police and culture as core competences of the states. However, as a general pattern, legislation and funding often falls at the central level, while implementation is delegated to the states and further down to the local levels. Because of this distribution of competences, the German system has been called “**administrative**” or “**cooperative federalism**”.

Distribution of Power – Sharing of Competences

This distribution of power results in a system of **mutual dependencies** between levels of government: there is no single dominating level within most policy fields, and the system relies

on **cooperation** and **negotiation** between them. What the federal level possesses in legislative and regulatory capacity, it lacks in provision (delivery) capacities (although the federal level has increased delivery capacity in areas such as police and immigration in recent years). The state level has some limited legislative and regulatory capacities within the boundaries set by federal laws and regulations but has high provision capacities. The local level has very limited legislative and regulatory capacity (most importantly related to local land use planning), but high provision capacity and also a high capacity to coordinate, integrate and innovate.

According to the Basic Law (Grundgesetz), competences are divided between the federation and the federal Länder. With regard to legislation, more competences lie with the federation; in terms of administration, the federal Länder have greater competences. The federal Länder execute most of the legislation at Land level and most of the federal laws. The federation has the right to supervise the Länder and give them instructions, which enables it to influence the execution of federal legislation. The municipalities discharge local affairs on their own responsibility. The right to local self-government is enshrined in the German constitution (Article 28 of the Basic Law). The municipalities are subject to specific supervision by the federal Länder (cf. question 6) and are bound by instructions by the Land authorities where they discharge public tasks.

The competences are divided as follows:

- Federal Länder: The Länder are responsible (e.g. in the case of education, as an indicative example) for internal school administration. This includes the training and recruitment of teachers, curricula and teaching concepts, and school supervision. School administration, however, comes in the remit of the municipalities. Higher education is assigned to the scientific administration of the federal Länder. This covers scientific, artistic and administrative staff. The police and the tax administration also come within the remit of the federal Länder.
- Municipalities: The municipalities are in particular responsible for construction administration in the broadest sense (i. a. urban planning, road construction, provision of housing for those needing housing assistance), social services, health services and public facilities (e. g. public swimming baths, nurseries, sports facilities). They are also responsible for external school affairs. This includes the construction of schools, equipping schools with furniture and books etc. and school staff management (excluding teachers). Also, the municipalities are responsible for local public transport, waste disposal and supplying the citizens with water, gas, electricity and long-distance heating. The utilities are primarily run as enterprises under private law; some of them compete with purely commercial providers.

On 1 September 2006, the Basic Law was amended (reform of federalism), leading to a new distribution of a great number of competences between the federation and the federal Länder. The most important amendments relate to a new allocation of responsibilities to the Länder with regard to higher education, prison services, law of assembly, law governing shop opening hours and restaurants, as well as the payment and pensions for Land civil servants and judges, including civil service career law. The federation has been given more responsibilities with

regard to weapons and explosives law, and regarding the production and use of nuclear energy for non-military purposes.

Overall, the system of shared responsibilities and powers in Germany requires the different levels of government to **closely coordinate** among many policy fields; the overall quality of coordination can be considered rather high and varies substantially between policy fields. A specific case is the area of education and universities where, according to the constitutions, the states have an exclusive competence which in practice implies a much criticized “cooperation ban” (Kooperationsverbot) between federal and state governments with regard to funding. Important venues of coordination include the federal council, which links state governments to the federal legislative process, and also the ministries and agencies in the different policy fields. Also, coordination between states at the horizontal level is well-developed in the form of permanent working groups between ministries of the same field (Ministerkonferenzen) as well as summit meetings with the states’ prime ministers. These summits frequently also involve the federal chancellor for coordination between states and the federal level. Despite the developed form of coordination between government levels, the German administrative system is characterized by a high degree of fragmentation due to the complex division of responsibilities within the system of “cooperative federalism”. This cooperative federalism (as opposed to a competitive federalism) is based on the requirement of equal living conditions stated in the constitution (Art. 72 Abs. 2 GG). The key mechanism for this is a rather complex fiscal **equalization scheme** which ensures a transfer from richer to poorer states. At the end of 2016, federal and state governments agreed on a reform of this system which will be in place from 2021 onwards and intends to abolish this system of horizontal equalization in favour of a stronger role by the federal government in assuring such equalization (through additional transfers of about 9.5 billion euros) in exchange for strengthening federal government competencies.

Generally speaking, the federal system in the Federal Republic of Germany has proved its worth. Its main features are the clear delimitation of competences between the federation and the Länder, accompanied by some joint competences which are the exception. The number of exceptions, however, had risen constantly in the past, so that there were lengthy and complicated decision-making processes in some policy fields; it was therefore argued by some that the competences between the federation and the Länder should be more clearly cut. The 2006 reform of federalism has made a major contribution to solve this problem. The responsibilities have been clearly cut between the federation and the federal Länder, striking a balance between cooperation and competition.

Relevance of Levels of Government for Administrative Reforms

The system of shared competences is reflected in the responsibilities for administrative reforms: a strong centre that can adopt and implement government-wide reforms is lacking. Instead, all levels of government have some important role in administrative reform. The federal level is responsible for the regulation of the civil service but lacks reform capacity because of the strong legal entrenchment of civil service regulations (key principles are regulated in the constitution). Also, changes in the administrative structure are difficult to

implement, due to the departmental principle that gives ministers a strong position in managing their own portfolio and makes the adoption of government-wide reforms at the central level difficult. The state level has a high relevance for the reforms of public services, given the high number of personnel employed at the state level, but is constrained by the low level of autonomy in regulating public services. The local level has a high relevance due to its importance in delivering public services, but is also constrained by a rather low level of autonomy and an increasing transfer of responsibilities to this level, along with a rather limited capacity of many local governments based on their small size.

Overall, Germany lacks a strong centre for administrative reform as each level of government is responsible for its own administrative reform, with cross-level initiatives as exceptions. Any cross-level initiative has to be agreed upon in negotiations between the 16 states and the federal government, which is slowing down reforms in areas such as E-Government. The upside of the fragmentation is that it allows the different levels of government to pursue reforms independent from other levels as long as they are limited to their respective jurisdiction. For example, the German variation of the NPM, the New Steering Model, was initiated at the local level early in the 1990s. Within the federal government, responsibilities for administrative reforms are similarly fragmented. In general, each ministry is responsible for its own administration, and government-wide reform cannot be imposed centrally. Ministries with important competences in the field of administrative reform include the ministry of the interior (civil service regulation, e-government), the chancellor's office (de-bureaucratization and better law-making, evidence-based policy making) and the finance ministry (spending reviews). In general, administrative reform at the federal level suffered from a lack of coherence due to no central coordination of reforms. There have been two major attempts within the past decade to strengthen cross-governmental coordination in the form of institutionalizing an "IT Planning Council" to coordinate digitalization and e-government reforms, and a "Stability Council" to coordinate and control the implementation of the German Debt brake.

4. Spain

The Special Case of The Spanish Decentralization Process

With the promulgation of the Spanish Constitution, the political-administrative system underwent the most important transformation in its recent history: the creation of the 17 Autonomous Communities (ACs), each of them with its own political bodies and a different administration. At the political level, this meant the establishment of a quasi-federal system, while at the administrative level this meant establishing new actors and processes for decision making, as well as new lines of communication with citizens for the delivery of public goods and services. Prior to the 1978 Constitution, Spain was one of the most centralised countries in Europe, while nowadays it is one of the most decentralised in resources and political powers assigned to subnational governments.

Spain is not exactly a federal state such as Germany or the United States but a quasi-federation one with autonomous regions with capacity to legislate. This capacity is exclusive when it

comes to a certain number of issues and shared with the State when it comes to others. All the Autonomous Communities were constituted between 1979 and 1983, and the Autonomy Map was completed in 1995 with the approval of the Special Statutes for Ceuta and Melilla.

Nevertheless, this process was neither lean nor simple. More specifically, starting from mid 70's, the Constitution established two optative levels of autonomy for territories: one reduced, but easily accessible (known as "via lenta" – slow track), as an intermediate step to reach the maximum level after five years; and one in which from the outset the maximum possible autonomy was obtained ("via rápida" – fast track). The so-called "historical regions" (Catalonia, the Basque Country and Galicia), as well as Andalucía, opted for the highest level of autonomy, while most of the ACs obtained a reduced level of autonomy. Catalonia, Basque Country, Galicia and Andalucía conducted referenda for the approval of the Statutes of Autonomy. All ACs were set up between the late 1970s and the early 1980s.

By the early 1990s, it became evident that the "via lenta" ACs had failed to reach full autonomy and that the constitutionally intended uniformity had not been achieved. An "Autonomous Pact" between the main political parties was then agreed to make the central government transfer competencies and statutory modifications so as to conclude the autonomic process by the end of that decade. Since then, all ACs have more or less the same fundamental responsibilities, and their political institutions (parliaments, governments and presidents) have similar functions, although some differences and peculiarities remain (for example, concerning linguistic regulations in ACs with specific languages; or civil law, which for historical reasons is also specific in some territories). In theory, the Autonomic Process should have finished by 1995. However, since 2005, a movement has begun to reform the Regime of Autonomies, leading to a long process in which these Region's Statutes have been modified; this has already happened in a number of Communities such as Andalusia, Aragon, the Balearic Islands, Catalonia and the Community of Valencia.

The "Autonomous State" configuration has undoubted advantages, since it implies an administration that is closer to citizens, which, combined with the principle of solidarity in the Constitution, provides citizens with access to essential public services under conditions of equality across the whole territory. However, the constitutional system is particularly complex in the attribution of competencies, and most policy areas are a shared responsibility of two or more administrations, which weakens accountability and encourages duplications. The so-called principle of "one administration, one competence" which guides decentralisation in other countries is not included in the Spanish constitutional system.

The main point of this decentralisation process is that the size of the State Public Sector as a whole (human resources, jurisdictions, budget, etc...) has dropped in the last 20 years while the size of the Public Sector in the Autonomous Regions has grown their autonomous rights. Since the 1978's Spanish Constitution there was a decentralisation process in Spain that turned the Spanish Unitary State into a sort of unitary decentralised one. Nowadays, Spain is divided in seventeen Autonomous Regions and two Autonomous Cities.

Institutional Set-Up – Tiers of Government

As mentioned above, the Spanish polity is a quasi-federal system with high level of decentralization. Apart from central government, the regional level corresponds to the Autonomous Communities and the local level encompasses provinces, municipalities and the Balearic and Canary island authorities. Each level has self-government powers and the members of their legislative bodies are elected every four years. While the administration of the local level is quite homogeneous with minor administrative differences related to the size of the city, in regional Administration there are some asymmetries.

Perhaps the greatest contrast in Spain's current form, compared with other times, is its **organisation into Autonomous Communities**. The territorial arrangement, described as the State of the Autonomous Communities, has meant a radical transformation, from the previous regimes uniform and highly centralised State, to one which is plural and extensively decentralised. The organisational set up is appearing in Title VIII of the Constitution and is structured into three differentiated levels of autonomy: the **State**, the **Autonomous Communities**, and the **Provinces** and **Municipalities** making up the **Local Administration**. The Autonomous Cities of Ceuta and Melilla must be added to these three levels.

Spain is at this time organised territorially into 17 Autonomous Communities, 2 Autonomous Cities, 50 Provinces and 8.111 Municipalities. The map of the Autonomies has been built up gradually as Spain's regions have taken up their autonomous rights.

The Autonomous Communities' organisation is based in a similar structure to the one in the State. Therefore, they have the following institutions:

- A Legislative Assembly elected by universal suffrage under a system of proportional representation.
- A Community Premier elected by the Assembly from among its number and appointed by the King. The Premier heads the Community's Government and is its senior representative, as well as the ordinary representative of the State within the Community.
- The Council of Government, chaired by the Premier, which exercises executive and administrative functions.

The Autonomous Communities took on the powers assigned to them in each of their Statutes of Autonomy, which form their basic institutional norm and which distribute power between them and the State as provided for in the Constitution. The Constitution distinguishes three types of power according to subject-matter:

- Matters falling exclusively within State jurisdiction.
- Matters exclusively within the jurisdiction of the Communities.
- Matters for which jurisdiction may be shared between the State and the Autonomous Communities.

In any event, the State reserves the power to hand down basic provisions guaranteeing the equality of all Spaniards nationwide, and a degree of cohesion between all regions. The Autonomous Communities have now taken up virtually all the powers assigned to them in their Statutes of Autonomy.

Distribution of Competences – Conflict Resolution

The Spanish intergovernmental system has been shaped by the overlapping authority model, where different powers on State functions are intertwined among different levels of government, particularly the national and the regional level.

Three features characterize the system. First, several policy areas require the involvement of national and regional governments according to the distribution of powers: powers exclusive to central government, shared powers, and powers exclusive to the Autonomous Communities. The Spanish Constitution states that the central government has exclusive authority over citizenship and immigration, international relations, armed forces, judicial system, civil, commercial, criminal and labour codes, customs service and foreign trade, monetary and financial systems, media, fishery, shipping and major ports, airspace and major airports, railroads, roads and waters that pass more than one Autonomous Community, post services and telecommunications, environment protection, coordination of scientific research, legislation for and financing of social security, and public administration statutes.

The Autonomous Communities are responsible for territorial and urban management, housing, public works in its own territory including water projects, railroads and roads that serve the Community and related transports, minor ports and airports, agriculture, forestry, freshwater fishing, hunting, tourism, culture, sports, health services, the implementation of social security and of environment protection. The Autonomous Communities are also responsible for the economic development within its territory, within the objectives set by the national economic policy. However, in these areas, the central government has the power to issue basic legislation. Furthermore, there are other differences in the regional powers according to their own Statutes and illustrated by the following examples: regional security forces in three autonomous communities, a co-official language in six communities and a distinct civil code in six communities. The distribution of responsibilities is regulated in detail in Spain's Constitution and in the Autonomy Statutes of each Autonomous Community and Autonomous City.

There is no similar list of issues for the exclusive responsibility of the municipalities. These are subordinated to Autonomous Communities and carry out basic functions such as water supply, refuse collection and the building and maintenance of local roads.

Second, the different jurisdictions have **limited autonomy** and **discretion**, as the combination of exclusive and concurrent legislative powers indicates. Finally, agreements and negotiations have to be carried out by different levels of government in order to achieve common goals, as central government **cannot impose** its policies and the **regions** have the **'right to make the final decision'** regarding their powers. The Spanish system, being institutionally designed for

enhancing cooperation has experienced an initial phase of conflict at the political level with involvement of the Constitutional Tribunal at the same time that cooperation and problem-solving strategies have been applied by national and regional civil servants. More than half of the policies are subject to **concurrent** powers (Argullol, 2004; Agranoff, 2007) and the constitutional mandates of guaranteeing 'equality of all Spanish citizens' or 'coordination of the general planning of economic activity' allow central government to potentially encroach on exclusive regional powers in policy fields such as education, social services, health, agriculture, industry or trade (Colino, 2008). The actual exercise of these concurrent powers **has not been without conflict**. Around **1300 conflicts** have reached the **Constitutional Tribunal**, of which two-thirds were initiated by the regions **against** the central government. The number is high compared to the two to four annual conflicts in **Germany**. The number of conflicts has recently decreased as a consequence of some settling of the system and the use of the extra-judiciary solution of conflicts. Many of those judiciary demands have been withdrawn.

The Spanish polity has suffered from centrifugal and centripetal forces. On the one hand, there is a centrifugal separatist push from the Basque Country and Catalonia. On the other hand, a centripetal strategy of the central government has devolved the same powers to all regions. With the economic crisis, some regions even considered returning some competences to the central government. However, Catalonians got enraged by the fiscal deficit, their higher net financial contributions to the system, and not finding satisfactory the perspective of central government as regards to the position of Catalonia in the system. This conflictual relationship had led to the celebration of an unlawful referendum, a unilateral declaration of independence and the **suspension of the autonomy by central government** until new elections took place on December 2017. This has undoubtedly tainted the intergovernmental cooperation patterns.

The second chamber, the Senate, is not an adequate instrument in the Spanish system to introduce territorial demands and to solve intergovernmental conflicts. Therefore, intergovernmental relations are channelled through alternative mechanisms. In general, regional interests are represented through the executives in intergovernmental bodies with two implications. On the one hand, intergovernmental relations are dominated by the executives, with a secondary role from regional parliaments. Sector national and regional ministries are relatively autonomous in their relations with their counterparts. On the other hand, numerous vertical multilateral and bilateral intergovernmental bodies (more than 30 live sector conferences) give an account of the intensity of the relations among the centre and the regions through more than 65 annual meetings on average in the 2000s, compared to 45 maximum in the 1980s and 1990s. Multilateral bodies are mainly used for agreements (at around 200-250 yearly) on sectoral policies while bilateral bodies are preferred for the transfer of competences, and, recently, the extra-judiciary solutions of intergovernmental conflicts. Additionally, the conference of all Prime ministers (*Conference of Presidents*) convenes for cross-cutting events of a particular relevance, like environmental issues or terrorism. All these conferences are supported by several thousand commissions in which civil servants develop the intergovernmental agenda.

Effect of the Decentralisation Process

The public sector in Spain has expanded in parallel to the process of decentralisation. Spain is not only one of the most decentralised countries in the EU, but also the one that has experienced the **fastest decentralisation** in the last **15 years**. Currently, nearly half of public expenditure is managed by the territorial administrations (34% by the autonomous communities and 12% by the local entities). Decentralisation was further enhanced by a reform of the autonomous financing system in 2009. This was the result of an extensive negotiation in the context of the reform of the Statutes of Autonomy, which increased the level of self-governing of autonomous governments by transferring new competencies to them. Additionally, the government established the Autonomic Liquidity Fund (Fondo de Liquidez Autonómica, FLA), to provide funding to facilitate payments to suppliers.

Decentralisation caused also very fast growth of both spending and public employment in subnational administrations and was not always accompanied by an equivalent reduction in the central government. In building their administrations, many regional governments replicated the model of the central government, generating inefficient structures. At the same time, the process of construction and consolidation of the regional administration meant an immense institutional effort, possibly shifting attention away from other administrative reforms, like those aimed at developing a more performance-oriented management, which were common in OECD countries during the same period.

The Spanish political structure, the growth in public resources, the continuous process of transferring competences to the ACs and the great autonomy enjoyed by them resulted in a remarkable proliferation of public institutions. Some of these were conventional entities, like ombudspersons or internal auditors, but many others were unconventional, like foundations and public enterprises. As outlined below, the latter phenomenon was also experienced in the central government, which some observers link to “exit strategies” from the rigid administrative regime of public administration. The rationalisation of these structures has become a main focus of fiscal consolidation and administrative reform itself.

Decentralisation Process and Impact in Public Service Employment

The Public Service enshrined in the Constitution has a homogeneous base but is otherwise diverse. The homogeneity of the foundation and the diversity in other matters is a characteristic of the Spanish Public Service. In assigning the State power to regulate the basic statutory regime for public servants and applicable to all Public Administration, the Constitution provides the Public Service system with the necessary consistency in its fundamental aspects. On the other hands, the Constitution´s recognition of specific power for the Autonomous Communities to regulate their public services opens the way to great diversity of regulations on those aspects of the Public Service which are not basic in nature. Thus, the Basic Statute of the Public Employee passed in Act No. 7/2007 of 12 April defines the essential system regulating such personnel, both public servants and contracted employees, leaving a wide margin in which the Autonomous Communities can develop matter. In territorial terms, **public service employment is highly decentralised**, most of it in the **Territorial**

Administrations (Autonomous Communities and Local Administration). Half of all public jobs are in those Public Administrations.

This significant territorial decentralisation of public service employment is due fundamentally to the following:

- the transfer to the Autonomous Communities of all educational, university and non university services, accounting for a great deal of employment (almost 50% of the total figure for the Autonomous Communities), and
- the transfer to the Autonomous Communities of most healthcare services (about 36% of their personnel) likewise accounting for a large number of jobs.

5. Italy

Institutional Set-Up – Tiers of Government

Italy is a regional state with federalizing trends in place. A decentralization process began in the 1990s with the introduction of a direct election of mayors, and culminated in 2009, when Law 42/2009 established the principles of fiscal federalism, guaranteeing a higher level of autonomy for regions and local authorities. Legislation approved in 2001 lists local governments (municipalities and provinces), regions, and the central government as equal components of the Republic (Cepiku 2013; Mussari and Giordano 2013). There are **20 regions** (15 of which have ordinary status and 5 have a special status guaranteeing them more powers), **103 provinces** and **8,088 municipalities**. However, only 136 of these municipalities have a population greater than 50,000 inhabitants, while more than 92% of the municipalities have a population that does not reach 15,000 inhabitants (a total of 7,466 municipalities).

The unification process was based on a strongly centralized model of state, intended to enforce national identity. The new model aimed at centralizing political accountability and unifying policy making and executive activities. In the aftermath of unification, the central government gained authority at the local level in almost every field. The focus of the authoritarian fascist regime (1922–43) remained the enforcement of nationalism without any room for regional differences.

The recognition of special status for some regions did not escape the top-down approach based on uniformity, with the special statutes being approved by a state constitutional law. Four special statute regions were introduced by the constituent assembly in 1948. Sicily and Sardinia were characterized by strong separate movements; Valle d'Aosta and Trentino-Alto Adige were included for the protection of their francophone and Germanic linguistic minorities, respectively. In 1963, the special status of Friuli-Venezia Giulia was recognized, acknowledging its cross-border nature and less-developed economy.

A second relevant stage began in the 1970s when three important reforms were introduced in Italy (the Giannini reforms): the reform of the healthcare system, the reform of the fiscal system, and the creation of regional governments. The decentralization trend was enforced in

1977 and again in 1997–98. It is worth noting that regionalism in the 1970s was also strongly based on uniformity in the (unsuccessful) struggle to ensure equity.

The 1990s marked the introduction of the most radical public management reforms in Italy. In the 1980s some rich and dynamic regions first called for greater autonomy, no longer based on disadvantages or on historical reasons. The Bassanini law n. 59/1997 enforced the **asymmetry trend** (in terms of functions transferred from the regions to the local governments) as a means to achieve substantial equity. This was confirmed by the constitutional reforms of 1999 and 2000 and enforced by the introduction of direct elections of the presidents of the regions (1999) and the role of regional statutes.

It is reasonable today to call into question the effectiveness of uniformity in reducing the gap among the different regions in Italy. The huge cultural and economic differences of pre-unified Italy persist, and modernization and managerial reforms have proceeded at different speeds. Furthermore, the experience of special regions is not encouraging. Statistics (such as the ISTAT [national statistical institute] poverty index, data from the Ministry of Health or the Ministry of Economy and Finance) describe a country in which regions that deliver public services and policies comparable to Scandinavian countries coexist alongside regions with high poverty rates. Greater regional costs and expenditures do not correspond to higher levels of quality.

Therefore, in Italy, regions can be classified in two ways:

- A **formal classification**, based on the distinction that the Constitution makes between special-statute and ordinary-statute regions. This special status, given to some border regions, was the price that the nascent Republic had to pay to ensure their loyalty. Today, the differentiation remains in only financial and dimensional terms (if we exclude Sicily) and is no longer motivated by historical origins.
- A **substantial classification**, based on an observed gap between regions (northern and southern) in terms of administrative capacity and performance. This north– south gap exists independently from the attribution of special status, as in the case of Sicily.

Italian public sector reforms generally involve every level of government (central administrations, regions, provinces, local governments, agencies, hospitals, universities) with varying degrees of intensity. In the specific case of local governments, the reforms of the early 1990s implied an increase in autonomy in three key areas (Anessi Pessina 2002):

- Organizational (managerial) autonomy through the Local Government Reform Act in 1990, civil service reform in 1993, and local government accounting reform in 1995.
- Financial autonomy through the introduction of local taxes and the progressive reduction of intergovernmental grants. In particular, in 1993 ICI (municipal property tax) was introduced, and in 1999 personal income tax surcharges were introduced by local governments.
- Decision-making autonomy, with the devolution of administrative functions and competencies from the central to local tiers of government and the simplification of administrative procedures (Laws 59/1997 and 127/97, also known as the “Bassanini

Laws”).

The reform process was substantially completed in 2001, vis-à-vis the reform of the second part of the Italian Constitution and the introduction of **horizontal subsidiarity** as a guiding principle for the assignment of responsibilities among different tiers of government. In fact, at a constitutional level, the reforms redistributed not only legislative powers between central and regional governments (Article 117), but also administrative functions between central and local governments (Article 118), and they granted greater financial autonomy to lower levels of government (Article 119) (Bordignon et al. 2007).

Although the main purpose of these reforms was to enhance efficiency, accountability, manageability, and autonomy in a multi-tiered government, their results and impact have been controversial. In particular, an overall increase in Italian public sector spending has been seen in the last 15 years. First, the shifting of powers from central to local governments **failed** to produce the expected **expenditure reductions** of **central** entities, while on the other side of the spectrum, local governments generally increased their expenditures to manage their new functions. In the Italian political scene, this outcome is known as the cost of devolution. Second, inefficient intergovernmental financial relations (characterized by grants calculated on historical expenditures, central bailout expectations, and the lack of sanction mechanisms for local government fiscal indiscipline) have tended to stimulate overspending within local governments and produce unsustainable deficits. This result reveals that decentralization may be dangerous if it allows subnational governments to expand their expenditures while pushing the costs on to others. Third, the devolution of services, when accompanied by negative factors like sunk costs, has often generated inefficiencies and much higher public spending. Moreover, the devolution of services has often involved the establishment of private organizations owned by local governments which, being affected by politics, often prove to be inefficient and badly managed.

Another legacy of these reforms has been duplication and confusion in many areas of shared rule among orders of government. An example is the 2001 Constitutional reform that introduced a concurrent legislation (i.e. national and regional laws have the same force) in policy areas such as energy, tourism, industry, among others. This increased the level of conflict between regional and central governments, also because **coordination mechanisms were weak**. The reshaping of the public sector’s macro-structure through the redefinition of responsibilities has generated a hybrid and complex form of multilevel governance. After a period of constant increases in local government autonomy since the middle of the 1980s, the central government has, since 1999, progressively reduced the financial autonomy of local governments.

Intergovernmental Cooperation

The Conference of Services is an institution introduced by Law (n. 241/1990) in order to simplify and coordinate the actions of public administrations at different levels, facilitating the country development. To overcome the slowness of the public decision-making processes and to eliminate the enormous delays on the acquisition of the necessary authorizations to

undertake public work projects or to set up businesses, the conference of services requires the contextual exams of the different aspects involved in the work project or in the new business activity and, in particular, the assessment of all the interests involved in the administrative procedure. A recent reform has modified the institution 25 years after its creation in order to overcome the main issues and to introduce simplifications and innovations.

Since 1990, the regulation regarding the conference of services and defined by Law (n. 241/1990) has been modified until nowadays by almost every government and, in particular, by Law n. 15 in 2005. The article n. 2 of the law decree for the reorganization of the public administrations (law n. 124 /August 7th 2015) has required the redefinition and simplification of the regulation regarding the conference of the services based on different directive criteria such as the reduction of delays and the number of cases when the conference is compulsory, promoting the use of ICTs in public offices, and the possibility to hold the conference asynchronously. Moreover, article n.2 provides the simplification of the decisional model by envisaging the participation of only one delegate for all public administrations and by deciding upon which cases the physical presence of the public administration leaders is required.

The Council of Ministers approved the legislative decree n. 127 on June the 15th, 2016 regarding the reorganization of the Conference of Services and it came into force on July 28th 2016.

Multilevel Governance and Public Sector Reform

“The process of decentralization has been accompanied by vocal concerns from the provinces and regions that they are being delegated new tasks from the centre without adequate resources to carry them out unfunded mandates” (Pollitt and Bouckaert 2011). In Italy, intergovernmental financial relations are traditionally characterized by a low level of commitment on the part of both central and local governments. The presence of **large fiscal imbalances**, both vertical and horizontal, among different orders of government and territories, along with **central bailout expectations** have historically encouraged **fiscal indiscipline**. In order to eliminate **moral hazard** and to prevent local entities from shifting the costs of their fiscal irresponsibility onto the collective, the Italian central government—the only body directly responsible at the European level for the state of public finances—has adopted very stringent subnational rules (i.e., rules on budget balances, expenditure caps, ceilings on own local revenues). The Italian Domestic Stability Pact has had modest success in aligning the fiscal behaviour of subnational government units with national commitments (Cepiku et al. 2016; Mussari and Giordano 2013).

In order to address these concerns, the Italian government introduced **fiscal federalism in 2009**. Law No. 42 (May 5th, 2009) (delegation to the government on matters of fiscal federalism, in accordance with Article 119 of the Constitution) establishes the principles of Italian fiscal federalism that should guarantee a higher level of revenue autonomy for regions and local authorities, while maintaining the progressivity of the tax system. First, it provides for the assignment of autonomous resources to municipalities, provinces, metropolitan cities, and regions, in relation to their respective competencies and according to the principle of

territoriality. Second, the law guarantees that regions and local authorities can “shift” taxes, albeit within the constraints set by state law. Third, it states that public functions will be fully financed through equalization. Full financing will not be related to the costs actually incurred but will be based on “standard needs,” which are the expenditures corresponding to an average good management cost. As a consequence, regional and local administrations are forced to be efficient in order to avoid resorting once again to fiscal leverages to obtain financing. In order to apply these principles, Law No. 42/2009 required the government to adopt, within 24 months (delayed an additional six months), eight legislative decrees that set the rules and mechanisms under which fiscal federalism would work.

The reform aimed at abolishing the provincial level of government started in 2013 with the Letta government and continued in 2014 with the approval of the so-called Delrio law, under the Renzi government. The reform created metropolitan cities, which should take on the main functions of most part of the abolished provinces, and encourages inter-municipal cooperation and mergers for other functions. Some provinces however continue to exist – renamed in *enti di area vasta* – and are required to reorganize and to provide services such as school buildings maintenance, road maintenance, environmental protection and enhancement, transport and provincial roads maintenance, equal opportunities and fight of discrimination in employment practices. This reform was a failure in several regards: local governments, under fiscal stress, were slow to take over provincial functions, funding to remaining provinces was severely cut, leaving them unable to manage the functions that the law still allocated them, and few regions, which were called to regulate the reallocation of territorial responsibilities, were innovative in this. By January 2017, the head of all provinces have been renewed: no more an elected president, but mayors. As a matter of fact, the abolishment of provinces required a modification of the Constitution, which was part of a referendum held years after, in 2016.

6. Sweden

Sweden is a unitary, but highly decentralized, parliamentary state. Besides the national governmental level, local self-government, through municipalities and county councils/regions (*primärkommuner* and *landstingskommuner/regioner*), is described in the constitution (Instrument of Government, Ch. 1). Democratic assemblies are elected at the national, regional and local government levels. A highly proportional electoral system co-exists with a (growing) multiparty system. On the national level, minority governments are common (Wockelberg 2015). Subnational governments are found on two territorial levels, the regional level with 20 self-governed units (county councils/regional councils) and the local level with 290 municipalities. The two subnational government levels are of equal standing, i.e. one territorial level cannot control the other (Montin 2015).

The power distribution between the centre and local and regional government is not easy to describe in a clear-cut way. From within an international perspective, Swedish local self-governance is comparatively strong (Lidström 2015), while at the same consumes around 25% of GDP. Besides being defined in the constitution, there are however quite weak constitutional safeguards for municipal powers. The national parliament has the ultimate power to abolish local and regional governmental privileges and the judicial system lacks a way (i.e. a

constitutional court) for subnational government levels to raise complaints over national government actions that disrespect their autonomy (Lidström 2015). Moreover, while both local and regional governments have the right to collect taxes, the central government redistributes parts of their tax revenue within the so-called “Robin Hood” taxation system. The national level’s interest in local and regional government performances is fuelled by the fact that they are the main provider of many welfare services including health care (regional level), and social care and education (local level). With the provision of welfare output comes large expenditure and (to a varying extent) a central political interest in the quality and cohesiveness of the services. Hence, central government legislates, regulates (i.e. state agencies regulate) and monitors policy areas where the local and regional government levels conduct mandatory tasks (Montin 2015; Lidström 2015).

To fully understand the power distribution across territorial levels it is wise to include three main developments of the last decades into the analysis. First, public management reforms aimed at marketization of social care systems and local level education has brought new types of actors and relationships to the fore. Second, the need for cooperation and network governance at the local and regional levels should be noted. And third, the Swedish EU membership has provided local and regional governments with a new central node and infrastructure for decision-making and implementation, and hence with the possibility to engage directly with EU level organisations (Montin 2015; Lidström 2015)

The Swedish system is commonly described as having an hour glass-shape, with a narrow, regional waist. Looking at the distribution of power as in legislative and regulative mandates on the one hand and financing and provision on the other, one could be tempted to perceive local governments as implementing agencies rather than self-governed entities. While there are constitutional safeguards for local self-government, the formal and practical capacity for the national government to control local governments is evident. The relationships across territorial levels is however sometimes described as a negotiated order (Feltenius 2015; Montin 2015), a reasonable conclusion due to the national government’s dependency upon local government for the implementation of welfare functions.

Tasks of the municipalities

Mandatory tasks:

- Social services (including elderly services, services for disabled people and individual and family services)
- Pre-school, compulsory and upper secondary education
- Planning and building matters
- Environment and public health protection
- Refuse collection and waste management
- Water and sewage
- Rescue services
- Civil defence
- Library services
- Housing

Voluntary tasks:

- Leisure and culture
- Technical service
- Energy provision
- Street maintenance

Shared tasks for municipalities and county councils

- Regional and local public transport

Tasks of county councils

Mandatory tasks:

- Health and medical care
- Dental care for children and young people up to 20 years age

Voluntary tasks:

- Culture
- Education
- Tourism

Intergovernmental Cooperation

As in many Western mature welfare states, the need for coordination across territorial and sectoral borders in contemporary Sweden is identified as a necessity in order to deal with complex issues and increasing demands for sustainable policies in many areas. The state sector is described as fragmented with drain pipe-modes of operation and organisations but most state agencies are involved in both compulsory and voluntary horizontal cooperation (Johansson 2017). As a means for pooling resources and to solve common problems the local and the regional government levels coordinate their operations. One of the features of regional policy is network governance (Sundström 2015).

Swedish national governments use various policy tools to coordinate processes across levels and sectors. Recently, temporary so-called national coordinators or tsars have been mandated to accomplish pushes and pulls towards coordination in many policy areas. The title national coordinator (nationell samordnare) can hide a broad set of missions and mandates, as well as different organizational arrangements. There are three main types of national coordinators: negotiators, analysts and instigators (Statskontoret 2014c). A national coordinator is commonly appointed when central government needs many actors to coordinate their efforts to solve a complex problem. A coordinator works outside the regular state apparatus (agencies), but has some type of organizational base within the state apparatus, either within the government offices or in the form of an investigating committee which is a type of temporary state agency. The working methods and end products of coordinators vary, but a main theme is that coordination should be voluntary. A recent evaluation of national coordinators gives a mixed impression. The flexibility of the coordinators' mandates have been discussed both as an asset and as a problem (e.g. for transparency) (Riksrevisionen 2016).

Coordination activities are not dominated by the national level but could more reasonably be described as a negotiated order with strong informal dimensions. Coordination across levels is

accomplished through strong partisan ties that exist between elected representatives. Importantly, it is also organized in close collaboration between Swedish governments on the one hand and the private organisation the Swedish Association for Local Authorities and Regions (SALAR) on the other hand. Contemporary analyses tend to bring up SALAR as a very important actor in the multi-level system and note its status as private organisation to a large extent funded by the state (Montin 2015). In reality, SALAR acts both as hub/network of municipalities to share experiences, discuss challenges, seek for common solutions, advocate towards the central government (like recently due to impact of the Covid-19 crisis, through the facilitation of addressing measures, financing of immediate responses to tackle multiple aspects of the pandemia in local level), liaise local authorities with EU institutions and counterparts in other EU and non EU countries etc.

Swedish Multi-Level Governance and Its Main Challenges

In order to facilitate efficiency and e.g. equal and fair treatment, the state sector has been centralized through mergers of state agencies. What is described as a sectoral drain pipe-mode of operations is often identified as problematic when state agencies are called upon to coordinate with each other or with local authorities to solve problems that cut across policy areas and levels (Niklasson 2012).

While Swedish local governments on average cover rather large territories (Lidström 2015), they vary a lot in size and hence in resources across the 290 municipalities and 20 county/regional councils. Scale, as inhabitants or tax revenue, is an often-debated issue. The national government's redistribution of tax revenues and (to a limited extent) supportive funding of local or regional government activities are ways to even out possibilities and performances across local and regional governments (Feltenius 2015). The contemporary migration situation is a clear example of the types of coordination challenges the multi-level system faces. In short, while national policy goals and standards often (but not always) aim at homogeneity in output and outcome, resources and challenges vary across and within the different territorial levels.

Main Reforming Initiatives in Subnational Governance

The main themes in public administrative reforms since the 1970s are decentralization, marketization, managerialization and network governance. Decentralization and marketization has often been aimed at increased levels of user choice and service orientation. The fiscal crisis of the 1980s however also increased the interest in different types of marketization, both in form of de-regulation and reforms within the public sector. Management reforms have been implemented in the form of **management by results** and the managerialisation of public authorities. Network governance, finally, is more prominent on the regional level (Sundström 2015).

Central government has historically implemented administrative reforms allowing municipalities and county/regional councils increased autonomy over matters like their own organization. At the same time, national legislation regulates the subnational governments'

fiscal autonomy in so much as defining a requirement on balanced budgets. Furthermore, while some marketization reforms are mandatory, i.e. municipalities must allow private providers of schools, some care related policies are constructed to allow municipalities and/or county councils to decide for themselves what model of provision to implement. This means that the role of local and regional government in some of the main reforms varies.

The Swedish school system was the target for extensive political reform in the early 1990s. The Social Democratic government launched a municipalisation and decentralisation reform, which gave the 290 local municipalities employer-responsibilities towards the teachers. The right-wing government that followed launched a market reform by introducing school choice and independent schools, and this opened the way to non-public providers to start schools financed with vouchers (skolpeng). The decentralization and marketization of the school education system has led to performance-oriented ways of controlling schools and teachers, the empowerment of the “customer”, i.e. the parents of the school pupils, and in addition to this a School Inspectorate has been launched to scrutinize schools and their staff. In the Swedish public debate the deprofessionalization of the teacher profession is today recognized and very much on the agenda. At the moment, there are even political and academic commentators suggesting re-nationalization of the school system. At the very heart of this development lies the fact that Sweden’s results in OECD’s PISA-ranking has fallen abruptly ever since these rankings started out. Apart from decreasing school results, it is also asserted that these reforms have resulted in increased differences in the results between schools and in increased school segregation (Molander 2017).

Transfers of policy issues from national government to the local levels are formally top-down processes. Furthermore, the state level was in relative terms early with the introduction of many of the New Public Management ideas that have been influential in Sweden. This said, it must be noted the fact that most municipalities and county/regional councils today have introduced NPM-style management ideas such as performance management (Montin 2015).

Returning to the issue of scale, national government initiatives to transform the organization of regions have repeatedly **failed**. The argument brought forward for mergers of both state agencies on the regional level and regional self-governed units is that larger entities are better equipped to meet the challenges that geography and demography puts on the public system. In this case, the national level is apparently neither willing nor able to push regions into mergers since the political cost involved is high. A top-down reform of the territorial organization of regional self-government would be an un-popular development from the perspective of important stakeholders, and so far, attempts to stimulate voluntary mergers have not been successful enough.

7. Greece

Institutional Set-Up – Tiers of Government

According to the Greek constitution, public administration is in principle decentralised (article 101 of the Constitution). Yet, as even a cursory observer of Greece would notice, public

administration in Greece is highly centralised. Most government expenditure flows from the central government, while sub-national authorities have relatively few resources and competences. The central government consists of the central services of Ministries, each overseeing a plethora of public bodies and state agencies. There are also **7 decentralised administrations** (essentially branches of the central administration in Greece's periphery), **13 regional authorities** (founded in 1986 and headed by **elected** regional governors and regional councils) and **325 municipalities** (created in 2011 by merging 1034 municipalities and headed by mayors and municipal councils).

Such merging of municipalities was deemed necessary in 2011 in order to create economies of scale, decrease local government expenditure and establish local government units sizeable enough to marshal resources and skills useful for the absorption of EU funding. In the past small, inadequately-resourced municipalities could not access adequate funding. However, the permeation of local politics by the nationwide political party competition and the replication of national political feuds at the sub-national level, a result of Greece's polarised party system, did not allow for the full exploitation of any new administrative capacities. Mergers of smaller municipalities into larger ones occurred but did not necessarily produce the desired results because other prerequisites were missing. For example, the formal educational credentials and skill level of local government employees traditionally lagged behind the corresponding credentials and skills of central government employees.

Centralisation of decision-making is evident not only with regard to local government, but also related to sectoral policies. Legal entities, such as public hospitals and public universities, are under the very close supervision of the central government which decides on petitions by universities and hospitals to hire personnel (e.g. medical doctors, professors, researchers) and whether to channel state budget funding towards these legal entities or not. The same holds for numerous other state agencies, including, for example, Greece's state-owned railway company (*OSE*) or the state-owned Athens Water Supply and Sewerage Company (*EYDAP*).

With the exception of some policy sectors in which implementation is relegated to the municipal level and – less often – to the regional level, most powers remain in the hands of the central government. In practice, even if sub-national authorities have exclusive powers, they enjoy rather **limited** autonomy and discretion. The reason for this dependence of the periphery on the centre of the Greek state is that **almost all tax revenue** is raised by the **central government**. Moreover, the central government also frequently changes the general policies and specific regulations governing centre-periphery relations in the Greek administration. As a result, rarely have any agreements and negotiations taken place between the different government levels.

Pressure 'from below' to change tendencies of over-centralisation is not forthcoming. For instance, the central association of municipalities (*KEDE*), which is a national-level organisation representing municipalities, has often been internally divided along political party lines and has never had the economic resources or the political leverage to act independently of the Ministry of Interior, which oversees local government in Greece.

Nevertheless, there are elections for mayors and municipal councils every five years, coinciding with elections for governors and the governing councils of regions. As already noted, in parallel with regional and local government, there are seven decentralised branches of the central government, called 'Decentralised Administrations'. Founded in 2011, these administrations are headed by a **government appointee** and are assigned the task to supervise regional and municipal authorities. Based on the Constitution of Greece (articles 102 and 103) and law 3852/2010, the seven decentralised administrations have all those competences which - according to the constitution- should not be managed by the local government. Examples of such competences include assessment of legality of administrative acts issued by municipal authorities, protection of forests, and management of state assets such as landed property.

The 'Decentralised Administrations' are similar to the French 'préfet' system. After all, since its inception in 1830, the Greek administrative system and administrative law bore many influences exerted by France. For a long time afterwards and until the regional elections of 1994, Greece's regional governors and/or 'préfets' were selected by the government-of-the-day. Overall, there were 50 'prefectures' which today are subsumed under the 13 regional administrations. In the past, however, things were different. Greek 'préfets' were political appointees entrusted with the task of monitoring the elected mayors in their own 'prefecture'. Further on, depending on the local political circumstances, mayors disputed the authority of the 'préfets'. In this context, today's seven 'Decentralised Administrations' (smaller in number but larger in size) can be understood as a legacy of the system of the former 50 'prefectures' and a compromise of the long historical tension between elected officials and appointed officials in charge of Greece's sub-national authorities.

Over time and owing to pressures from EU authorities, regional authorities have acquired some administrative competences. Since their establishment in 1986, the 13 regional authorities have also absorbed EU funds, supplied by the European Union's regional policy. However, most competences largely remain in the hands of central government. Most importantly, there are competences shared between the central government and sub-national authorities on different policy issues, allowing the central government to have a hand in the daily management of regional and local issues.

In contrast to other states of Southern Europe, such as **Italy** or **Spain**, in Greece there are few, if any, consolidated regional identities, couched in terms of religion, language or history. Thus, regional administrations are not really distinguishable from the central administration on the basis of regional identities of the kind one finds in other South European countries. What is more, the long-term centralising tendencies of successive Greek governments, mean that the central government may any time encroach on exclusive regional and local powers, including in policy fields in which in the past it has delegated powers to sub-national government levels. Notably, regional governors were appointed by the central government until 1994, when the first regional elections took place.

Moreover, the overall administrative capacity of the regional and local government levels is very uneven. With a few exceptions, civil servants working in regional and local government are not as skilled as civil servants working in central government. The **effectiveness** of sub-

national levels of government is **clearly suboptimal**. The flow of resources - for example personnel, funds and digital infrastructure - channelled from the centre to the periphery of Greece's public administration- is often inadequate for policy implementation.

Financial & Crisis Management

Responsibilities, budget and capacity are aligned to the extent that the Ministry of Interior can impose discipline on regional and local authorities. Since the beginning of the crisis, this task has been assumed practically by the Ministry of Finance. The latter has drastically cut funding, as in the past mayors and regional governors tended to overspend by hiring excess administrative personnel, **such as temporary employees**, in a typical **public jobs-for-votes exchange**. Mayors used to count on either the **central government's last-minute intervention** to cover **deficits** in municipal budgets or on the availability of loans granted to municipal authorities by state and private banks. The fiscal consolidation of 2010-2017, imposed by the 'Troika' (i.e. European Central Bank, European Commission and International Monetary Fund), in order to manage Greece's soaring public debt, has ended all this. The reform of municipalities in 2011 was guided to a great extent by the need to decrease central government outlays channelled to the local government. However, before the crisis erupted, the finances of many municipalities were already unsustainable, and mayors had incurred large debts. As a consequence, many municipalities are in the red, while one municipality in the Peloponnese and two large municipalities located in the vicinity of Athens officially declared default in 2016-2017. They are currently under separate rescue programmes supervised by the Ministry of Finance.

In view of the above, the cooperation between the various government levels is usually strained. Political conflict arising from the fact that competent ministers and regional governors or mayors belong to opposing parties is often exacerbated by the scarcity of funding. This pattern became particularly evident after Greece came to the brink of sovereign default in 2010, 2012 and 2015. Thus, owing to fiscal constraints imposed on the Greek central, regional and local governments by the Troika, the system is less fragmented than in the past, but it is not necessarily homogeneous.

With regard to public administrative reform, sub-national government levels are not relevant in the sense that they rarely initiate reform. All administrative reforms are conceived, formulated, introduced to the legislature and implemented 'from above', namely by the Ministry of Interior and the Ministry of Digital Governance (formerly Ministry of Administrative Reform and E-governance).

8. Portugal

Institutional set-up – Tiers of government

Portugal is a unitary State with two autonomous regions (the archipelagos of Madeira and Azores). The country is divided in **18 districts, 308 municipalities** and **3092 parishes**. The main level of territorial organization, which dates from the Romans, is the municipal system of local

governance (Matoso 1993). Nevertheless, the four decades of dictatorship were responsible for the **over-centralisation** of government, until the 1974 Revolution, when a new Constitution defined Portugal as a unitary state that includes two autonomous regions with their own institutions of self-government, but one that must respect in its structure and activities the principle of subsidiarity, the **autonomy** of local authorities and the **democratic decentralisation** of public administration. These principles represented an absolute break with the past, but the practice proved to be problematic. **Municipalities are the most important regional actors**, being historically stable and linked to Portuguese identity, although **dependent on central state for resources**. The parishes have very limited functions, scant resources and little technical and administrative capacity.

Administrative regions were never created, reflecting limited territorial/regional demands for such structures and centralist opposition to regionalisation. However, the non-existence of administrative regions is balanced by the creation of structures above the municipality, as there are also supra-municipal institutions and de-concentrated regional bodies (e.g. Regional Coordination and Development Commissions) with limited power. Notably, several associations of municipalities have emerged, including the National Association of Municipalities, which was created as an interest and pressure group to lobby on behalf of its members (Ruivo 2000). But, if decentralisation emerged as a key element for political and institutional reorganisation, the deep dualities which divide the country – coastal and inland areas, North and South, urban and rural, as well as an imbalanced distribution of resources and income continued to favour the concentration of power and administrative bodies in the capital. Many key issues of the welfare state, concerning both the distribution and the democratisation of the political system, went unaddressed. The state has remained highly centralised and dominant in the policy-making area, as in the pre-1974 period (Rodrigues & Madureira, 2010).

The Parliament of Portugal is made up of a single Chamber, called Assembly of the Republic. Being one of the organs of sovereignty consecrated in the Constitution, besides the President of the Republic, the Government and the Courts, the Parliament is, according to the fundamental law, "the representative assembly of all the Portuguese citizens". As in all other states, in Portugal, the State and Public Administration Organization is a vast and complex reality. Traditionally, the Portuguese Public Administration is understood in a double sense: organizational sense and material sense. In the organizational sense, public administration is the system of units, structures and agents of the State and other public entities that aim at the regular and continuous satisfaction of collective needs. In the material sense, public administration is the proper activity developed by those units, structures and agents.

Considering its organizational meaning, in Portugal it is possible to distinguish in the Public Administration three large groups of entities:

- Direct State Administration (DSA) in Central Public Administration,
- Indirect State Administration (ISA) in Central Public Administration,
- Autonomous Administration (AA) in autonomous Regions of Azores and Madeira

The relationship that these large groups establish with the Government, in its constitutional quality as supreme structure of the Public Administration, is different and progressively more tenuous. Thus, entities of the Direct State Administration are hierarchically subordinated to the Government (power of direction), entities of the Indirect State Administration are subject to its superintendence and guardianship (powers of guidance and supervision and control) and entities that integrate the Autonomous Administration are subject only to guardianship (power of supervision and control). According to the classifications and typologies of comparison of public administrations usually used, Portugal is part of the Continental European Napoleonic Model, characterized by a strong centralized government, a comprehensive, political culture-rooted acceptance of centralized governmental regulatory authority and powerful centralized bureaucracy (Kuhlmann & Wollmann, 2014: 16). Within the Napoleonic tradition, Portugal is inserted in the subcategory of Southern European States marked by a formally dominant legalistic tradition and structure. Overall, in Portugal, power and decision making are very concentrated in the Central Government. However, there is some autonomy in the regions and in the local authorities at funding and provision levels.

Table 16 Public administration characteristics and performance of Portugal

Government level	Legislation	Regulation	Funding	Provision
Central government	laws of the country are produced by the Assembly of the Republic and the Central Government.	Regulation in Portugal is still very embryonic. So far, the responsibilities in this area have been taken over only by the Central Government .	Especially through taxes and indebtedness.	<ul style="list-style-type: none"> - Defense - External Affairs - Internal Affairs - Justice - Finance - Economic Affairs - Environmental Protection - Social Welfare - Health - Science and research - Education.

State/regional government	Autonomous Regions of Azores and Madeira can legislate in the regional scope in matters stated in the respective political-administrative status and which are not reserved to the organs of sovereignty.		<ul style="list-style-type: none"> - revenues from the collection of taxes on the economic activity generated in Regions or regional revenues, - indebtedness, - revenues from transfers from the State Budget, - revenues from projects of common interest. 	Autonomous Regions can provide services in all areas except national defense and external affairs.
Local government	Local Government has no legislative capacity.		<ul style="list-style-type: none"> - revenues of the municipalities: taxes, fees and rates, - transfers from Central Administration (State Budget), - indebtedness, - Decentralized cooperation (agreements and cooperation protocols), - use of public-private partnerships to Financing of investment projects 	Municipalities have competences in the following areas: Rural and urban equipment, energy, transport and communications, education, heritage and culture, leisure and sports, health, social action, housing, civil protection, environment and basic sanitation, consume protection, development promotion, land use planning and urban planning, municipal police and external cooperation.

Source: Public administration characteristics and performance in EU28: Portugal, EC, p. 10

What distinguishes the Regional Governments from Central Government is its territorial and material competence. In fact, while in the case of the Central Government, competence concerns all matters and is exercised throughout the national territory, the public bodies, agents and services of the two Regional Governments of Madeira and Azores have limited competence to matters of interest to the respective populations that are not Constitutional and statutorily limited to the Central Government (as with national defence and external relations, for example) and exercise their competence exclusively on the territory of the respective region and within the limits of regional autonomy defined in the Constitution of the Republic and in the respective political-administrative procedures.

Local government is made up of local authorities (legal entities with a territorial base, with their own representative bodies that seek to pursue the interests of their respective populations). The competence of Local Government bodies and services (autonomous) is also restricted to the territory of the respective local authority and to matters established by law. Traditionally they have fundamental competences in a wide range of domains and activity sectors (urbanism and territorial ordering, environment, health, education, social assistance, infrastructures, etc.). The decentralization of the state to the local autarchies constitutes the structural principles of this evolution. Another tendency has to do with the reinforcement of the abovementioned Regional Coordination and Development Commissions (CCDR) that constitute decentralized organisms of the state, with relevant functions in the domains of territorial ordering, support and planning of local autarchies.

Although they can manage their budget and legislate, regional and local governments always depend on the Central Government and on what is provided in the State Budget. The reform of public administration in Portugal almost always depends on the decision-making of the Central Government. Indeed, even changes at the local level such as those introduced in 2012 (Legal Regime for Municipal Administrative Reorganization - law no. 22/2012) and 2013 Administrative Reorganization of Parishes Territory (law no. 11-A / 2013), which contributed essentially to the reduction of the number of parishes in the country, are legislated within the scope of central power.

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