THE IMPACT OF ADMINISTRATIVE REFORMS ON DEMOCRATIC GOVERNANCE IN SWITZERLAND

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1. Introduction

The starting point of this paper is the acknowledgement of the empirical diversity covered by the category “administrative reform”. Since the early 1980s, New Public Management (NPM) has been a dominant trend in many countries. As Toonen (2001) puts forward, NPM has turned into a normative model of how government should act whereas the way in which New Public Management is being translated into real administrative reforms varies considerably. Consequently, we shall speak about administrative reforms rather than reform. In this paper, we argue that in order to capture the various - and potentially contradictory - consequences of administrative reforms on democratic governance and the quality of government, we have to disentangle that concept and investigate its diverse empirical manifestations. Among all of them, we will discuss two main types of change: “agencification”, i.e. the creation of more or less autonomous structurally disaggregated public organizations, and reforms under the banner of better “performance and quality”, i.e. to stress the performance of public organizations, and the quality of their outputs, rather than concentrating more on the management of inputs (Pollitt & Bouckaert 1995). Both types of these administrative reforms share the main goal of improving the quality of government action: make government work better and cost less (Peters 2001). They also share the same ideological core of “delegation necessity” aimed at greater efficiency and effectiveness of governance. However these reforms are also of different nature, respond to distinct functional imperatives, and face different challenges. Therefore, in spite of their convergent objectives, these types of reforms represent a different challenge to democratic governance. Although there is an immense literature both on regulatory reforms (agencification) and on performance and quality, these two bodies usually grew in relative isolation from each other. Moreover, the effects of administrative reforms are often assumed, but rarely documented (Bouckaert & Peters 2004).

Our contribution will address this issue in the case of Switzerland, on the empirical basis of our respective PhD fieldworks. The paper is organised in the following way: in the next section, we will start by discussing NPM in a general manner and present both types of reforms that are studied in this paper. We shall then briefly see how NPM has defined and prescribed a normative model of “good governance” constituted by a list of specific criteria, two of them being accountability and transparency on which we are going to focus hereafter. The third section is dedicated to a presentation of our two cases of administrative reforms, one at the federal level (agencification), the other at the regional level (performance and quality). Then, the fourth section constitutes the analytical heart of our contribution and proposes a systematic study of how the accountability and transparency issues are addressed and influenced in both types of reforms. On that basis, we finally synthesize the convergent and divergent effects on these two criteria and make some broader remarks and assumptions about NPM reforms.
2. Administrative reforms and democratic governance

Since the early 1980s, New Public Management (NPM) has been a dominant trend in many countries. A central feature of NPM is structural devolution, disaggregation, the focus on efficiency, competition management principles and use of contracts (Self 2000). These ideas were differently implemented differently, into specific administrative cultures, at different levels of governance and with unequal emphasis on the various elements of the reform package (Wright 1994). However one of the key objectives of all these reforms remains the same: improving government efficiency. As the NPM has become a very dominant trend in the actual apparatus of public administration, it amplified interest in evaluation and use of indicators in private organizations (Pollitt 1988), in order to improve the three big “E”: Economy, Efficiency, Effectiveness. But a thin definition of efficiency centred on economic efficiency (productive efficiency, dynamic efficiency, allocative efficiency and transaction costs) and a transfer of purely private managerial strategies challenge the key notion of “quality of government”. Contrary to the private sector, public service has to take into account extra criteria such as equity, equality, social welfare etc. (Vigoda and Cohen 2004). Despite all the emphasis in NPM, efficiency and effectiveness may probably be the least important value for the public of the public, in comparison the humane and accountable manner in which way a service is delivered. It doesn’t mean that efficiency isn’t important, but that it is not necessarily the dominant value that it has been made to be (Peters and Pierre 2002).

2.1 Two types of reforms : agencification and performance and quality reform

In their panorama of administrative reforms, Peters & Pierre (2001: 5-10) acknowledge the broad variety of changes that have been implemented in the NPM trend. In that respect, they distinguish four principal types of change: agencification, deregulating personnel, empowerment and performance and quality reforms. In this paper, we will focus our attention on two specific types of change : on the one hand, performance and quality reforms, and on the other hand, agencification reforms.

The first case studied in this paper is structural devolution process, i.e. the creation of central agencies. This so-called agencification process concerns vertical specialization into separate institutions of the central government bureaucracy. Agencification is a process where new agencies are created or where existing agencies are given more autonomy (Jacobsson and Sunsdström 2007). It is, for sure, in fashion, but not a new phenomenon (Wettenhall 2005). “The idea is that policy formation should be handled by slimmed and trimmed ‘core executives’, while policy implementation should be carried out by professional executive agencies with considerable managerial freedom and an extensive duty to report to the core the results of their performances” (Jacobsson and Sunsdtröm 2007: 5). Following the seminal work from Hood and Jackson (1991) which put forward a framework of administrative doctrines, in contemporary public sector reforms, Pollitt et al. (2004: 35) list three main dimensions of the agencification process: Disaggregation, autonomization and
contractualization. The official model justifying agencification process goes as following: “by structurally separating executive tasks, by giving their managers greater autonomy, and by holding them to account for their performance, improved performance will follow” (Pollitt et al. 2004: 19). As mentioned above, agencification rests on the classical distinction between policy formulation and implementation. The reasons for establishing such structural devolutions are multiple and potentially contradictory (James 2003, Van Thiel 2001, OECD 2002). The positive ones include: To lessen political interference; to strengthen political oversight; to put public services closer to their users; to enhance expertise; to enhance flexibility; to facilitate all kinds of partnership; etc. However, there may also be less official motives (Pollitt et al. 2004, James 2003): to pay off political allies, to distance politicians from unpopular activities; to make economies by downsizing civil servants number; etc.

To sum up, agencification is an administrative structural devolution process concerning a separation both on a vertical dimension between agencies and ministries and on an horizontal dimension between different agencies responsible for different tasks (Christensen and Laegreid 2006), which creates a great amount of organizational complexity (Gregory 2003); however, following the OECD aims in favour of agencification process (OECD 2005: 108-111), the aims of such a process is to increase efficiency, to clarify responsibility and accountability mechanisms, to professionalize public administration.

The second type of administrative reform we analyse are performance and quality reforms. Mainly, this refers to the greater emphasis that has been progressively be put on outputs or results produced by public administrations rather than on the way they process inputs. As Peters & Pierre (2001: 7) put it, this thrust of reform is “to stress the performance of public organizations, and the quality of their outputs, rather than concentrating more on the management of inputs into the process – money, personnel, etc. The intention of these reforms is to provide citizens with higher quality services, as well as to change the managerial cultures within public organizations.” Broad objectives of these reforms are somehow very simple: basically, it is to promote a more effective, efficient and responsive government as Heinrich (2003) sums it up. Meanwhile Heinrich argues that this constitutes classical see old demands about government, she also highlights the fact that its novelty resides more in the sophistication and external visibility of performance measurement activities impelled by new legislative requirements aimed at holding governments accountable for outcomes (“outcomes-based performance measurement”) Hence, it is not surprising that this increasing emphasis or demand for performance - real “mantra” of the 1990s decade (Radin 2000 : 168) – has implied increased documentation of performance and strong calls for the definition of explicit outcomes of government action. Furthermore, this type of change is a perfect illustration of some of classical Hood’s core principles identified in NPM doctrine (Hood 1991): principle two (“explicit standards and measures of performance”), principle 3 (“greater emphasis on output controls”) and principle 6 (“stress on private-sector styles of management practice”). In short, performance and quality reforms share the following characteristics (Heinrich 2003): first of all, they introduce performance measures focused on quality of results or outcomes in government action; secondly, they include the implementation of formal reporting requirements in order to compare actual bureaucratic performance with defined goals or standards; thirdly, as a consequence, they claim for and introduce a performance accountability in public administration (managers are held
accountable of their results); finally, they often provide financial or budgetary incentives for performance, try to use performance information to promote continuous improvement and an increased citizen (or “customer”) satisfaction. Briefly stated, the introduction of performance targets is clearly a way to impose new forms of accountability to the administration (Pollitt 2003).

2.2 New Public Management, a normative model of democratic governance

As already mentioned, NPM reforms globally aim at one main overarching goal: improving the quality of government action, make it work better and cost less. All in all, NPM is a normative model of how politico-administrative activities should function. Therefore, it prescribes a model of good governance or a better democratic governance. But how shall a good “democratic governance” be defined in an NPM perspective?

A normative-prescriptive definition is given by the OECD, one of central actor in the diffusion of NPM ideas and practices across western countries (Saussois 2006). PUMA’s framework definition of good governance consists of 6 main criteria: accountability, transparency, efficiency and effectiveness, responsiveness, forward vision and rule of law (OCDE 1997 ; OCDE 2005). From an OECD point of view, accountability refers to a “government able and willing to show the extent to which its action and decisions are consistent with clearly defined and agreed upon objectives.” As far as transparency is concerned, the idea is that governmental actions, decisions and decision making processes have to be open to an appropriate level of scrutiny by actors such as other parts of the administration, parliament, civil society, and in some instances, outside institutions and governments. As for efficiency and effectiveness, that government has to produce quality public outputs – particularly in the service delivery to citizens – at the best cost, and to insure that these outputs are consistent with the original intentions of policy makers. Then, OECD defines responsiveness as the capacity and flexibility of government to “respond rapidly to societal changes, to take into account the expectations of civil society in identifying the general public interest.” It also stresses the necessary will of the government to constantly re-examine its own role (in society) in a critical manner. Linked to that is the criteria of having a “forward vision”, that is to say government has to be able to anticipate future problems and issues based on available data and observed trends. It has to elaborate policies that take into account future costs and the anticipated (demographic, economic, environmental, etc.) changes as well. Finally, all these requirements have to be realised in the framework of the “rule of law” (government shall enforce law in an equal and transparent manner).

All this normative and prescriptive model of democratic governance – whose cornerstone is public administration - is at the heart of NPM agenda. To sum up, a good government and public administration shall present the following characteristics:

- accountable
- transparent
- effective and efficient
- responsive, future-oriented and self-critical
- respectful of the “rule of law”

In this paper, we limit our analysis to accountability and transparency issues. Three reasons explain this choice. First of all, they are both very fashionable concepts and very central criteria of “good governance”. However, while they have been widely mentioned as kind of “categorical imperatives” of administrative reform programmes, they are not often disaggregated and studied as such. Besides, they constitute highly interrelated notions given that results-oriented accountability would be impossible without transparent access to the relevant information. Transparency is a necessary (but not sufficient) condition for accountability (Naurin 2006). Second, criteria such as efficiency and effectiveness have been already treated in quite extensive ways and finally appear to be not so dominant as one would have believed (Peters & Pierre 2002). Finally, practical reasons of feasibility motivate our choice: it would have been fairly difficult to obtain relevant data to measure them for our two cases. Hence, we consider our chosen focus to be more functional for a conference paper.

**Accountability**

Here, we give a useful working definition of the issue of accountability in public sector. Nowadays, accountability in public realm has become a very fashionable concept. It exists a very large literature on that topic (Bovens 2005; Behn 2001) and, consequently, a lot of possible definitions. Very broadly defined, accountability refers to a “social relationship in which an actor feels an obligation to explain and to justify his or her conduct to some significant other.” (Bovens 2005: 184). The idea is simple: an actor such as public administration has to give account about the way it acts. It is an important issue since public bureaucracies enjoy a certain level of discretion in the execution of their daily tasks. Therefore, holding administration accountable is a matter of control of a relatively autonomous actor.

Of course, the central question is: accountable to whom? Accountability can be of different types or forms. First, administration is held directly accountable to political officials (ministers and MPs): it is political accountability. Secondly, an organizational accountability chain exists inside administration. Here, accounts have to be given to the “head” of the organisation. Thirdly, public bureaucracies may also be held accountable in a legal way, that is to say towards judicial courts (legal accountability). Then, professional accountability should not be neglected. Mainly, this refers to accountability vis-à-vis the values, standards, norms and formal or informal codes of a given professional body. Inasmuch this accountability type refers to profession-related principles of a specific bureaucracy, its forms and content may possibly vary according to the related administrative unit. Finally, forms of direct accountability to the public/citizens/society can also exist, through various mechanisms (direct democracy, participation mechanisms, etc.) This can be labelled as direct citizen accountability.
Hence, both vertical and horizontal forms of accountability exist as far as public administration is concerned. Moreover, one can also distinguish between forms of accountability inside the organisation, and accountability outside the organisation. As Hill (2007) puts it, we have to acknowledge the important complexity in accountability issues that public administration face, mainly due to the existence of multiple accountees. Finally, in line with Bovens statement (2005), we shall be aware of the progressive shift from “simple” vertical accountability in the traditional democratic chain of delegation to more horizontal and complex accountability relationships. This is due to a series of causes, one of which being NPM reforms, whose focus on accountability issue and effects on it are important as we have shown below.

**Transparency**

Like accountability, transparency has recently become a very trendy and widespread concept in the public sector and in the debate about good governance. Here again, being a very polysemic word (Hood & Heald 2006), this concept needs some definitional work in order for one to be able to fruitfully work with it. Broadly defined, a transparent organisation is one “where it is possible for people outside to acquire information they need to form opinions about actions and processes within this institution.” (Naurin 2006: 91) More exactly, administrative transparency may refer to different types according to what is the object of the information which is rendered accessible. Four types shall be distinguished: first, documentary transparency, which refers to free access to the diversity of personal documents the administration possesses concerning a person. Secondly, organisational transparency corresponds to the knowledge of the organization and its way of functioning (processes, rules and decision criteria). Combined with the first type of transparency, this allows citizens not only to be informed about what is produced but also about how it is produced. Thirdly, financial and budgetary transparency aims at reporting the sources of funds and their use in public policies. Mainly, this deals with the production of financial information to the political authorities but also with the publicity of external audit reports and/or general controllers. Finally, a last type of transparency concerns administrative action and responsibilities: the administration is able to publicize and explain the meaning of its various decisions and actions and make publicly clear the respective obligations, duties and responsibilities of officials.

Hence, transparency refers to potentially very different things. However, as we can see, the key element of transparency is always information: Information about documents (access to), bureaucratic functioning, financial and budgetary aspects, and also about administrative actions, decisions, results and related responsibilities. Information could be seen both as object and goal of transparency (Spoerri 2007).

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1 In a more complex and analytical perspective, Heald (2006) distinguishes between a) event/process transparency, b) retrospective/“real-time” transparency and c) between nominal/effective transparency. According to the somehow more basic needs of our own analysis, and given that transparency is not the conceptual heart of our paper, we decided not to use those more complex distinctions.
3. The Swiss case of reforming public administration

Three reasons make Switzerland an interesting case for cross-national comparisons. First of all, Switzerland is often absent from the international comparison literature on administrative reforms. This is to be regretted inasmuch as Switzerland is among the small circle of NPM pioneers, alongside countries such as New-Zealand, the United Kingdom, the United States (Schedler and Proeller 2003); Secondly, Swiss administrative reforms have generally been neglected by political scientists and have been the object of more narrowly evaluation-oriented managerial research (for example, Schedler 1995; Thom 1998; Schedler and Proeller 2003; Ritz et al. 1999; Ritz 2003). Thirdly, and more broadly put, Switzerland is a very interesting case for investigating NPM reforms. Indeed, given its federalist structure, it provides to the analyst’s eyes a huge variety of reforming practices at the federal, regional see municipal levels. In that respect, Switzerland allows interesting intra-comparisons of NPM reforms, that we attempt to do in this paper. Moreover, Swiss versions of NPM are generally described as ambitious because having tried – of course, with more or less success - to realize the hard linkage between public managerial changes and broader considerations about the quality and efficiency of public policies themselves (Emery & Giauque 2008 : 4 ; Gibert 2002).

3.1 Two illustrations of administrative reforms

Structural devolution in Switzerland: the 4 circles of the federal administration and the “MPM” programmes

Our first example comes from the federal level and puts forward a case of structural devolution of the central administrative apparatus: the launch of “Management by Performance Mandate and Global Budget” (MPM) programmes.

Taking into account the definition of Pollitt and al. (2004), this process fosters the creation of central agencies at the federal level, that is organizations whose status is principally or exclusively defined in public law; organizations which are functionally disaggregated from the core of their department; which enjoy some degree of autonomy; which are nevertheless linked to the department in ways which are close enough to permit ministers/secretaries of state to alter the budgets and the main operational goals of these organizations; organizations which are therefore not statutorily fully independent; finally, organizations which are not commercial corporations. Also, if we take a narrow definition of regulation – regulation as a) goal formulation, rule-making, and standard setting; b) monitoring, information-gathering, scrutiny, inspection, audit, and evaluation; and c) enforcement, behaviour modification, and the application of rewards and sanctions (Hood, Rothstein and Baldwin 2001 quoted in Christensen and Laegreid 2005) – it is important to notice that these agencies are not regulatory agencies. Despite, this process of structural devolution described below is a clear process of agentification of the federal administration.
Hereafter, we will first of all briefly describe the Swiss federal administration. In the second part a focus on the structural devolution of the central administration will highlights the process of agencification. The third part will provide an explanation of the concrete functioning of “MPM” programmes.

*The Swiss federal administration and its structural reforms*

From a legal perspective, the Swiss federal administration is organized in the following way. First, the central administration which corresponds to the seven federal departments (the Federal Department of Justice and Police, the Federal Department of Home Affairs, the Federal Department of Foreign Affairs, the Federal Department of Finance, the Federal Department of Economic Affairs, the Federal Department of Defence, Civil Protection and Sport, the Federal Department of the Environment, Transport, Energy and Communications) and to the Federal Chancellery. Second, the decentralized administration consists higgledy-piggledy of autonomous firms, autonomous organizations, independent authorities and also committees with decision-making power.

Initiated into the 1990’s the Reform of the Government and the Administration (RGA) was a very controversial topic during these years (Varone 2007). The first project had been rejected in a popular vote in October 1995. Shortly after the Federal Council (government) proposes another, more consensual, approach. On the 1st of October 1997, the Law for the Organization of the Government and the Administration (LOGA) came into force. This fundamental law is a technocratic and apolitical response to a governmental crisis and responds to a conflict between the parliament and the executive over the distribution of responsibilities for the organization of the federal administration (Varone 2007). The two main innovations are:

- The right to organize the administration is attributed to the Federal Council instead of the Parliament
- The possibility to manage certain offices under New Public Management principles.

The Swiss federal administration can be represented by four concentric circles. This model pictures simultaneously the influence of politics and of the private market logic. The core circle represents the classic weberian administration. Then as we move away, the influence of market logic increases.

- The core represents the central administration which carries out the coordination and the formulation of policies, as well as it provides management services.
- The “Management by Performance Mandate and Global Budget” (MPM) offices represents the second circle (see below).
- A very hybrid combination of public agencies, public institute and wholly state-owned firms forms the third circle.
- The last circle consists of special-agreement or private companies whose majority shareholder is the Swiss Confederation.
In addition of the LOGA, the Federal council introduced NPM principles into the offices of the second circle. Accordingly, in the 1990s reforms were launched at all state levels to restructure the state budget. The MPM management model was part of the modernisation activities in the public sector so as to be able to carry out task accomplishment more efficiently and more effectively. The MPM project was coordinated with the then ongoing government and administration reform (RGV above explained). Between 1997 and 2001 in the pilot phase, eleven administration units were converted to MPM. The project conclusion and the accompanying review of the project goals strived for (MPM evaluation report for the attention of the Federal Council and Parliament) showed that the MPM management model had proven its efficacy. Thus in 2002 MPM was converted into a programme and was consequently definitively introduced. Within the scope of the evaluation report, the Parliament requested the Federal Council to define a corporate strategy for the further development of MPM. The Federal Council outlined this strategy in the dispatch to the new Financial Budget Act of 24 November 2004.

Figure 1: List of “MPM” programmes in operation and the correspondent date of launch

**Federal Department of Foreign Affairs**
- Swiss Government Travel Centre 2007
- FDFA IT Service Centre Telematics 2007

**Federal Department of Home Affairs**
- Federal Office of Meteorology and Climatology MeteoSwiss 1997
- Swiss National Library NL 2006

**Federal Department of Justice and Police**
- Federal Office of Metrology METAS 1999
- IT Service Centre FDJP 2007

**Federal Department of Defence, Civil Protection and Sport**
- Federal Office of Topography swisstopo 1997
- Federal Office of Sports 2001
- armasuisse Real Estate 2007
- armasuisse Science and Technology 2007
- Federal Office for Civil Protection 2007

**Federal Department of Finance**
- swissmint 1998
- Central Compensation Office 1999

**Federal Department of Economic Affairs**
- Central Office for Civilian Service 1999
- Agroscope 2000
- Swiss National Stud Farm 2000
Under the rhetorical standard “Management by Performance Mandate and Global Budget” the executive “manages” these offices on the basis of a four-year service contract, which defined what tasks and services were to be provided by the administrative unit according to the types of administrative products (Varone 2007). This programme clearly follows the concept of outcome-oriented public management. The goal is to gear state operations/action increasingly to measurable output and outcome, to delegate tasks and responsibilities to the appropriate level in administrative units, to improve the efficiency of administrative units and to adopt tried and tested management instruments from the private sector. The objectives of such an administrative reform programme are the following (FF 2002 3320, FF 2002 6121):

- Increased delegation of tasks, authority and responsibility
- Disentanglement as far as possible of strategic and operative management and development of corresponding management instruments
- Reorganisation of the administrative units to become service centres with increased responsibility for results and extending autonomy
- Changing the culture of the administration towards being geared to objectives, results, clients and costs

Apart from the structural devolution, two main instruments have been used in order to achieve this agencification process: a performance mandate and a global budget. The Federal Council controls the MPM administrative units via a performance mandate which lasts several years. This mandate defines output and outcome objectives per product group and the resources required for this. Before issuing a performance mandate, the Federal Council consults with the responsible parliamentary committee of both chambers. The departments manage and control the MPM administrative units with annual performance agreements and corresponding strategic controlling and thereby ensure fulfilment of the performance mandate. If only part of the administration unit is managed under MPM, the department may delegate finalising the annual performance agreement to the higher-ranking administration unit.

The borrowed funds required by the MPM administration unit for the administration sector itself (functional sector) are authorised in the form of global budgets by parliament with the annual budget.

The Federal Council counts on the MPM Interdepartmental Steering Group under the leadership of the Director of the Federal Finance Administration (FFA) to manage strategy implementation. The Public Management Section (FFA) is responsible for operative implementation and further
development and implementing the management model, communication and providing consulting and assistance to the departments and administrative units. The departments have a central role to play in the implementation of the corporate strategy. On the one hand, they are represented in the MPM Interdepartmental Steering Group, on the other they are the contact point for the administrative units not merely in the introductory phase but also in the subsequent implementation of the management tools. They provide support and monitor the administrative units in their charge and provide a conclusive controlling.

Figure 2: Summary of the MPM programmes functioning (in French)

As we described above, Management by Performance Mandate and Global Budget programmes are a set of reforms combining all the "tools" provided by the New Public Management. In the following sections, we will just use the "structural devolution" induced by these reforms as an illustration for our purposes about the effects of NPM reforms.

Performance and quality reform: the case of the « GMP »² program in the canton of Valais

Our second example comes from the cantonal level (regional) and puts forward a typical case of performance and quality reform: the introduction of multiple service contracts at three levels of government, with an interesting specification of political, strategical and operational goals, products and group of products and numerous performance and quality indicators to be reached at each level. In the french-speaking part of Switzerland, Valais clearly appears as the most advanced canton in terms of NPM administrative reforms³. Initially called “Administration 2000” then renamed “GMP”, two main phases of the reforming process may be distinguished: a first

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² GMP is the french acronym for « gestion par mandats de prestations », which can be translated into english as «service contracts management ».
³ At the swiss federal level, Valais belongs to the limited circle of cantons where the generalisation of NPM reform programs is planned, ongoing or completed (TG, SH, ZH, AG, SZ, LU, BL, BS, SO, BE, VS). Valais is the only french-speaking canton in this list. (Lienhard et al. 2005 : 50)
phase of elaboration and experimentation from 1994 to 2004, followed by a second phase of
generalisation from 2005 to 2008.

Administrative reform in Valais: a brief historical overview

The starting point of the reforming process in Valais takes place in the context of Swiss public
finance crisis at the beginning of 1990s\(^4\), which created a need for public administrations to
analyse their outputs and their respective costs. The basic official idea was to highlight and realize
cost reductions. In this trend, Valais undertook a systematic analysis in 1994 already with the
project “Administration 2000”, so that in 1995 a complete diagnosis was available to the whole
cantonal administration (Bertelletto 2003: 19). At the time, NPM reforms began being adopted in
various other Swiss cantons (Zürich, Lucerne, Berne, and so on) and also in Valais as well. In
addition to cost reductions, the main official goal was to deeply reform the culture and
functioning of the cantonal administration. This program was progressively adopted by the State
Council (cantonal government), which decided to implement it in “pilot units”. Hence, in 1996,
the Grand Council (cantonal parliament) accepted a law proposed by the cantonal government
defining the experimental clauses for the pilot units and which legally introduced service
contracts and global budgeting as new tools for public management. Then, from 1996 to 1998,
the concept was elaborated in more operational details and the first service contracts were
accepted. In 1999, 6 pilot units – representing 36% of the cantonal budget - start their
experimentation of this new management process. During the experimentation phase, which
ended in 2003, both internal and external evaluations were conducted, a reform parliamentary
committee (“Committee of Reforms”) exercises control and recommendation functions whereas
the strategic management is assured by a governmental delegation of three ministers. In 2000, the
State Council decides to prolong the experimentation phase and to enlarge the list of pilot units.
As a result, in 2003, 75% of administrative units were managed through service contracts.
Broadly spoken, evaluations of the experimentation process were good and underline the strong
coherence and continuity of reforms. Hence, recommendations were made to generalize this new
management to the whole public administration. The cantonal parliament approved the
generalisation of GMP in 2004 for the 2005-2008 period, by a modification of the Management
and Administrative and Financial Control Law (LGCAF)\(^5\).

Objectives and content of the GMP model

This reform - in addition of initial will to reduce administration costs – officially pursues three
main goals (Theytaz 2006)\(^6\):

- improve administrative outputs and costs transparency
- establish results-oriented management

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\(^4\) Whereas Valais had a 20 millions francs surplus in public budget in 1989, it had a 140 millions deficit in 1991 and 120 millions deficit in 1994. (Office cantonal de la statistique, canton du Valais)

\(^5\) Loi sur la gestion et le contrôle administratifs et financiers du canton, 15 décembre 2004.

\(^6\) The current presentation of GMP is also based upon many documents available online on the official website of the canton: [www.vs.ch](http://www.vs.ch)
- refocus the respective missions and responsibilities of political authorities and public administration by providing adapted tools of management (service contracts, controlling systems, integrated and multiannual financial planning)

Besides, it is also interesting to see how the cantonal centre of public management\(^7\) answers the question: « Why such a reform project for the State of Valais? »: « The reforms are intended to improve the Quality and Performance of the services delivered by the public administration of Valais. This presupposes the emergence of a new culture which is less bureaucratic, more oriented towards the satisfaction of citizens and focused on the effects and results to be achieved. »\(^8\)

The new management is constituted of the following elements. The central tool is service contract ("contrat de prestation"), implemented at three levels. First, the reform sets up a political service contract concluded between the cantonal parliament and the cantonal government as a whole, in which the global political goals are defined for every administrative unit. It also describes the political outputs (products) and outcomes to be reached. Those contracts belong to the annual budget, that is to say that the financial planning for every unit – to be annually adopted by the parliament – is presented through the political goals they pursue. Then, strategical service contracts are set between the executive organ and the five different departments. On the basis of the political service contract, those contracts define the strategic services (groups of products) that administrative units have to provide. It is therefore a strategic specification of the political contract. Finally, operational service contracts are concluded between every (head of) department\(^9\) and their different respective (head of) units. Those contracts specify at the operational level the services to be provided, that is to say products. Expected operational results are also specified at this level. In every type of contract, objectives, priorities, quality and performance indicators, necessary human and financial resources are provided. All contracts are managed in a centralized computer database. The figure 1 sums up this functioning:

\(^7\) Special unit created by the cantonal government at the beginning of the reform process in order to accompany it. This center played an important expertise role in the elaboration and experimentation of the service contracts in pilot units. It also recommended the generalisation of the model to the whole administration.

\(^8\) Translated into English by us:

\(^9\) In the Swiss cantons, the institutional specificity of the governmental body makes that every minister (State Councillor) is both member of the State Council (the Executive as a whole) and a chief of the department for which he or she is in charge.

First draft, please do not quote
Furthermore, in order to ensure a monitoring of goal achievement, new controlling instruments have been set at the three levels (governmental, departmental and service level) through the enactment of a new ordinance\(^{10}\). Controlling functions are set up in all departments (one person in charge) and in every service. On an annual basis, the different controlling organs have to report about the implementation of operational, strategic and political contracts. The financial accounts of every unit have also to be presented in the final budget according to the structure of the political contract.

Let us briefly illustrate this through the example of the Cantonal Public Health Office (CPHO, see figure 2): the unit is part of the Department of Health, Social Affairs and Energy. In a first step, the parliament and the government have agreed to set four main political goals to the CPHO (OP 1-4 in red: training of health professionals, health promotion and prevention, ensure curative and palliative care and subsidy of health insurance). A list of performance and quality criteria exist for each political goal (example for OP 1: “number of accidents involving people under the influence of alcohol or drugs”, “number of breast cancers detected in prevention programs” or “number of signaled suicides”, etc.) Then, strategic or management service contract are set between the government and the concerned department about the group of products for each political goal (PPF in blue meaning programs of services and multiannual planning). Finally, an operational service contract sets the specific products to be provided (yellow color). This counting structuration allows the political authorities to know how much one service or product costs exactly (example: product 2101 cost 4.6 mios francs).

\(^{10}\) Ordonnance sur le controlling des finances, du personnel et des prestations, juin 2005.
4. Assessing accountability and transparency issues: a systematic analysis

This part aims at providing analytical considerations about the potentially convergent or divergent effects of both our types of reform – on the one hand, performance and quality reform, and agencification reform on the other hand - on two criteria identified under the banner of good democratic governance: accountability and transparency. For each element, we propose a systematic analysis in both our cases of reform.
4.1 Accountability in federal MPM and cantonal GMP

In this section, we systematically analyse the specific impacts of MPM and GMP programs on accountability, which is disaggregated into five constitutive dimensions: political accountability, organizational accountability, legal accountability, professional accountability and finally, citizen accountability.

**Political accountability**

The MPM programmes are clearly in line with the NPM conception of political accountability. The role theoretically devoted to the actors and the mechanisms planed reflect clearly a will to disentangle, as far as possible, strategic decisions and operative management. The Federal Council defines the global strategy for the MPM units and manages them through pluriannual services contracts (performance mandates). As for the Parliament, the control over expenditures is his main function. He statutory has the budgetary sovereignty. Concretely, this agencification process has weakened the role of initiative and direct control he had. His two main possibilities to act are: First, to define, for information only, some values concerning costs and takings from politically sensitive administrative products; Secondly, through a legal motion, to invite (but not to constrain) the Federal council to establish, to modify or to abolish a problematic performance mandate. It is interesting to notice that the control function (in a legal and a financial point of view) is mainly devoted to specific parliamentary committees. Actually, the legislative committee controls the conformity to the law of the service contracts. Furthermore, the “financial control” committee scrutinizes each year and in depth the accounts and the budgets of the units managed by performance mandate and global budget.

Excepted the accountability mechanisms described above, two important observations are to be maid here. They challenge hardly the importance rhetorically accorded to political accountability in Management by Performance Mandate and Global Budget programmes. First, an interesting phenomenon occurred in MPM programmes. The executive wanted to weaken the role of the legislative bodies through a de-politicization of the process – an insulation of certain decisions from politics -, and by the way to reduce the political accountability mechanism. Based on an external evaluation, the Federal Council presented at the end of 2001 a report on the MPM programmes. In his report, he wanted nothing more than including the Parliament in the definition of the objective of the service contracts (Varone 2007) in opposition to the recommendations of the external evaluators. After a wide political discussion, the executive offered guarantees on the Parliament's budgetary sovereignty and its control over the administration.

Second, in the Swiss federal example of structural devolution, we can argue that political accountability was, contrary to the rhetorical ideas driven by the promoters of the reform, weakened. The agencification process has not been followed by real political accountability mechanisms, e.g. parliamentary scrutiny mechanisms. This phenomenon is not new and occurred in many instances of agency creation (OECD 2002). But here the Swiss example is particularly
interesting because of the fundamental characteristic of the federal Parliament which is a militia system (Kriesi 1998). Effectively, after a first external evaluation and a request from the parliamentarian themselves, the definition of the performance mandate which defines output and outcome objectives per product group and the resources required for this and the financial criteria were simplified in order to challenge the lack of resources (financial, human, temporal) of the parliamentarians. It means that the establishment of accountability mechanisms between the legislative bodies and the administration were inadequate comparatively to the institutional characteristics of the Swiss political system.

The GMP program has implied three types of change in the cantonal politico-administrative apparatus. First, GMP has introduced – at least, officially – a very clear specification of the relationships the different actors at play shall have. With the three levels of contracting and the introduction of performance/quality indicators, public administration is from now on held accountable of the strategic and operational goals’ implementation. All services and departments have to annually report about goal achievement. On that basis, the cantonal government then presents the annual budget for acceptation to the cantonal parliament. The budget is yearly presented through the form of the political service contract, with detailed financial information about the cost of each product and group of product, allowing then parliament to hold government and administration more accountable than before. GMP is hence a typical case of results-oriented accountability. Second, the concomitant introduction of new controlling mechanisms at the three levels has increased the amount and quality of information available for political authorities: any member of government is now able to know exactly what the cost of different tasks are in his or her department. Therefore is control over administration reinforced, making it more accountable to political authorities. Finally, the definition and strong specification of each actor’s respective role has de facto tightened the relationships between them, the main reason being that every actor in the accountability chain – at the notable exception of the administration itself - functions both as accountability holder and accountee: while cantonal government holds the departments and services accountable for their (performant or non-performant) behaviour, government also has performance accounts to give to the legislative body; for its part, parliament is also held accountable to the citizenry, and so on. Therefore, not only has GMP implied an important change in the content of political accountability but it has also globally increased the extent of political accountability in the state apparatus of Valais. Administration has to give different and more accounts than it used to do, this on a clear, systematic and regular basis.

However, looking more precisely at the effective roles played by the cantonal government and the parliament will nuance this global picture. Here, we would like to indicate the existence of some reasons making it difficult these actors to play their expected (new) institutional role.

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11 Parliament and government have the responsibility to negotiate political contracts, government and departments the strategical ones, departments and services the operational ones. The different actors have to behave in this prescribed and given manner but, as we shall see, this does not go without difficulties.
As far as government is concerned, a distinction has to be made between the executive body as a whole (State Council) and individual members of government (State Councillors), who also function as departmental chiefs. Whereas GMP has clearly reinforced and increased the minister’s capacity for action and control over his or her department\(^{12}\), the picture is relatively different when we consider government *in corpo* (Emery & Giauque 2008)\(^{13}\). Indeed, some basic institutional characteristics of Swiss governmental formula make it particularly difficult for the executive body as such to act in conformity of what is expected in the reform’s “spirit”\(^{14}\). For example, the collegial form of government makes a real supra-departmental discussion to happen about policy options in pluriannual contracts difficult, collegiality implying that the ministers should not directly intervene in the management of others’ departmental affairs (Emery & Giauque 2008 : 32-33). This difficulty of discussing global policy orientations is reinforced by the fact that elected officials come from very different political parties and are not elected on a common program. Another reason is the lack of relevant governmental resources in order to get collectively familiar with this new managerial system. Furthermore, government sometimes meets difficulties to gain relevant information from the administration. Finally, a relative uncertainty still subsists as far as sanction mechanisms are concerned, no clear guidelines or procedures being provided in case a department or a service does not reach the defined goals. All these reasons make us doubt about the cantonal government’s effective capacity to behave according to what is really expected from him in this political accountability regime.

As for the cantonal parliament, the same problem exists, but certainly in a more critical way. Emery & Giauque (2008) also in a more evaluative way (Rieder et al. 2003) see administrative sources (Bertelletto 2003) have all highlighted the challenge GMP represents for the Grand Council. Indeed, political contracting level implies the parliament to play a real political and strategical leading role, and so to let operational aspects to the government and administration. But two reasons make it difficult for parliamentarians: the lack of relevant know-how and the important cultural change it implies. First of all, given the complex nature of the GMP apparatus and tools, its mastery by the Parliament requires from its members some technical skills and a certain degree of professionalism that the Swiss militia parliamentary system does not provide. Evaluations have notably acknowledged the development of a two-tier parliament (Schmidt 2007) in to the face of reforms such as GMP: on the one hand, the members of specialized parliamentary committees (finances, budget) who get progressively used to the new system and, on the other hand, the rest of MPs and the Plenum who see themselves (and are) quite disconnected and distant from the system. A second important reason is also that GMP requires MPs to change their traditional way of functioning, which is culturally challenging for them. As far as budget discussion is concerned, reports have all highlighted MPs’ difficulties to move from interventions about operational and very specific details of the presented budget (often motivated

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\(^{12}\) Mainly due to a clarification of responsibilities, an increasing power control through controlling mechanisms and the new opportunities to command products to the operational services.

\(^{13}\) The following comments on the role of government and parliament are mainly based on the very useful and synthetic work done by Emery and Giauque (2008) in their chapter 3 about the evaluation of NPM experiments in Switzerland.

\(^{14}\) Basically, the government should negotiate great political lines and policy goals with parliament and make them implement correctly by the administration.
by electoral or regional preoccupations) to a discussion more about global policy orientations needed and the definition of political goals. Hence, cantonal parliament still lack a true “culture of political leadership” (Bertelletto 2003: 21) or the will to do so (Rieder et al: 72-73). Again, important elements prevent political authorities from playing the institutional role expected from them in such a new political accountability regime.

**Organizational accountability**

Agencification, understood as a structural devolution process at the federal level, clearly weakened this specific accountability relationship inside the administrative apparatus. The MPM programmes, by wishing to disentangle as far as possible the strategic decisions from the operational ones and simultaneously to reorganise the administrative units to become services centres, specialize the governmental apparatus vertically and horizontally. This proclaimed wish to clarify tasks and responsibilities provoke a fundamental transformation of the accountability regimes in the Swiss federal administration. There is a separation both on the vertical dimension between agencies and ministries and between agencies and the head of their department, and on the horizontal dimension, following the principle of single-purpose organization, between different agencies and also agencies and traditional departments, both responsible of the same task. This multiplication of accountability regimes creates a lot of organizational complexity. It probably means a “focus shift” from an insistence on process to an increased attention paid to content and outputs.

The Swiss case of structural devolution is here even more interesting because he introduces an additional stratum of complexity. Effectively, by multiplying pilot-projects, sometimes inside the same department, MPM programmes create a multiplicity of organizational accountability regimes. We also witness the fragmentation and the “pillarization” (Gregory 2006) of the apparatus at a micro-level and the logic of structural devolution and single-purpose organization enters the lower level of the federal administration. This new organizational setting is clearly characterized by a diversity of organizational accountability regimes which enhance and mix up responsibility relationships.

As far as GMP program are concerned - and accordingly with what we said about political accountability – we notice a global reinforcement or tightening of the accountability chain inside administration. Indeed, this is a plausible effect of controlling mechanisms introduced at the levels of the department and of units. As a chief of department, the minister held more accountable his or her own department and related units. The different levels of the administration have now more accounts to give about their conduct than before. They have to provide their respective superior with detailed information about goal achievement, evolution of indicators, costs of the different products and so on. In addition, GMP is progressively introducing contractualisation of vertical accountability relationships in the administration. The argument here is the following: not only is organizational accountability increasing, but also the nature of accountability itself is possibly changing. With their typology of accountability regimes at the bureaucratic street-level, Hupe & Hill (2007: 293-295) suggest interesting hypotheses. Basically, they argue that at the individual level of public servant working in performance policy...
implementation contexts, accountability is characterized by compliance to targets instead of compliance to rules. Therefore, at the scale of the organization, accountability is much more about conformity to contract(s) rather than conformity to standard operating procedures. The nature of organizational accountability is evolving from a rule-bound orientation to a more contractual version. Dominant accountability regime in the GMP administrative units would no longer be centred on tasks, but more and more on indicators of performance and quality. However, at this stage of the analysis, we can only hypothesize it, given the lack of relevant empirical data about it.

**Legal accountability**

As a part of the so-called central administration, MPM programmes follow the traditional rules and procedures of the Swiss federal administration (for an overview see Kälin and Rothmayr 2007). It is interesting to notice that the fragmentation of the central apparatus and the removal of competencies through the federal administration were not accompanied by a redefinition of legal accountability regimes. In contrast, we see an increasing role of financial external audit societies which seem to act as a substitute for the "respect of the rule of law" function. This shift is clearly illustrated by the multiplication of financial controls and budget certifications which justify the maintenance of MPM programmes.

The case of GMP is very similar. Whereas it effectively gave more “right to inspect” to the government and parliament in the administration’s functioning, this specific form of accountability has not been formally modified by the reform. Nothing in its content stipulates a necessary increasing role for judicial courts. GMP is above all focused on administration accountability to the government and parliament. Of course, it is still conceivable to ask if, due to the availability of new information in hand of the parliament (and consequently, in hand of citizens for some information such as the budget), citizens may nowadays benefit from an increased ability to appeal to the relevant judicial bodies? Given the jurisdiction of such courts, it is doubtful that any effect is and will be observed. And as we will see hereafter, this is anyway unlikely to happen given the very low degree of citizen accountability provided by GMP.

**Professional accountability**

Professional accountability refers to the specific relationship from public agents to the values, standards, norms and formal or informal codes of a given professional body. So defined, changes on this dimension are a long term process and making strong assumption on this would probably be an excessive extrapolation with regard to our resources constraints. However, on the basis of previous researches on MPM programmes (Emery and Giauque 2003) and broader literature

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15 In the canton of Valais, likewise in other cantons, it is the Cantonal Court (Tribunal cantonal) which functions as the ordinary authority of appeal against decisions made by the cantonal administration. Its jurisdiction is general, only limited by law specifications. In principle, the Court may only sanction violation of law, including excess and abuse of discretion, and the finding of inaccurate or incomplete facts. His power of review extends only to verify the appropriateness of the decision that are specifically listed in the law.
(Pierre and Peters 2001), we are able to make some observations about the effect of structural devolution on the professional accountability. First, the structural devolution and most of all the performance contracts and the performance-oriented evaluation which ensue from them causes the emergence of self-centred authorities and break the homogeneity of departments’ values. This is especially the case when a MPM unit and a “traditional” unit coexist into the same department. Second the creation of services centres, following the logic of single-purpose organisation, may lead to institutional egoism. Indeed, the MPM units are evaluated only on their respective performances, mostly in financial terms, and there are no incentives to adopt a more “altruist” point of view. Thirdly, one of the main goals of the introduction of “Management by Performance Mandate and Global Budget” programmes is to change the culture of the administration. This will homogenise public administration value in direction of objectives, results, clients and costs is a naïve rhetorical argument because it is applied only at a part of the administration, or worst, at a part of an office. In fact, this will enhance professional accountability is counterproductive because of the self-centred logic of performance evaluation promoted by such agencification process. This egoistic attitude is not compatible with the broader objectives. There is a potential conflict between single institutional actor, such as a MPM unit, and the collective objectives and values of the whole federal administration.

Finally, we can observe, mainly as a consequence of this perpetual roundtrip between centralization and decentralization, between management and polity, an increase number of contradictory injunctions which can be summarized as follows: “concentrate on the objectives of our unit, and the impact we must produce on the citizens, but also concentrate on your own territory and objectives, because you are going to be evaluated and rewarded on the latter” (Emery and Giauque 2003). These injunctions which may lead to a more fragmented professional accountability at the federal level and probably more complex (schizophrenic?) professional accountability.

In the case of GMP, it is also difficult to make clear statements about the way professional accountability is really influenced, a first obvious reason being the pre-existence of a vast heterogeneity of professional accountability regimes, if we switch from a unit to another (and therefore the difficulty of generalization). Of course, GMP may possibly have introduced more horizontal professional accountability, with the increased definition (specification) of the services to be delivered and the clarification of one’s administrative unit political, strategic and operational goals. Being more aware of what precise work is expected from public agents, a possible effect of GMP is the strengthening of specific professional identities and values of one’s given public professional body. The argument is functional: the interdependency between the different public service individuals has a functional necessity to be increased, in order to achieve the specified goals and reach the desired results.

But in line with statements about MPM, many elements make that type of argument doubtful. Indeed, it is important to acknowledge that the introduction of group products may also foster a stronger segmentation of bureaucratic activities among a same service and department. If we return to our illustrative example of the Cantonal Public Health Office (see above) this segmentation of action appears very clearly with the great number of products to be delivered. Furthermore, the concomitant introduction of working hours ventilation in many different
activities also have an effect of individualisation within the group of public agents, in sight of the
great variety of occupational situations it implicates. Finally, the strong segmentation of
bureaucratic work is also very present between the different units (of a same department)
themselves, inasmuch as the very precise specification of their respective political goals may make
them « blind » to a more global vision of the policy they implement. In turn, this phenomenon is
reinforced by the inevitable competition logic GMP introduces between the units, given that the
annual attribution of the budgetary envelope depends on a comparison of goal achievement and
performance results. These elements nourish the observation of public service values and
professional norms dilution in something which is still difficult to identify. For sure, rise of
contradictory injunctions seem rather obvious. In conclusion, the evolution of professional
accountability regimes in GMP still remains blurry and potentially varying a lot from a unit to
another. However, we notice a general complexification of this specific accountability.

Citizen accountability

Following the guidance principles of the MPM reform in the Swiss federal administration, the
client-orientation is a key argument to promote the reform. Citizen accountability, referring to
the specific accountability relationship between public administration and the citizens as a whole,
or “clients” or “consumers” of public services as they are used to be called in NPM reforms, is
intended to substitute the weakness of political accountability by strong downwards mechanisms,
and so, to enhance the democratic legitimacy of agencification processes. But if this argument is
often rhetorically used in Switzerland, two observations allow us to doubt that citizen
accountability will increase through this process; for us, there is rather no concrete effects of
agencification process on this type of accountability. The primarily observation concerns the
function itself of these MPM units. Actually they are not client-oriented units, because they don’t
provide direct services to the citizens: for example the IT Service Centre of the Federal
Department of Justice and Police provides only intern resources for the administration. Secondly,
the self-centred logic of MPM units described above do not prompt these units to take into
account citizens’ satisfaction and wishes, especially if they are not evaluated on this dimension.
Because of their function and of their performance mandate, MPM units attached much more
importance on financial results, parliamentarians’ judgements, and professional or expert
considerations rather than importance to client and citizen interests. Also, contrary to the
rhetoric argument, we may argue that citizen accountability is simply not impacted by this
structural devolution process.

As for GMP, while the development of a more client-oriented cantonal administration has been
initially wished in the reform’s spirit, it seems however this clearly remains wishful thinking. Two
main elements explain that fact. First of all, and in line with the for-mentioned argument about
low level of legal accountability, we can notice that the reform itself did not provide any
empowerment measures for citizens or new opportunities for sanctions. Therefore, it is no big
surprise to observe no increase in citizen’s appealing procedures in judicial courts. And had the
reform really provided those instruments, we can seriously doubt that they would be used by
them. Indeed, a second very important element in that respect is the important level of
institutional complexity of the GMP reform and its main new management tools: what may any given citizen understand to notions such as “service contracts at three levels”, “performance indicators” or, better, “integrated multiannual financial planning” and so on? And this is not a purely theoretical view inasmuch Emery & Giauque (2008: 24) point out that even for political actors this reform complexity is seen as potentially problematic: “Some of public actors sometimes seem a little lost in this potentially redundant configuration of service contracts, in the very precise definition of groups of products, administrative products and in the proliferation of management indicators characterizing the administrative reform in Valais.”16 Briefly stated, we can argue that even if some variation may exist according to the different administrative unit, citizen accountability is actually not positively influenced by the reform. As a conclusion, public administration not being held more accountable to citizens than before, client-orientation goal appear to be more words than an effective program.

4.2 Transparency in federal MPM and cantonal GMP

We proceed here exactly in the same way that in the previous section: we present a systematic analysis of the specific impacts of MPM and GMP programs on transparency, which is here disaggregated into four constitutive dimensions: documentary transparency, organizational transparency, financial and budgeting transparency and finally administrative action and responsibilities transparency. To be reminded, transparency is hereby defined as a public administration “where it is possible for people outside to acquire information they need to form opinions about actions and processes within these institution.” (Naurin 2006: 91)

**Documentary transparency**

Documentary transparency is a first dimension of the issue of transparency in public administration. It refers to the possibility for citizens to freely access to their personal data. We may consider it as transparency of what is produced by a public organization.

The case of structural devolution in the Swiss federal administration is not concerned with this issue. Although one of the most used justification for this disaggregation process was the proximity with the citizens, no mechanism enhancing documentary transparency has been build up. Nevertheless this state of things may change with the introduction, the 1st of July 2007, of a law concerning access to information (LTRANS) at the federal level. But it is important here to notice that it is an exogenous process of Management by Performance Mandate and Global Budget programmes.

Again, in our cantonal example, GMP does not have any particular effect on documentary transparency. Clearly, nothing in the reform program is provided to improve citizen’s access to this type of information, documentary transparency is hence no official goal of GMP. This issue is addressed in a specific law on transparency, which is being currently discussed and shall normally be adopted soon in Valais (a first debate in the cantonal parliament has recently taken

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16 Translated into English by us.
Organizational transparency

Dealing with the citizen access to information about how services are produced and hence how the administrative apparatus functions (processes, rules, decision criteria, etc.), organizational transparency is a crucial issue in agencification processes. By disaggregating the central apparatus and re-organizing the administrative units to become service centres with increased responsibility for results and extending autonomy, management by performance mandate and global budget programmes wanted also to clarify structural tasks and responsibilities. However, two observations allow us to be doubtful of an increase of the organizational transparency. First, the diversity of performance mandates and of legal basis creates a lot of individual processes and rules. Effectively, more each MPM units is launched on an own legal basis. The performance mandate and more broadly general strategic orientations are individualized. This implies complex institutional settings. So if agencification clarified the tasks inside a unit or a department, the clarity of the whole state apparatus is weakened through the multiplication of individual processes, rules and evaluation criteria. This observation is in line with the OECD findings, yet a promoter of agencification and de-concentration: “Most OECD countries have been creating non-commercial bodies outside the core public service on an ad hoc basis, resulting in an administrative “zoo”. This reduces the transparency of government for the citizen” (OECD 2003: 9). The second observation which allows us to put into perspective the rhetorical effect of structural devolution on organizational transparency concerned the attention paid by MPM programmes on content instead of process. The goal of this reform, in line with the three E – Economy, Efficiency, Effectiveness – of the New Public Management, is to change the culture of the administration towards objectives, results, clients and costs. From an emphasis which was on inputs and processes, these new values insist on outputs and outcomes. With such a priority on the content, the organizational transparency is not, contrary to the rhetorical argument, a main objective of the reform and, so, the clarity of the government can’t rise.

As far as GMP reform is concerned, we also doubt that it has increased organizational transparency for citizens of Valais. While the reform has for effect to give more information about financial and budgetary aspects to the parliament (and hence possibly to citizens), it did not impose guidelines to the different departments and services to inform better citizens about how they take decisions and according to which principles and rules. The only effect could be that GMP globally clarifies the way the whole cantonal politico-administrative apparatus is working. But still, we have observed that this is strongly counterbalanced by the huge level of the institutional complexity of reforms. Besides, only political service contracts are made public through the annual budget presentation and vote, contrary to the strategic and operational ones which are not. Finally, the new information (controlling reports, financial data, performance and quality indicators) made available would not be really adapted to the demands of a citizen wanting
to understand why and how a particular decision was made. In conclusion, GMP does not increase organizational transparency in a citizen perspective.

Financial and budgeting transparency

The MPM programmes were thought as a tool in order to achieve financial transparency. By introducing performance mandates, annual report, and performance criteria these units are constrained to provide, mainly to political authorities, information about the sources of funds and their use in public policies. Following economic theories and adopting private management tools, it defines output and outcome objectives per product group and the resources required for this; so the Swiss federal case of structural devolution improve far the financial transparency of the administration. However, it is important to notice that the creation of agencies per se does not improve the financial transparency, but provides an institutional arrangement able to fill in this objective, sometimes to the detriment of the above mentioned problematic of accountability or other types of transparency. Even as the financial transparency was a mean to increase the transparency of the whole government, it becomes the end of the management by performance mandate and global budget programmes. The Swiss case provides an interesting example of such a confusion between mean and end. By confounding tools and goals through an emphasis on financial transparency in order to improve cost-efficiency, MPM programmes provoke a roles’ bewilderment between politics and managers. This phenomenon is described by Emery and Giauque (2003) as follows: “More transparency, in itself a good objective, can also create problems for administrative units. Politicians, specifically members of Parliament are encouraged to control in greater detail. This is resulting in the managerialisation of politicians and, in the opposite direction, the politicization of public managers. Public managers are now facing the need to develop strategies to deal with this new political interest in their activities. For example, they are lobbying members of Parliament in the hope of influencing their decisions.”

As for the GMP case, it seems obvious that it has also clearly contributed to an improvement of the financial and budgeting transparency of the cantonal administration and state. The central element here is of course the new presentation of the annual budget to the parliament, through the form of the service political contract: every year, for every single administrative unit, information is nowadays available about its political goals, priorities of action, products, groups of products, and the indicators of performance and quality. The article 3bis of the New Management and Administrative and Financial Control Law (LGCAF) clearly stipulates the principle and goal of transparency in the following terms: “In conformity with the principle of transparency, all the services provided by the administration must be clearly identified and defined. For this purpose, effects and services’ expected results are described as well as necessary financial and human resources in order to achieve them.”

But of course, on the other side and as we have previously seen, GMP has clearly improved the organizational transparency for the ministers as department chiefs.
of beds in medical centres or of the annual number of treated drug addicts. Hence, this is not only an improvement of financial transparency for the parliament’s mission and for the governmental choices, but also for broader citizen’s information and political participation to the political and public debate. As an evaluation report put it very truly, the change is both quantitative and qualitative inasmuch the GMP reform has brought at the same time more transparency and better information: “When we compare information on Budget and Accounts traditionally presented to the pilot experiment presentation, the information content, very different, jumps to the eyes. It is not the same information in a new form, but a new information in a new form.” (Rieder et al 2003: 73)

However, as far as financial and budgeting transparency to citizens is concerned, we nuance this observation for two reasons. First, only political contracts are made public - which of course is not to be neglected – and are notwithstanding limited in the content they give. Strategic and more operational choices still appear as belonging to the darkness of politico-administrative well-known black box. A second important reason is the important degree of complexity of this information. Sometimes, even MPs meet difficulties to make sense of it. Finally, one may ask if this new available information is really used by people. Without relevant empirical data about it, it remains doubtful if it is the case at all.

**Administrative action and responsibilities transparency**

MPM programmes enhance, without any doubt, administrative action and responsibilities transparency, defined as the ability of public administration to publicize and explain the meaning of its various decisions and actions, mainly by making publicly clear the respective obligations, duties and responsibilities of officials. Structural changes leading to agencification disentangle as far as possible of strategic and operative management and development of corresponding management instruments. It tries hard to clarify roles and missions of simultaneously politics and public servants.

Here also, if we cannot be doubtful of the role clarification induced by management by performance mandate and global budget at a unit-level, we are much more circumspect adopting a whole administration focus. Because of the diversity of institutional arrangements inside the Swiss administration, indeed inside the same department or office, and because of the single-purpose logic introduced, we observe a dilution of responsibilities transparency through a various form of organizations which follow their own rules. Actually, even if the respective obligations, duties and responsibilities of officials are clarified at a disaggregated level, the heterogeneity in the MPM programmes implementation causes a clear break-up of the administrative action and responsibilities transparency at a whole-of-government focus.

As for GMP reform, let us remind that one of its three official goals - in addition to improving the administrative outputs and costs transparency and the establishment of a results-oriented management - was precisely to “refocus the respective missions and responsibilities of the political authorities and the public administration by providing adapted tools of management” (Theytaz 2006). So, has this change happened and, if yes, is it become transparent for citizens?

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18 Translated into English by us.
First, GMP has been an ambitious attempt to effectively recenter – more exactly, redefine – the respective roles and missions of the political-administrative actors. On the one hand, it is obvious that now the relationships between the different actors have for sure evolved to a new mode of functioning: contracts are indeed negotiated regularly and at three levels of the state, goals are defined, missions are specified, products are produced in the context of groups of products, performance and quality indicators are present and measure goal achievement. But on the other hand, we have also noticed some important difficulties met by the government and the parliament to play their expected institutional role in this reformed system. This indicates that the goal of “refocusing” missions and responsibilities of such important actors is not simple and takes time. Furthermore, the introduced system is highly complex and somehow blurs State’s functioning.

Concerning the second question, it seems therefore rather illusory that the way the new state apparatus functions can become more transparent for the citizens than before, mainly because of this increased institutional complexification. Besides, from a citizen’s point of view, this reform is still relatively unknown by the people and few efforts have been made to communicate really about the important extent of administrative reforms. Here again, broadly stated, the client-orientation somehow stays as the neglected element of GMP.

5. To conclude: convergences, divergences and broader hypothesis

In conclusion of our paper, we propose first of all a synthesis of our systematic analysis. Gathered in a table, our general observations on the Swiss cases of structural devolution and quality and performance reform summarize the impact of two “classic” NPM reforms on accountability and transparency issues. The last part of this paper will provide some reflections, hypothesis and remarks which will be helpful for further research on the Swiss case, especially for our respective PhD Theses.

The following table represents a synthesis of impacts MPM and GMP programmes have on accountability and transparency issues and illustrates where convergent or divergent effects can be observed. Hereafter, we will briefly comment them for each sub-dimension and, on that basis, propose broader assumptions about NPM reforms and their relationships to accountability and transparency.

Illustration 5: Comparative table of convergent and divergent effects of MPM and GMP reforms

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### Transparency

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### Accountability issue:

1. Findings on political accountability are mixed. On the one hand, while at the federal level MPM has weakened the accountability chain by not providing the legislative body with new scrutiny mechanisms (de-politicization), it is interesting to see that in the GMP case, the exact opposite occurs: parliament is voluntarily integrated into a new political accountability chain as one central actor (re-politicization), whose control on administration is hence increased. On the other hand, important commonalities are also present: in both examples, the nature of political accountability is clearly changing to a results-orientation and a judgment essentially based on performance. Furthermore, a very interesting element is the acknowledgement that at both levels of Swiss governance, the militia parliament’s lack of real adapted resources considerably impeaches him to play the expected role. Besides, we have also seen that the Swiss governmental formula (principle of collegiality, ministers not elected on a common political program, etc.) make it difficult for the executive body (considered as a whole entity) to act in total conformity as the NPM accountability model prescribes it on the paper. Given that this constitutes a striking finding, we assume that the implementation of NPM reforms’ programmes is strongly dependent from institutional factors, especially factors such as the parliamentary functioning, parliamentarians’ resources or governmental specificities, in order political authorities to play their assigned role.

2. On the organizational side, while effects are different in their nature, they possibly conduct to similar outcome, which is organizational complexity. In MPM structural devolution, the emphasis is clearly on an organization, following the logic of “single purpose body” and hence introduces “pillarization”. Without the creation of adequate coordination mechanisms, the NPM here appears to considerably weaken organizational
accountability regimes by an increase of institutional confusion see incoherence. At the opposite, GMP has notably increased organizational accountability inside each administrative unit, and has also modified its nature (contractualization), implying potential tension with the previous more procedures-oriented accountability. However, despite different paths, the assumption can be made that the outcome tends to be similar in terms of institutional complexity of organizational accountability mechanisms (general complexification).

3. Another important convergent result is that MPM and GMP have not entailed at all a modification in the legal accountability regimes. Indeed, this issue is not conceptualized as such in these programmes, which may seem quite striking inasmuch they have deeply changed the way the State apparatus' functions. The question hence remains to know what explains that and which actor(s) act as a substitute for the “respectful of the rule of law” function. Here, we can only suggest the possibility that some shift may occur from traditional legal accountability forms to more external ways of realizing it (for instance, external financial audit society).

4. In the absence of relevant empirical data, it is difficult to say exactly in which direction MPM and GMP have influenced the professional accountability regimes. However, a convergent global effect is possibly the increased complexification of these horizontal forms of accountability, due to the introduction of an organizational pillarization of administrative activities in MPM reform and due to stronger work segmentation in the case of GMP. Besides, the changing nature of accountability itself – basically to results-orientation and performance – may be seen as new professional values disturbing or conflicting the more traditional ones. The evolution of professional accountability regimes therefore remains a blurry phenomenon, which we might shed light upon only by very contextualized and deeper researches, in order also to take into account its regimes’ variety. Therefore, in NPM reforms, professional accountability regimes become more complex because of the increased work segmentation (according to the logic of product groups) and/or the structural segmentation induced by an agencification process.

5. A very interesting common point can be observed in both types of reforms as far as citizen accountability is concerned. Indeed, whereas a more important proximity to citizens has always been present in MPM and GMP programmes, it has to be noted that these reforms did not provide citizens with new opportunities for sanctions. In both cases, being more accountable to citizens is much more a wishful thinking than an effective accomplishment. Briefly portrayed, it staid a rhetorical argument to justify such reforms. This is not really a surprising result given that we have already mentioned the absence of any modification of legal accountability regimes or the absence of real incentives to take citizens into account. Our two cases demonstrate the necessity of mechanisms (legal rules, evaluation criteria, management tools, etc.) to ensure effective citizen accountability.
Transparency issue

6. MPM and GMP programmes are highly convergent on documentary transparency. Indeed, in both cases we have noticed that citizen’s free access to documents was not integrated into the reform’s framework, and hence not positively impacted. Actually, documentary transparency is addressed in a totally different law, indicating how much this is not conceptualized as an issue in the current cases. But even if it was the case, we seriously doubt that this form of transparency would be really effective in light of the pillarization/segmentation and hence complexification of bureaucratic action. We also assume that the increased institutional complexification introduced by NPM reforms have potentially negative side-effects on the effectiveness of documentary transparency and information gathering: the more the administrative action is fragmented/segmented, the more the information about it is fragmented/segmented, the more difficult documentary transparency is; only the erection of legal mechanisms (Law about access to information) and adapted management tools (information management system) are able to fill in this lack of coordination.

7. Here again, our findings are very convergent. No increase in the transparency of the administration’s functioning has been observed, and this for many reasons: first, no real information policy to citizens has been realized about those important changes; second, and more importantly, the increased institutional complexification introduced both with MPM and GMP programmes may act exactly in the reverse direction of what would be wished, that is to say have the effect to considerably obscure the picture about the black box that administration seems to be. Despite NPM want to better specify and clarify each actor’s responsibilities and actions, it may paradoxically provoke an obscuring and a lower degree of clarity of State’s functioning for citizens, inasmuch it strongly increases its institutional complexity.

8. Both MPM and GMP programmes have contributed to an important increase of financial and budgeting transparency in general. This is very true as far as government and parliament are concerned, which from now on do have much more better and detailed financial information about administration’s activity. New information is available (costs per political goals, priorities, products and product groups, evolution of indicators of performance and quality, etc.) and in a new format (contracts or mandates). This is not so surprising given that this constitutes a core objective of NPM in order to implement results-oriented accountability. We saw that, in such reforms, financial and budgeting management tools become gradually an end per se rather than simple mean. As a consequence, we argue that the more information about administration’s activities are made available for political authorities, the more high civil servants are held accountable to them and the more their function tend to be politicized.

9. Both reforms aim at clarifying the nature of administrative action and respective responsibilities: administration is assigned to a strict operational mission of implementation while political aspects are attributed to the political authorities. However, this apparent simplicity is strongly counterbalanced for not saying cancelled by the huge level of institutional complexification introduced by MPM and GMP programmes and specific tools of management. In that context, transparency about responsibilities is
rendered particularly difficult because action is highly fragmented, both vertically (between different levels of contracting) and horizontally (between product groups). So the more administrative action and responsibilities are fragmented, the more complex the system is and the less transparent it appears.

In conclusion, we observed that New Public Management reforms, despite global effects rather convergent, tend to increase their negative side through a “domino effect”. The multiplication of specific units, with specific rules, specific mechanisms, and specific values, implies an institutional opaqueness. The potential positive effects of accountability clarification and transparency increase, at a disaggregated level, lead paradoxically to complexification and opaqueness, adopting a “whole-system” point of view. Contrary to the outlined goals, we doubt of the assumed effects on the quality of government without a least skimpy focus and without the setting of coordination and cooperation mechanisms, able to enhance the state’s actions legitimacy.
References


