The horizontal coordination of state administration – a comparative perspective on the role of top civil servants

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Abstract

In this paper, we attempt to grasp and comprehend the challenges of interdepartmental coordination faced by the permanent secretaries in governments of liberal democracies. Our primary focus is how the role of top civil servants in interdepartmental coordination may vary due to changing public service bargains. Our basic thesis is that variations in organizational traditions and history of reforms, as well as differences in the adoption of a managerial bargain associated with New Public Management will cause variations in the capacity of top civil servants to accomplish interdepartmental coordination. The hypothesis is put forward that when the functioning of top civil servants can be described in terms of a managerial public service bargain, top civil servants’ role in interdepartmental coordination will be limited, as the focus of top civil servants will be on achieving goals set for their specific department, rather than for the central government as a collective. This proposition is illustrated by assessments of the processes and structures for interdepartmental coordination in central state administration in Belgium, Canada, Denmark, the Netherlands and the United Kingdom, and the role of top civil servants therein.

Keywords:
horizontal coordination, interdepartmental coordination, public service bargain, top civil servants, international comparative analysis, New Public Management
1. Introduction

One much discussed feature of recent public sector reforms is the change in emphasis away from disaggregation and specialization towards a more holistic approach (Bogdanor 2005; Christensen and Laegreid 2007a). In order to address complex policy issues more effectively, government organizations need to cross policy fields and collaborate more closely. In this paper we are interested in how top civil servants impact on the capacity for coordination and integration among departments in central administration. Central to our analysis is the claim that a combination of path dependency and changes in the role and functioning of central administration’s administrative leaders affect the capacity for coordination and collaboration across departments.

In the paper, we first provide a short discussion on the need for interdepartmental coordination in state administration and the special role top civil service holds in balancing autonomy and integration. We use the concept of public service bargains (Hood and Lodge 2006) as a tool to describe and analyze changes in the role and functioning of top civil servants, and refer to Mintzberg’s typology of coordination mechanisms (Mintzberg 1979; Mintzberg 1983) as a framework to assess coordination. The hypothesis is put forward that when the functioning of top civil servants can be described in terms of a managerial public service bargain, top civil servants’ role in interdepartmental coordination will be limited, as the focus of top civil servants will be on achieving goals set for their specific department, rather than for the central government as a collective. While we hypothesize changes in the public service bargain of top civil servants to help explain the extent to which they engage in interdepartmental coordination, we set this against the background of the institutional, historical context of the countries, as this affects the capacity to build interdepartmental coordination. We illustrate the discussion with an assessment of the evolving role of top civil servants in interdepartmental coordination in five countries: Belgium, Canada, Denmark, the Netherlands, and the United Kingdom.
2. Interdepartmental coordination and the role of the senior civil service

2.1. A need for interdepartmental coordination

One of the major issues in current public management and organization discourse as well as in governments’ practice is the need to enhance the ‘whole-of-government’ capability for effective service delivery. An increased awareness of the complexity of policy challenges has enhanced the call for coordination. Government programs need to work together in order to address complex social problems more effectively. Functional decentralization as introduced by administrative reforms in a New Public Management (NPM) paradigm tend to enhance a narrow focus on results related to the core targets of the agency and thus inhibit horizontal coordination. While these problems of horizontal coordination across agencies and sectors are showed to stand opposite to the reality and ‘horizontal’ (cross-sectoral) character of policy challenges in a number of domains such as crisis management, security and anti-terrorism, fight against poverty, environmental issues and climate change and the multicultural society (Carter 2001; Inglehart 1990), the problems of the agency paradigm of the NPM era are perhaps most clearly illuminated in the area of digitalization (Dunleavy, Margetts, Bastow, and Tinkler 2006; Dunleavy, Margetts, Bastow, and Tinkler 2008).

As a result both vertical and horizontal linkages are sought after in order to integrate government response to complex policy issues. We refer to vertical coordination as the coordination by a higher-level organization or unit of lower-level actors’ actions, while horizontal coordination is defined as “forms of coordination between organizations or units on the same hierarchical tier within government” (p.24)(Bouckaert, Peters, and Verhoest 2010). The focus on increasing governments’ policy capacity has led to hierarchical efforts such as creating central coordinative structures, and has produced an increase of collaboration in interagency and interdepartmental projects (Christensen and Laegreid 2007a).

Next to the complexity of policy challenges, multi-level governance is an important context for vertical and horizontal coordination. For example, supra-national government, such as the EU, is enhancing the need for horizontal coordination, as national level bodies have to coordinate their policy input to the EU (Bouckaert et.al.
2010: 24). Also, new ICT technologies, rising expectations of service recipients for integrated services, budgetary pressures, regulatory reform, and challenges to restore primacy of politics all enable the trend towards coordination (Bouckaert et.al. 2010: 19; 255).

However, also the modest success of efforts towards horizontal coordination is pointed out (Lodge and Gill 2011). Moreover, taking the New Zealand model as a case example, Lodge and Gill doubt the extent to which, despite all intentions and the expressed need for collaborative action, a shift from a NPM focus on specialization towards a post-NPM focus on co-operation is actually taking place. Overall, this stresses the relevance of assessing the capacity for horizontal coordination.

2.2. Changing public service bargains and the role of top civil servants

Top civil servants hold a pivotal position in seeking the right balance between decentralization and centralization, delegation and coherence, empowerment and guidance. For the heads of ministerial departments, this relates to the management of relations within their policy field, t.i., between department units and between department and executive agencies. It also includes relations across policy fields, and thus with other departments. Moreover, as outlined in the ‘governance’ concept, public organizations also need to coordinate with organizations outside the public sphere. Our focus, however, is on the role of senior civil servants in coordination among central government departments. This relates to the OECD pointing out that the senior civil service can be an important tool to “replace the collective civil service cultural glue that has been weakened by the strong individualizing tendencies of other management changes” (OECD, 2004b: 5).

One way to perceive changes in the role and functioning of top civil servants is to use the concept of ‘public service bargains’. This concept is used by Hood and Lodge (2006) to describe and analyze relationship between politicians and civil servants. It provides a tool not only to examine the role and position of top civil servants, but also to analyze how their role in the management of the civil service has been challenged as a result of administrative reforms (Hondeghem 2010). Public service bargains (PSBs) are defined as “explicit or implicit agreements between public servants and those they serve”
(Hood and Lodge 2006: 6). In bargained outcomes, expressed in convention or formal law or a mixture of both, politicians gain some degree of loyalty and competency from civil servants, and those civil servants in turn gain a place in the government structure, responsibility and rewards (Hood 2000; Hood and Lodge 2006).

While public service bargains differ across countries, Hood (2000) believes a general shift is occurring towards a managerial public service bargain, build around the notions of service targets, performance agreements, and ex post control. Such a managerial bargain implies more autonomy for top civil servants in exchange for increased responsibility, including the blame for mistakes (Hood 2000; Hondeghem 2010). Following Hood and Lodge’s account of shifts in public service bargains in the UK and Germany, the concept has recently been tested in analyses of the evolving role of the highest ranking officials in Belgian, Canadian, Danish, Dutch, New Zealand and UK state administration (Bourgault 2011; De Visscher, Hondeghem, Montuelle, and Van Dorpe 2011; Hansen and Salomonsen 2011; Lodge and Gill 2011; Steen and van der Meer 2011; Van Dorpe and Horton 2011). This research provided a more moderate picture. Rather than a clear-cut shift towards a managerial public service bargain, research found new, hybrid bargains to have emerged. A new managerial bargain inspired by the NPM movement has indeed entered the role of the top civil servants. However, older parts of the public service bargain still seem to persist.

2.3. Variety in coordination mechanisms and instruments

In order to analyze the role of senior civil servants in organizing interdepartmental coordination, not only a clear view on changes in the role and functioning of top civil servants -as enabled using the lens of changing public service bargains- is needed. Also, a framework is needed to assess the variety in mechanisms, instruments and strategies for coordination.

Peters (1998) describes coordination as a continuum, rather than a dichotomy. At a minimal level, coordination is present when organizations are aware of each other’s activities and make efforts not to duplicate or interfere. Following Metcalfe # (1994), coordination can reach from being almost totally absent as organizations engage in independent decision-making, to coherent government strategy as the highest level of
coordination. The implementation of coordination mechanisms is also seen as part of an action-reaction pattern, in which “the solution to a problem turns into a problem itself” (Bouckaert, Peters, and Verhoest 2010; Brunsson and Olsen 1993; Hood and Jackson 1991). This refers to the severe criticism that has risen against NPM-like reforms, as NPM’s focus on decentralization to ‘manageable units’, transfer of authority to organizations at ‘armslength’, and specialization in single-purpose organizations is assessed to have led to problems of fragmentation and accountability (Christensen and Laegreid 2007b; Pollitt and Bouckaert 2004). However, the pattern of specialization and differentiation being encountered by increased need for coordination is also a basic claim in organization theory. One of the most cited scholars here is Mintzberg (1979), who analyses the ‘configuration’ of modern organizations. Next to outlining the main elements of organizations -controlling apex, middle management, operating core, technostructure, and support services-, Mintzberg distinguishes six different forms of coordination, t.i., direct supervision, mutual adjustment, standardization of work processes, standardization of output, standardization of input (workforce competences, resources, etc.), and standardization of norms and values (unitary ideology/corporate culture). Mintzbergs’ typology of organizational structures is of interest as it outlines the need to balance specialization and coordination, and typifies different ways to seek for coordination and integration. Also, it enables to identify the organizational forms and coordination mechanisms most commonly implemented in the public sector. Traditionally, in the public sector a dominant form of organizations is the ‘machine bureaucracy’, a strongly hierarchical organization that focuses on the standardization by the technostructure of procedures and processes. Another basic form of public sector organizations is the ‘professional bureaucracy’. In this configuration the dominant part of the organization is the operating core, where professionals operate with a high level of discretion and coordination is based on standardization of input, t.i., of skills and competences. NPM-reforms have focused on decentralizing and breaking up public bureaucracies into divisional forms, as relatively autonomous agencies were created. In line with Mintzbergs’ characterization of divisionalised or diversified forms as being coordinated by standardization of output, department-agency relations have been structured around performance agreements and output control. Other organizational
configurations that may be less common, although still present in the public sphere are simple structures - small organizations that tend towards centralization and coordination by direct supervision from the strategic apex, adhocracies – innovation-oriented organizations with a very organic structure and emphasis on coordination through ad hoc mutual adjustment, such as for example found in research and development units, and missionary organizations where coordination is based on standardization of norms, values and culture.

2.4. Hypothesis on managerial public service bargains and the capacity for interdepartmental coordination

The central question of this paper is how changes in the role and functioning of top civil servants as result of recent administrative reforms impact upon the capacity for interdepartmental coordination in central government.

Specialization, as introduced as part of administrative reforms, artificially segments problems, causes and possible remedies (cf. Bouckaert et al 2010: 27). Therefore, development of department specific performance indicators can be expected to hinder collaboration with other departments or organizations. Even when performance systems are set up across departments and hold government-wide performance indicators the danger exists that nobody really ‘owns’ these indicators or is accountable for the outcomes. Top civil servants, then, will have more interest in enhancing the performance of the single department, rather than the performance of cross-cutting programs (Bouckaert et al 2010: 32). Managerial public service bargains are structured around the demand for efficient and effective service delivery controlled by measurement of output. Such managerial bargains will hinder interdepartmental coordination as they direct top civil servants to focus attention on achieving the goals set for their specific department. In short, while NPM-like reforms increase the need for coordination, at the same time they do not push civil servants to increase attention for interdepartmental coordination. A system with specialized organizations needs coordination, yet individual performance contracts give civil servants credits for being efficient in their own department, and not for interdepartmental coordination. The focus of top civil servants will therefore be on
achieving goals set for their specific department, rather than for the central government as a collective. As a result, we hypothesize that

**H1: the more the role and functioning of top civil servants can be described in terms of a managerial public service bargain, the more top civil servants’ role in interdepartmental coordination will be limited.**

In public services in which a shift in public service bargain is perceived in the direction of a hybrid bargain, the extent to which this hybrid contains elements of managerialism will thus help explain top civil servants’ role in interdepartmental coordination.

### 2.5. Path dependency influencing capacity for interdepartmental coordination

In his first publications, Mintzberg claimed that effective organizations choose one of the outlined ‘configurations’ that bring structures, strategy and context into natural co-alignment. Later, he described perverse effects of configurations that are ‘out of control’ and stressed the need to seek for combination, t.i. finding a right balance in organizational design and in dealing with opposing forces of organizational division (competition) and coordination (Mintzberg 1991). Following Mintzberg’s analysis, we can describe public organizations as being confronted with a complex context and forces pulling in different directions. In an empirical study of coordination in seven countries, Bouckaert et al (2010) not only find different coordination mechanism being combined, they also find mixed patterns among the countries studied. Different starting positions of the countries play a substantial role, with NPM countries engaging in an action-reaction pattern of specialization and coordination, while non-NPM countries follow a more linear pattern. Path dependency and traditional political-administrative structures thus show to impact on the trajectories of specialization and coordination in different countries. While a historical institutionalist perspective is criticized for lacking force in predicting change, especially when these run counter to a country’s tradition (Hesse, Hood, and Peters 2003), it is useful in explaining variation in coordination instruments and mechanisms being implemented. Alike, we discussed that while a new managerial bargain inspired by the NPM movement has entered the role of the top civil servants in a number of countries, older parts of the public service bargain still seem to persist. This stresses the path-dependent nature not only of coordination mechanisms being used, but also of shifts
in the role and functioning of the senior civil service. As a result, while our primary focus is on explaining the capacity of senior civil service to accomplish interdepartmental coordination, we take into account that next to differences in the adoption of a managerial bargain, also variations in organizational traditions and history of reforms have explanatory force. Therefore, we define the institutional, historical context of a country to be an important control variable when testing the hypothesis that links a managerial public service bargain with diminished capacity for interdepartmental coordination.

At the national level, such factors may include the size of the country (number of inhabitants, geographical size), having a federal versus unitary and a centralized versus decentralized state, the type of government-parliament relations (majority, minority, etc.), the number of ministries and the basic structure of their interdepartmental relations, or the basic function of the departments in the national governance structure (e.g. small policy-formulating versus large production-oriented units). At the organizational level, not only the size of departments (number of employees), but also the task structure of the departments may pose different challenges (e.g. ministry of churches (small challenges) versus ministry of environment (huge challenges)). It has at least three dimensions (these may be caused by NPM): Do the tasks require extensive interdepartmental coordination in order to be solved?; What is the political salience and importance of the tasks? and, Are the departments characterized by a specialized unitary task structure as NPM recommends or by a complex multi-task structure?

3. Illustrations from five countries

In this next section, assessments of efforts for interdepartmental coordination in central state administration in Belgium, Canada, Denmark, the Netherlands and the United Kingdom, and the role of top civil servants herein, are provided in order to illustrate the hypothesis stated earlier.

Our analysis is based on data generated in an international comparative research project, the MANDATE project initiated by the Public Management Institute, K.U.Leuven and the Université Catholique de Louvain. Scholars from five countries have participated in this project. The data were generated from desk research, interviews with top civil
servants, interviews with country experts, survey responses from top civil servants as well as secondary data from the countries involved.

Although the countries in the present study are different in a number of ways, they also share basic characteristics. They all experience a high economic development (e.g. high GDP per inhabitant) and have open market-economies with a liberal democracy characterized by free elections, rule of law and freedom of speech principles (Møller and Skaaning 2010). Besides that, however, they differ in a number of ways that may prove important to the challenges of interdepartmental coordination in state administration. Some comparative dimensions suggested to be important in the literature are shown in appendix 1.

Questions that we explore in the case illustrations, in order to feed the discussion that will follow in section 4, are: How do different governmental systems traditionally accomplish coordinated action in state administration, and what changes are visible here?; What role do the permanent secretaries play in accomplishing coordinated action?; and How has the public service bargain of top civil servants changed over recent years?

3.1. Belgium

The combination of several decades of federalism - official since 1992 - and a strong pillarized society with a weakening consensual tradition, makes Belgium a divided society concerning politics and administration as well language. Even though NPM trends as decentralization, mainly through the process of federalization and privatization in the second half of the 1990s, can be found, a true managerial spirit has never reached the Belgian government, and the main focus has been on macro-economic and fiscal issues (Bouckaert, Peters and Verhoest, 2010: 205). This has not prevented the rise of several coordination problems. Transfer of tasks and competencies caused coordination problems both on the side of the regions and communities and on the delegating side of state administration. The transfer of tasks led to a lack of coherence in the departments and its policies. As a response to these problems, Belgium has known many reforms concerning coordination. However, these were cyclical in nature due to changes in government leading to the elimination of previous government plans (2010: 206). Hence, inefficiency and incoherence remain large problems.
In the 1980s reforms took place concerning federalization and the rearranging of tasks. From having only the budgetary process as tool for horizontal coordination, program budgeting was introduced to unsuccessfully replace the traditional format (2010: 189-191). More successful was the introduction of the Collège of Secretaries-General (SG). The Collège transformed from only being active in the modernization process, to an “official advisory body of government with respect to HR related matters and the general administration of the state”, after which it decided to broaden its representative and coordination function towards a “common management body for the federal administration” (2010: 193-194). This gave the SGs the possibility to consult on each other’s policies and thereby have an important tool for interdepartmental coordination (2010: 194-195). By restructuring the civil service and creating more efficiency, reform plans introduced a new management culture characterized by more “flexibility and streamlining for remuneration, promotions, ranking systems and mobility” (2010: 194). Values as transparency, flexibility and legal protection gave more cultural coherence through the installment of the charter for the Customer of Public Services in 1993 (2010: 197). In 1995, the ministry of civil service was created with, among other things, the task of horizontal coordination (2010: 198). Five years later, this same ministry launched the Copernicus reform, creating a matrix organization with a “new division of tasks of the Federal Public Service: vertical, horizontal and programmatic” (2010: 200).

Belgium is an interesting case with regard to Public Service Bargains. Despite efforts for change, the administration is highly politicized. However, SGs do not enjoy a positions as trustee or advisor of the minister due to the powerful and deeply institutionalized ministerial cabinets, and employ themselves mainly with the implementation of policies. Before the Copernicus reform, Belgium’s political-administrative relationship could be considered as a consociational bargain constituted in the Camu statute of 1937 (De Visscher et al, 2011: 168-169). The career system was characterized by security of tenure, a guaranteed career and financial reward (2011: 170). A six year mandate system intended to change this. However, the lack of evaluation criteria and performance related pay prevented true managerial independence (2011: 173-180). Political support remains a crucial factor for promotion (2011: 182). Therefore it is not surprising that almost all top civil servants belong, unchanged, to a political party
Even though loyalty is commonly to the constitution and its laws, the system of political nominations created a unavoidable loyalty to the minister. Though the cooperation between ministers and SGs with different political affiliation is frequent, the collaboration is then often characterized by distrust (2011: 172). Criteria of access with regard to prior education were less strict and a university degree less dominant, although when present most commonly in law and economics, where applied sciences has been replaced by social sciences after the Copernicus reform. In addition, Belgium puts great value on specialists rather than generalists (2011: 171). At the moment, in addition to technical skills, managerial skills are also highly valued (2011: 179). Some top civil servants have participated in management programs, but there are no training programs at the moment (2011: 177-187). Although fiscal pressure has always been more important than managements issues, the introduction of performance plans has increased the focus on one’s own department and the transformation towards a managing function for top civil servants is seen by most as “as an added value, instead of a formality” (2011: 180). In sum, the Copernicus reform brought NPM related values into the Belgian civil service and there have been changes in the line of a managerial bargain. However, the strong politicization of the administration combined with the limited autonomy of top civil servant and the rooted values as equality and legality, led to a hybrid bargain which “lies somewhere between the directed and the delegated type of agency bargain” (2011: 183-185).

3.2 Canada
Long before the rise of NPM, Canada has been implementing NPM-like reforms. However, from the 1980s on, these reforms have intensified, including innovations as “better services for citizens, results-based management, more control by Parliament, greater autonomy, [more] accountability, [and] performance bonuses” (Bourgault, 2011: 261). The increasing financial problems of the 1990s brought a necessity of reducing public spending and find more efficient ways of providing services, which instigated a search for more (horizontal) coordination and finding greater policy coherence (Peter, 1998: 10).
Slowly but steadily the Deputy Minister (DM) started to gain more power by reforms in the late 1980s with regards to the budget and setting management priorities (De Visscher, Montuelle and Randour, 2010: 15). The autonomy that DM’s gained from these reforms was in practice limited. However, the verge of a financial crises and a budgetary deficit in the 1990s pushed the Canadian government towards modernization (2010: 16). An important step was the Public Service 2000 report, attempting to renew the public service by pinpointing its problems, and explain the goals and principles of the needed reform (ibid.). Again, the reform failed, this times due to the top-down approach. Nonetheless, modernization continued bringing back the number of ministries from 35 to 23 in 1993, in which many staff was cut, leading to a ‘quiet crisis’ where the motivation of civil servants and the image of leading officials were damaged (ibid.). Things changed in 1997, where a new reform, La Relève, intended to transform the Human Resource Management “in the areas of recruitment, loyalty, and equal chances and compensation” (2010: 17). In addition, the Stephenson Commission advised to harmonize the compensation system (ibid.). In 1998, a foundation was created for a network for senior officials, called the Leadership Network, that came into its full being in 2007 as the Secteur du Leadership et de la gestion des talents (ibid.). The new management power of the DM was formalized by the laws form modernization of the Public Service in 2003 (2010: 18). Finally, accountability within the departments was strengthened by the Federal Accountability Act in 2006 (ibid.).

Before the NPM spirited changes since the 1960s, the public service of Canada was hierarchical and civil servants were experts in their sector (Bourgault, 2011: 264). With this, the relationship between the minister and his DM could be described by a Schafferian bargain (Hood and Lodge, 2006; Bourgault, 2011: 254). From the 1970s on, managerialism gained ground and the role of the DM changed to policy maker (2011: 264). In the two following decades, this trend intensified and civil servants with an educational background in management became more important (ibid.). By the end of the 20th century, the DM had the role of (strategic) manager and was accountable for his/hers performance to several committees (ibid.).

For the DM, the Privy Council Office, and then especially the Clerk whom became the head of the civil service in 1992, is very important. Over the years, the Clerk
has gained much (coordination) power and has become the DM of the Prime Minister (PM) (2011: 258). The Clerk is a determining factor in the recruitment and selection process of future DMs, he/she writes detailed reports to the PM about each DM’s performance, and has a role in the “duration of deputy ministers’ assignments, deployments, promotions, salaries, […] and bonuses” (ibid.). With the role of the Clerk, a corporate management culture has risen since the 1980s, where DMs meet in “weekly coordination meetings, periodic meetings of about 15 committees and working groups of deputy ministers, two- and three-day retreats, group learning sessions, and peer assessment meetings”, creating a sphere of mutual adjustment and a platform of sharing concerns (2011: 259).

The final appointment and the decision on its duration is done by the PM, in which “partisan politicization and political sensitivity” is a marginal factor (2011: 270). Usually appointments are not “consulted with the concerned minister” (2011: 257). Regarding educational background, half all the DMs in 2008 had more than one university degree; mostly in social sciences or related disciplines; being stable over the years. In addition, two-thirds enjoyed some sort of management training (2011: 256-265). What has changed is the appreciation of specialists towards the search for managers “with training and experience” (2011: 265). Nowadays, many DMs enjoyed previous assignments as assistant DM (2011: 262). In contrast, the time spend at the DM level has become shorter, and to what some say to short, lacking the time to “launch reforms and projects and report on the results before being moved to another department” (ibid.). The performance evaluation systems has evolved over time under the influence of NPM. It started out with individual evaluation in the 1960s, complemented by peer review after a few years (2011: 259-260). Salaries were always comparatively low and lacked performance bonuses, however, with the help of recommendation of advisory groups, the salaries were raised significantly in 2000 and (risk) “bonuses have increased since 2004” (2011: 263-267). Evaluations are related to performance and a poor evaluation could lead to the termination of an assignment. Managerial accountability has increased over the years. The 1985 reform of the House of Commons made it possible to make DMs appear for its commissions (2011: 259). In addition, the presence of ministerial responsibility was complemented by a trend of trying to make DMs personal accountable and direct
reporting has increased drastically (2011: 265-270). This has in fact changed the relationship between the minister and the DM. Before the reforms, DM’s were “partners of their ministers” (2011: 256). Loyalty was to the state and to the government of the day. This has remained, however, the succession of minority governments has created distrust in the relationship, making the relationship less close (2011: 270). Furthermore, DMs become more often involved in conflict between political parties, perhaps also due to their mandatory dealing with parliamentarians (2011: 271).

To conclude, NPM values have clearly found their place in the corporate identity of the Canadian Public Service. DMs have become managers, receive rewards based on their performance and are accountable. Nonetheless, the hierarchical elements and the traditional role of the previous Schafferian bargain can still be found, making the new bargain of Canada hybrid and not managerial.

3.3 Denmark

Denmark is a comparatively homogeneous country in terms of religion, ethnicity and language (Hansen and Salomonsen, 2011: 190). Served by a multi-party minority government and administratively led by 19 ministers (2009) and their permanent secretaries, Denmark is a unitary state. In spite of this homogenous nature, the postwar increased size and complexity of public sector activities as well as factors as ministerial rule and performance management have enhanced problems of interdepartmental coordination and fragmentation in output. At the same time, developments as an increased importance of ICT, environmental issues, gender and race issues as well as fiscal austerity all call for enhanced interdepartmental coordination.

Reforms in the 1960s and 1970s have emphasized the internal vertical administrative structures, which anticipated on the New Public Management (NPM) reforms yet to come. As a consequence Danish ministries are typically organized in small highly policy-oriented departments and relatively large specialized directorates focused on the implementation and regulation of policies. Though this system is not present in every ministry due to ministerial rule, its hierarchical logic has been quite influential (Jorgensen and Hansen, 1995). Due to the principle of ministerial rule the prime minister lacks a formal hierarchical authority to interfere in internal ministerial matters, but s/he
does have important instruments of coordination based on the power to hire and fire individual ministers and change the contents and task structure of each ministry after and in between elections. The four ministries traditionally most involved in interdepartmental coordination are the ministry of Finance (economic issues), the ministry of Justice (legal issues), the ministry of Foreign Affairs (EU issues) and to a varying extent the prime minister’s office (Jensen, 2003; 2008). At the political level the weekly meeting of the government has an important coordinating function. Monthly informal lunch meetings and seminars every half-year between the permanent secretaries of the 19 ministries were established as a tradition in the 1990s to enhance interdepartmental coordination.

Since 1848, the permanent secretary (PS) is the highest civil servant in Denmark. At each ministry the minister is the political head of the department and the PS is the administrative head of the ministry (Hansen and Salomonsen, 2011: 198-199). The PSs are responsible for three important tasks, i.e., advisory role to the minister, managing the department and its agencies, and managing the relationships with other ministries and external stakeholders. The balance and importance between and of these tasks varies greatly among the different departments, though there is a certain hierarchy of tasks in the aforementioned order. To make a career in the Danish civil service and become a PS, a university degree in social science is in practice required. Traditionally in law, but in recent decades also in economics and political science. Up to the 1950s the system of life long tenure was dominant, from which the remains are still present in the contracts of the PSs. The position of PS is on average gained after more than 20 years of service. Such a long term process of socialization caused shared norms and values in the civil service. Recruitment of the PS has changed from intradepartmental to interdepartmental, however always from within the state administration (Hansen and Salomonsen, 2011: 193). Appointments take place at a pure merit basis and future PSs are usually generalist rather than specialist. (2011: 205).

The Danish civil service has been confronted with several NPM reforms and certainly these have had their effects on the Danish civil service. The search towards more effective management and steering instead of rowing has led to performance management in the departments and in the agencies (Hansen and Salomonsen, 2011: 200). The PSs tend to use management instruments frequently; “more than this they find
that efficiency, effectiveness and economy are key values of the national government” (2011: 200). Although these features lean towards assuming that the managerial bargain has become the dominant bargain in Denmark things are more complex and it is not the case for the PSs. In-depth research shows that there is a clear duality in the role of the PS. Though the PSs identify with their role as manager, they see themselves “primarily as bureaucrats with a policy advisory role” (2011: 199-200). Values as loyalty and responsibility towards the minister are strongly institutionalized (2011: 204-205). The lack of clear ex-post criteria for evaluating performance, leads to a quite informal bargain between the minister and the PS (2011: 195 and 198). In addition, the performance related element in the salaries of the PS are only a small proportion and are not seen by the PSs themselves as influential on their managerial nor on their advisory role (2011: 196). This leads to characterize the Danish bargain as a hybrid bargain where we can primarily see a pyramid and escalator bargain complemented by minor NPM elements, showing therefore features of a managerial bargain.

3.3 The Netherlands

The Netherlands has always been a country of deep political, societal and religious cleavages, which are still visible in politics by the multi-party system and in administration by its diverse departments. The pattern of fragmentation, strengthened by extensive NPM reforms, has caused a call for new reforms leading to more coordination and integration in politics and especially in administration. The departmental fragmentation in the Netherlands is a reflection of and intensifies existing political fragmentation, which is illustrated by weak central political authority and individual ministerial accountability hindering collegial collaboration (Ter Horst 2009; van Twist et al. 2009; Bouckaert, Peters and Verhoest, 2010).

To better address cross-cutting themes in central government administration, program ministers have been installed. Some ministries have increased coordination power, for example, in the Ministry of the Interior through the “Senior Civil Service” (ABD), a career system for top civil servants. The Secretaries-General (SGs) work bilateral or in sub-groups on specific projects cutting across policy-fields. They also meet plenary in the Council of secretaries-general, which took up a proactive role especially in
the walk towards the VRD-modernization (*Vernieuwing Rijksdienst*), in which measures were proposed to increase the common identity of central government departments and agencies. At the moment there are 11 ministries and eight SGs. The hierarchical position of top civil servants gives them an excellent position for improving coordination. The SG is since 1988 the highest civil servant and each department is headed by a SG. In this position, under the directions of the minister, the SG is in charge of leading all ministerial tasks and duties. In the past the most common way of becoming a SG was to climb through the ranks of the department. However, due to severe criticism on the large lack of mobility and unity in government that this was causing, the ABD was called into life, which led to more variety in background of former department. Mobility is enforced due to a minimum seven year rotation scheme. With regard to education, while the traditional law monopoly has given way to a broader academic spectrum, a generalist perspective remained. The political affiliation of a SG is seen as less important, though the SG is expected to have compatible political views with the minister (Steen & Van der Meer 2011).

Although the Dutch PSB was originally described by Hood and Lodge as a consociational bargain, in recent years a hybrid bargain has emerged (Steen and Van der Meer 2011). Strong features of managerialism and professionalism point at a managerial bargain. However, the primacy of politics remains and bureaucratic principles as continuity and hierarchy are highly valued. This can be seen as standardization of norms and values. An important determinant of the hybrid bargain is the nature of performance agreements between the minister and the SG. These signal at a managerial bargain. However, the agreements are of a soft nature, meaning that there are no harsh consequences when the output deviates from the made agreement and evaluation by the minister is done in a quite informal manner. Performance agreements are mainly characterized by flexibility, leading to potential large differences between the work agreements of different ministries (Steen & Van der Meer, 2011: 224). Standardization of output is therefore more difficult. Given the large amount of responsibility that SGs have in their managing function, the flexible performance agreements give them opportunity to be focused not only on their own department, but accommodate them in trying to reach more horizontal coordination with other ministries. This tendency is enforced by the
professionalized career system of the ABD where more mobility is possible. From interviews it became clear that SGs identify both with their own departments as well as with the whole of government. The interdepartmental coordination is an aspect which the secretaries-general do not tend to downplay and they see it as necessary in order to solve larger cross cutting problems.

3.5 The United Kingdom
A strong trend of striving for efficiency and specialization has ruled the public sector of the United Kingdom (UK). Especially from the moment that Thatcher reigned and on, managerialism has been powerful in the UK. The main coordination problems that came from this, were that the transfer of tasks and responsibilities to (other) departments and agencies led to fragmentation and departmentalism in the public sector (Van Dorpe and Horton, 2011: 240). Although along with this, the role of the civil service and its relationship with the minister changed, the importance of ministerial responsibility has always remained.

Typical is the remaining central and important role of the Prime Minister, the Cabinet Office and the Treasury. Most coordination reforms have in fact strengthened this important role (Bouckaert, Peters and Verhoest, 2010: 130). Before 1979 the Cabinet had an important role in horizontal coordination and it met weekly to exchange information (2010: 114-115). The period after that until 1990 was marked by many intra-organizational reviews meant for more efficiency, performance indicators and slimming down the public sector, which caused the relationship between the Prime Minister and the civil service to be under pressure (2010: 116). At the beginning of the 1990s “half of public sector had been transferred to the private sector or transferred to more independently functioning bodies The White papers continued on the same path, however, also reaffirmed key values as “integrity, honesty, objectivity, non-politicization, fair and open recruitment, selection and promotion on merit, and accountability through ministers to parliament” (2010: 121). At the end of the 20th century, Blair continued the trend of reforms of his predecessors, though political advisors became increasingly important (2010: 124). Coordination was still with the Prime Minister and the Cabinet, however, the Modernizing Government White paper of 1997 urged on “tackling
horizontal government in a better way” (ibid.). Joined-up government structures were introduced to enforce collaboration of organizations in case of overlapping competencies (2010: 125). The following years the trend of reform would continue, based on “standards, devolution and delegation, flexibility, expanding choice” (2010: 126-127).

The traditional Schafferian Public Service Bargain (PSB) of the UK has changed under the reforms of the past decades. The UK bureaucracy used to be based on the Whitehall model and important traits of the old bargain were that “in exchange for relative anonymity, an important role at the heart of government and job security in a lifetime career [...] civil servants give up the right to an open, public political life and high salaries. Ministers, on their part, give up the right to personally hire, fire and blame their civil servants in exchange for loyal service and unconditional policy advice from highly educated civil servants” (Van Dorpe and Horton, 2011: 234-235). The career system had a closed nature and after many years of service, starting at a young age, promotion was possible in first instance based on merit, but also on seniority (2011: 235-236). Many PSs have prior experience in working as “a private secretary to a minister and/or in one of the central departments, HM Treasury or the Cabinet Office” (2011: 243). Nowadays, entrance is at a later age and permanent tenure is not guaranteed anymore (2011: 243). Contracts have become individual and performance and pay are related (2011: 236-241). The renewal of contracts is dependent upon performance, although there are few dismissals. Recruitment for positions has become open to the market and thereby more competitive. This gives a greater mix of different people and (too) high rates of mobility (2011: 241-244). The most common background of education was Oxbridge, mainly in history. However, a dominance of 70 percent in 1965 had dropped to 30 percent in 2009 and nowadays social sciences have become more important (2011: 243). Mainly informal training on the job socialized new employees (2011: 237). The generalist nature that this informal training gave to its bureaucrats, disappeared with the reforms, where more emphasis on job specific entities and competencies was introduced (2011: 245). Before the reforms, giving policy advice, and preparing and formulating policy were among the most important tasks of top civil servants and they enjoyed a position as political confidant of the minister (2011: 237-238). Therefore, even though civil servants were servants to the crown, -nowadays to the
state after the Constitutional Reform and Governance Act of 2010-, they had loyalty to their minister and identified with their own department (2011: 239 - 245). In addition, the non-partisan element of civil servants has always been strong and it still is nowadays (2011: 238). However, the role of the PS did change. The former advisory role of the PS has decreased and their role as manager has become more important. This, among other reasons due to an increase of political advisors over the recent years (2011: 243). The increased importance of the managerial role of the PS has also made them more responsible for outputs and even though the minister is still responsible to parliament for his/her department, PSs can be held “accountable and directly answerable to the Public Account Committee […] [and] are called before specialist committees of the House of Commons to answer questions and provide information ” (2011: 246). The developments in the British civil service shows clear signs of professionalization and reforms have led PSs to have “become the public face and the guardians of their department” (2011: 244-246). The relationship of the PS with his/her minister can be described as less harmonious as before and more strict principle-agent (2011: 246). In sum, “the current bargain is a compromise between a New Zealand–style contract system and a traditional serial loyalist one” (2011: 248). A managerial public service bargain is present, yet the old bargain has not disappeared entirely.

4. Discussion
In this section we summarize and building on comparative analysis, we discuss our findings from the previous analysis of our five country cases as they relate to our main argument (see table 1).
### Table X: New Public Management, managerial bargain of PS and interdepartmental coordination problems in five liberal democracies - findings

<table>
<thead>
<tr>
<th>Comparative dimension</th>
<th>United Kingdom</th>
<th>Canada</th>
<th>Netherlands</th>
<th>Denmark</th>
<th>Belgium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strength of NPM for state administration</td>
<td>++</td>
<td>+</td>
<td>+/-</td>
<td>+/-</td>
<td>-</td>
</tr>
<tr>
<td>Strength of managerial bargain for PS</td>
<td>+</td>
<td>+</td>
<td>+/- to -</td>
<td>+/- to -</td>
<td>+ to +/-</td>
</tr>
<tr>
<td>PS role in interdepartmental coordination</td>
<td>-</td>
<td>+/-</td>
<td>+</td>
<td>+</td>
<td>- to +/-</td>
</tr>
<tr>
<td>Magnitude of interdepartmental Coordination problems</td>
<td>++</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
</tbody>
</table>

Note: Scale used: ++ Very strong/important; + strong/important; +/- Medium; - Weak/unimportant; - - Very weak/unimportant; ? unable to judge

Of the five cases studied, Belgium is the most modest NPM-reformer. Coordination problems not so much link with the introduction of managerial reforms, as with the impact of the federalization process on the coherence of departments and policies. Many reforms concerning coordination were introduced, their success most often inhibited by problems of implementation. Both the Netherlands and Denmark are typified as medium level modernizers, when looked at from an NPM perspective. Both countries experienced NPM-like initiatives towards decentralization, devolution and specialization in state administration. However, even more than these reforms, it is the in-build fragmentation linked with the more traditional characteristics of the political-administrative system that advances a need for coordination and integration. Both countries are characterized by ministerial rule in an unitary system. This basic structure of decision making is found to enhance departmentalism, while the need for coordination is increased by such factors as fiscal stress and the digitalization of the public sector. In the UK, NPM reforms and managerial have been. However, there is also a strong striving for coordination of policies across the fragmentated and departmentalised public sector. In Canada, with
regard to coordination problems and then specifically for the Deputy Ministers, it seems that by the long tradition of NPM values and the large individual accountability that came with this, there was a pure necessity to focus on one’s own department, and less focus on the whole of government.

In Belgium, despite efforts to change this, the system of politicization still much influences the public service bargain. However, while the autonomy of SGs remains limited, reforms brought NPM related values into the civil service and managerial skills are highly valued. Thus, while lacking an overall NPM-image, in Belgium, elements of managerialism have been introduced in the public service bargain. In Denmark, management by contract has become the standard way to organize vertical relations and agency managers usually have some kind of performance contract. However at the level of the PSs, the managerial bargain in terms of a performance contract never really caught on. The main reason may be that the task of giving useful policy advice to the minister is so important – in contrast for example with the Belgian case - and so impossible to state in a performance contract that the contract becomes useless or at least of minor importance. The “performance contract” thus becomes a rational ritual very loosely coupled to actual practice. Also in the Netherlands, rather than a clear-cut shift towards a managerial PSB, a new, hybrid bargain has emerged. Performance management systems encourage a focus on service delivery. Yet, at the same time issues such as professionalization, public service ethos, esprit the corps are stressed. These soften the managerial focus of reforms, as well as the department-specific focus attached of the civil servant’s role. In the UK as a high NPM-reformer, one could expect a managerial bargain to have emerged more drastically. Indeed, a managerial public service bargain is present, however, again the bargain is a hybrid one as the old Schafferian bargain has not disappeared entirely. In Canada, managerialism has been introduced since the 1980’s, however, the bargain shows a mix between managerial and lasting hierarchical elements and the traditional role of the old Schafferian bargain.

In the countries studied, a mixture of mechanisms is implemented. Using Mintzbergs’ typology, we can distinguish such mechanisms as standardization of input (e.g.
recruitment and career policies), standardization of processes (e.g. ICT-measures), standardization of skills (e.g. management development and broadening of entry into top civil service), standardization of output (e.g. performance management systems), mutual adjustment (e.g. informal meetings and collaboration), direct supervision (e.g. the chain made from minister, top civil service to middle management), and ideology (e.g. codes of ethics). The role of PSs in these coordination mechanisms, however, varies across the countries studied. In Belgium, the position of the ‘ministerial cabinets’ restricts the role of PSs. Only to a limited extent PSs could pick up a coordination role, for example through such instruments as the College of Secretaries General, while the introduction of performance plans has increased the focus on one’s own department. Danish PSs are pretty much involved in interdepartmental coordination although it varies between ministries. Perhaps due to the weaker coordinating mechanisms of the structural features in the Dutch system (e.g. weaker coordinating power of prime minister, even more fragmented party system) coordination initiatives seem to have gone even further in the Dutch case, with examples a reform project permanent secretary being temporarily appointed, or the rule that no permanent secretary can stay in same position for more than 7 years enhancing mobility of PSs across departments. Both in Denmark and the Netherlands, especially ‘softer’ mechanisms, such as career management enhancing of interdepartmental mobility, (in)formal meetings with peers, or project-teams being set up among different departments are stressed as ways to enhance integration. Striking, for example, is the ‘tone’ in the Dutch reform program, where rather than stipulating central management policies, one relies on voluntariness, networking and bottom-up collaboration initiatives in order to achieve more integrated policies and cost efficiency. In the UK, next to the central coordinating role of the Prime Minister having further increased, joined-up government structures have been introduced to tackle problems of horizontal coordination between the extensive number of agencies. In Canada, there is a special role for the Clerk of the Privy Council, yet also the deputy ministers regularly meet and share concerns in formal and informal gatherings.

We hypothesized that decentralisation and the managerial bargain tend to enhance managerial behavior focusing on the internal efficiency of the department rather than on
the external efficacy in the coordination of activities across departments. Therefore we expected that the more in depth a country has implemented the managerial bargain, the less top civil servants are directly involved in tackling horizontal coordination problems. Since NPM is usually associated with the Anglo-Saxon countries as front-runners, this suggests that UK and perhaps Canada have implemented the model most in depth, and are facing coordination problems, while the top civil servants’ role in horizontal coordination remains limited. As table 1 and the discussion of the cases show, this scenario seems to hold most strongly for the UK as an NPM-model, and albeit somewhat less pronounced, also for the Canadian case. Opposite to this, stands the picture of the Danish and Dutch top civil service. Quite some similarities are found between both cases. The high degree of departmental fragmentation in policy-making has over a longer time been diagnosed as the major problem of the civil service, and thus cannot be described as a new NPM-effect. Agentification has been propagated, but in practice performance management has had very limited influence on the top civil servants’ public service bargain and they are engaged with a variety of mechanisms for interdepartmental coordination. Finally, the hypothesis also gets support from the Belgian case. Here, despite the country being a modest NPM-reformer, the introduction of performance contracts is important in describing changes in the public service bargain, while coordination problems are persistent and the top civil servants role in interdepartmental coordination remains limited.

5. Conclusion

This paper represents an attempt to grasp and comprehend the challenges of interdepartmental coordination faced by top civil servants in governments of liberal democracies. Utilizing a theoretical framework based on the concept of public service bargains, we compared challenges of interdepartmental coordination and the role of top civil servants herein in five countries. We hypothesized that the more the functioning of top civil servants is characterized as a managerial public service bargain, the more limited is their role in interdepartmental coordination, as focus will be on achieving goals set for their specific department, rather than for the central government as a collective. In
general, illustrations discussing interdepartmental coordination in state administration in Belgium, Canada, Denmark, the Netherlands and the United Kingdom provided support for this theoretical argument. However, the case illustrations also show that the institutional, historical context of a country has to be taken into account when discussing capacity for interdepartmental coordination. When explaining variations in interdepartmental coordination one cannot solely focus on recent challenges provided by NPM or post-NPM reforms. Next to gradual shifts in the bargain for top civil servants, variations in organizational traditions, such as the extent to which not only ad administrative level, but also at the political level decision making processes are fragmented, helps understand how interdepartmental coordination problems are handled.
## Appendix 1. The Institutional Context of interdepartmental Coordination

<table>
<thead>
<tr>
<th>Comparative dimension</th>
<th>Belgium</th>
<th>Canada</th>
<th>Denmark</th>
<th>Netherlands</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of government <em>(2008)</em></td>
<td>Surplus coalition</td>
<td>Single party minority</td>
<td>Multi party minority</td>
<td>Minimal winning coalition</td>
<td>Single party government</td>
</tr>
<tr>
<td>Number of changes in government per year <em>(2008)</em></td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ideological gap between new and old cabinet <em>(2008)</em></td>
<td>-1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Fiscal centralization**</td>
<td>46,7</td>
<td>43,8</td>
<td>72,4</td>
<td>MS</td>
<td>75,4</td>
</tr>
<tr>
<td>Index of bicameralism*</td>
<td>Medium strength bicameralism</td>
<td>Medium strength bicameralism</td>
<td>Unicameralism</td>
<td>Medium strength bicameralism</td>
<td>Weak to medium strength bicameralism</td>
</tr>
<tr>
<td>Number of permanent secretaries (2009)</td>
<td>13</td>
<td>27</td>
<td>19</td>
<td>14</td>
<td>43</td>
</tr>
<tr>
<td>Cabinet versus minister authority</td>
<td>Cabinet (?)</td>
<td>?</td>
<td>Minister</td>
<td>Minister</td>
<td>?</td>
</tr>
<tr>
<td>Number of ministries</td>
<td>22 (?) (7 StS and 5 DPM)</td>
<td>37 (?)</td>
<td>19</td>
<td>13 + without portfolio</td>
<td>26</td>
</tr>
<tr>
<td>Bilingual?</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Number of inhabitants</td>
<td>10.8 million</td>
<td>34.2 million</td>
<td>5.5 million</td>
<td>16.6 million</td>
<td>62 million</td>
</tr>
<tr>
<td>Type of welfare state regime***</td>
<td>Corporatist, static</td>
<td>Residualist</td>
<td>Universalistic</td>
<td>Universalistic</td>
<td>Mixed</td>
</tr>
<tr>
<td>Federal versus unitary state</td>
<td>Federal</td>
<td>Federal</td>
<td>Unitary</td>
<td>Unitary</td>
<td>Unitary</td>
</tr>
<tr>
<td>Type of party system</td>
<td>?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Source: Klaus Armingeon, Romana Careja, Sarah Engler, Panajotis Potolidis, Marlène Gerber, Philipp Leimgruber. Comparative Political Data Set III 1990-2008, Institute of Political Science, University of Berne 2010

** Source: OECD Revenue Statistics Vol. 2009, 01, Eurostat

*** (Esping-Andersen 1990)
Litteratur


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1 The heads of ministerial departments

ii The latter may also be characterized as NPM-elements.

iii We are very thankful to Annie Hondeghem (K.U.Leuven) and Christian DeVisscher (UCL), who are coordinating the research efforts, and to all researchers collaborating in the MANDATE-research project.