Belgium -Flanders

Better governance

An outlook on a transparent organisational model for the Flemish public administration

Ministry of Flanders, 2001

Flemish Government

Better governance

Reorganisation of the Flemish public administration

Background

■ **Reorganisation of the Flemish public administration - an administrative policy priority of the Flemish Government**

Optimising the workings of its administration has become the top priority of the administrative policy of the Flemish Government. A special meeting dedicated exclusively to this subject was held in Louvain on 19 February 2000. At this meeting, it was decided to embark on an ambitious project, "Better administrative policy", in which the reorganisation of the Flemish administration forms the most important part.

Following from this, an addendum to the Civil Service Policy Memorandum for the 1999-2004 term of office was submitted to the Flemish Parliament on 27 March 2000. This outlined the following key features of the future organisation:

- Restoring the primacy of politics.

- Focussing the tasks of the current departments of the Ministry of Flanders on policy preparation and evaluation.

- Incorporating a number of policy implementation tasks of the current departments into autonomous government agencies (either internally or externally autonomous).

- Launching a fundamental debate on the political and social appropriateness of external autonomous government agencies, in the context of a Parliament of Flanders Act granting autonomy.

The importance of the intended modernisation is considerable. A transparent and efficient Public Service is an essential factor in the competitiveness of countries and regions and in the welfare and wellbeing of the people. Rapidly changing circumstances and social developments continually create new challenges for government, which have to be dealt with successfully. The intended modernisation of the Flemish administration is also in keeping with similar processes occurring in a number of other countries.

■ Special commissioners appointed to develop firm proposals

On 31 March 2000, the Flemish Government appointed two senior civil servants of the Ministry of Flanders as Special Commissioners for this reorganisation, i.e. ir. Eric Stroobants, Secretary-General of the Coordination Department and Leo Victor, Secretary-General of the General Affairs and Finance Department. Their assignment consisted of submitting reasoned proposals to the Flemish Government on the new organisation, taken into account the key features, put forward by the Government.

Under the management of the Special Commissioners, a project group of civil servants developed these proposals from April to December 2000. A report was submitted on 21 December 2000 and sent to Patrick Dewael, Minister-President of the Flemish Government, and to Johan Sauwens, Minister of the Flemish Government responsible for the civil service.

The report was entitled "Beter bestuur – Een visie op een transparant organisatiemodel voor de Vlaamse administratie" (Better governance - An outlook on a transparent organisational model for the Flemish public administration). As the title suggests, the report (which is the first result of the thought processes prompted by the project) aims at developing an organisational model, which will be further elaborated and detailed in the course of 2001 and 2002.

■ Approval of the basic principles for the future organisational model by the Flemish Government on 19 January 2001

In line with the interim decision of 17 November 2000 regarding certain aspects, on 19 January 2001 the Flemish Government made a formal decision regarding the basic principles for the organisational model for the Flemish administration put forward by the special commissioners.
The fundamental premises of the new organisational model will be the primacy of politics and the principles of good governance.

■ Summary document

The report consists of 129 pages and an appendix of 100 pages. The following summary of the report can be of any help for people interested in the subject.

The first chapter of the report outlines various ongoing social developments. The new Flemish Public Service should be constructed in that way so that it can meet these developments and challenges quickly, flexibly and efficiently. It should result in a government that is more accessible, interactive, transparent and customer oriented. How this can be done and what has to be taken into account, is described in the subsequent chapters.

The second chapter deals with the primacy of politics and political accountability. It also explains the two terms, how they are linked together and what possibilities and difficulties they give rise to in the organisation of the Public Service, the new public management, and autonomous agencies. The chapter closes with an overview of recommendations for applying the two principles in practice, built on the recommendations of the Flemish Parliament, the Council of State, the Audit Office and legal doctrine.

The third chapter deals with the basic components of the organisational model for the Flemish administration. It outlines the main structure of the future Flemish Public Service that will be based on the concept of homogenous policy domains. In each homogenous policy domain, there will be a Flemish Ministry (consisting of a department and internal autonomous agencies) together with external autonomous agencies. The external autonomous agencies have their own legal personality.

The characteristics, tasks, formation criteria, and operating conditions of these structural entities are explained, including their relationships with one another and their relationship with the minister and his/her office. The role and the tasks of the departments on the one hand and the autonomous agencies on the other hand are (re)defined. The role of the department mainly concerns policy support (policy preparation and evaluation, and directing, monitoring and following up policy implementation). The autonomous agencies act as implementation-oriented entities responsible for policy implementation work. They have a high degree of autonomy. Management agreements will be used to direct and monitor the autonomous agencies.
A policy board is set up for each homogenous policy domain. This supports policy making at a high level and acts as a policy integrating and co-ordinating platform where both the political level (minister and head of the minister's office) and the administrative level (head of department and the autonomous agencies) are represented. The role, composition and positioning of the management group (as an integrator of policy support and policy implementation at an administrative level) are also mentioned, as well as the setting for the strategic advisory bodies and the consultative bodies in general.

Temporary partnerships for project operations are considered and an approach to the accompanying tools is developed for the necessary harmonisation of policy across the policy domains.
The chapter closes with an appendix giving an overview of the various stages of the policy and management cycle, the activities that belong to each of these stages, the actors who play a role in them, and their respective tasks in each stage of the cycle.

The fourth chapter is dedicated to the Flemish advisory and consultative system in relation to the new organisational model. It starts with demarcating the definitions of advice, the consultation and the negotiation, and with discussing the Flemish advisory, consultative and negotiating bodies. Then the premises for a thorough restructuring are outlined. The chapter closes with the key features and firm proposals for a restructuring of the advisory system and the formal consultative system.

Chapter five deals with the new organisational structure of the Flemish Public Service. For the purpose of the practical detailing of the organisational model explained in chapter three, the Flemish Government decided to divide the entire package of responsibilities of the Flemish Public Service into 13 homogenous policy domains. The detailed development of the new organisational structure, based on these 13 policy domains, will be done at sector level in the course of 2001. Chapter five and the appendix of this chapter essentially deal with the documentation to be provided for those responsible for the development at sector level.

■ Planned activities for the year 2001 and beyond

The reorganisation of the Flemish public administration is currently still in the conceptual phase.

During 2001, working groups will develop proposals for each of the 13 homogenous policy domains in order to flesh out the organisational model for concrete application to each policy domain. These sector-based proposals will be consolidated by the end of the year 2001 into a coherent general organisational structure for the whole of Flemish administration.

With regard to the general aspects, in 2001 Flemish Parliament General Acts will be prepared for the internal and external autonomous agencies (general principles with regard to formation, categorisation, administration, operation, monitoring and supervision, etc.) in 2001 and for the restructuring of the advisory and consultative system. Concrete proposals will also be developed with regard to personnel and human resources policy, budgeting, accounting and financial management.

The new organisational structure will be implemented in 2002. The selection and appointment of the heads of the departments and the autonomous agencies is planned for the third quarter of 2002. According to the planning the new structure will come into effect as of 1 January 2003.

Ministry of Flanders

Better governance

An outlook on a transparent organisational model for the Flemish public administration

Summary of the report by the Special Commissioners
for the reorganisation of the Flemish public administration

- summary, dated 15 of June 2001
- full report (Dutch language), dated 21 of December 2000

Contents

1. Context and challenges

1.1 Changes in the relationship between government and citizens

Various social developments are forcing the government to think carefully about what it does and how it does it.

- *Individualisation* is creating a growing and heterogeneous group of mature and better educated people who want more control over their own lives and more direct contact with the government. It also creates people who want to become involved in intermediate organisations in a more project-oriented way rather than permanently. The government sees its legitimacy eroding while it is also being confronted with a new dual society due to the widening gap between qualified and unqualified people.

- *The growth of a network society* is leading to problems and solutions being connected to increasing numbers of bodies, types of expertise, responsibilities and sub-interests. The government can thereby direct society less centrally, and has to remember that many decision centres make de facto binding decisions for large proportions of the population.

- *The rapid development of information and communication technology* is forcing government to consider a type of electronic government that communicates transparently and interactively with the citizens. It also has to be easy accessible.

- *Internationalisation* is leading to national and regional governments having to take increasing account of international, European and global influences and arrangements. For the government, the need is thus growing to make an active contribution to international policy-making and also to work together with the various administrative layers (European, federal, regional and local).

In the rest of this chapter, we will examine how we can react evenly to these developments in the reorganisation of the Flemish Public Service. In general, we assume that government is no longer an all-powerful, centrally controlling body, but rather a director who creates the right conditions for the various actors and ensures that they adhere to the rules. Through this more process-oriented role, the government can no longer solely gauge its actions using the three Ls - legitimacy, legal certainty and legal equality - but also has to assess them on the basis of the three Es - effectiveness, efficiency and ease of understanding.

As a result of this, the question arises as to whether the government should still take up so many responsibilities or whether it would not be better to limit itself to its core tasks. In this discussion, a distinction has to be made between what the government must do and how it must do it.

The "what" question can only be answered by the political level, who has to examine which social interests are also public interests in its opinion. The often-static approach to this debate on core tasks could perhaps be made more dynamic by pragmatically defining a public interest as an interest that the political level wants to serve in the belief that this interest can only be fully satisfied through its contribution. This definition makes the concept of public interest context dependent, whereby the debate can be conducted on the basis of place, time, and performance of other actors and expected developments.

The "how" aspect is much less political in nature because it mainly gauges the pros and cons of organisational models and policy implementation methods concerning those interests that the political government recognises as public interests. The report thus also endeavours to find an answer to this "how" question.

1.2   Government closer to the citizens

In order to be able to deal with the growing network society, the responsibilities of the various levels have to be demarcated more sharply and there has to be more co-operation between the policy levels.

The subsidiarity principle is used as a guideline in the delimitation of responsibilities and tasks. Centralisation is required when unity of policy and action predominates, when efficiency and benefits of scale are important, or when distance is required in order to enable an objective policy. Decentralisation is recommended when wide involvement and increased delegation of responsibility are important, or if local circumstances and sensitivities play a major role.

When implementing the reorganisation, the division of responsibilities and tasks for each policy domain has to be tested against the following reference framework:

-    ***The municipality*** is the basic level and has open terms of reference with extensive general local responsibilities. For citizens, it is the first line of administration and the first point of contact with the government, irrespective of the government service that deals with the matter concerned in terms of content.

-    ***Intermunicipal forms of co-operation*** can be entered into to achieve common objectives of local interest.

---

2   Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

- ***The Flemish central government*** has a policy making and policy implementing role, for the responsibilities allocated to it as a region and as a community. When it works with local administrations on policy implementation, it is limited to setting the general lines while the local administrations are responsible for the practical implementation.

- ***The province*** as an intermediary government has a supporting role with specific, supra local but region-related tasks. Here, the terms of reference are clearly demarcated with allocated responsibilities.

The sharper delineation of tasks and responsibilities must be supplemented by a stronger co-operation between the different levels of governance. The co-ordination and management of this co-operation becomes an additional core task of central government. A number of principles of co-operation have already been agreed in the pact between the Flemish Government, the Flemish municipalities and public centres for social welfare (OCMW). In recent years, the rules of play have become increasingly embedded in so-called covenants. The key of such an instrument must lie in the formulation of concrete results around common objectives, and the monitoring instruments then mainly have to be output oriented.

1.3   The citizens are involved in policy

As individualisation is leading to increasing fragmentation of civil society, the Flemish government must ensure that it uses participation instruments to give policy sufficient social support. On the other hand, it must also ensure that policy-making arises sufficiently clearly from the primacy of politics.

The current participation instruments do not always provide these guarantees. The existing Flemish arrangement of advisory and consultative bodies is very extensive and not clearly organised. The advisory system can best be sobered down into one strategic advisory board per policy domain, supplemented by a number of temporary or specialist advisory boards, together with a limited number of meta-advisory boards that go beyond the policy domains. The formal consultation arrangements can best be separated from the advisory structures and have to become more visible. This restructuring will be developed in chapter 4.

In order to make policy development more interactive, additional forums and instruments can be created in addition to the advisory and consultative bodies. The usual participation and objection procedures are useful but have the disadvantage that citizens can only respond to completed policy plans, and therefore need revising. Interactive policy development builds a basis by involving citizens and organisations in the decision-making at an earlier stage through instruments such as consultations of key figures, hearings and customer surveys.

1.4   Government meets the citizens as the customer

While the government must continue to act in a regulating manner in an increasingly complex society, it has to make its services customer-oriented and its management must meet the expectations that the critical consumer of today has. In order to satisfy these three requirements, it must make quality improvements on the input side, in its internal operations, and on the output side.

On the input side, more transparent rule making must be worked on, which mainly has to be evaluated for practicality, maintainability, administrative impact and possible side effects in other policy domains. On the other hand, the administrative procedures also have to be simplified, especially with the help of information and communication technology.

The internal operations also have to be organised from the point of view of the citizens. An instrument to help realise such a demand-driven approach is the one-stop shop. Citizens can go to one single point of contact for all services within the same policy domain. It not only provides information but also remains the point of contact for the integrated handling of affairs.
Behind the shop, the government services concerned must form a network across the levels of governance. The municipality is the most important partner here because it is the closest to the citizens.

On the output side, quality improvement of the services rendered must be closely monitored. Customer surveys and quality barometers are useful resources here if used properly. The correct treatment of complaints - supplemented by an active information and communication policy - is required in this respect.

1.5   Better communication between government and citizens

As a result of developments in information and communication technology (ICT), government will be more accessible and will be able to inform citizens more quickly and interactively than before. The Vlaamse Infolijn (Flanders' Info Line) is already an important quality improvement in this respect. At the European Summit in Lisbon in 2000, each member state was called on to provide general electronic access to the most important basic Public Services by 2003. Before realising this objective in operational terms, the threats and limitations of electronic services have to be examined alongside their potential.

Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

ICT can give every citizen better access to information on government services and policy. Information must be selected, structured and formulated from a customer and user-friendly perspective as much as possible.

With ICT, Public Services can also be organised in such a way that citizens can use them irrespective of time and place. In the back office, the handling of them then has to be integrated across the levels of governance, which yields the additional advantage that the citizen concerned only has to provide his/her details once. Moreover, electronic services do not just work reactively but also proactively, and the citizen can also obtain very specific information on the services he/she qualifies for on the basis of his/her data. The government must ensure that privacy is not harmed and that no new inequalities are created by unwillingly favouring certain citizens.

Finally, ICT offers a great deal of potential to improve internal operational management, not only through computerisation and streamlining of the business processes, but in particular through information management and knowledge management. If government work is put into electronic form, it can be consulted faster, by a number of people simultaneously, from any workplace and at any point in time. Here too, the government must ensure that the information is stored and archived with the necessary quality guarantees.

In general, electronic government must ensure that it does not become an alienating government and that it does not create a new dual society.
Government must also give all citizens equal opportunities for accessing ICT-resources and the information available, and it must reduce the existing financial, social, educational and age barriers as much as possible. Additional guarantees must also be created to protect privacy. Clear agreements between government and citizens are required to ensure the availability and reliability of information, and to harmonise its use and status.

2. Key concepts in this reorganisation

2.1 Primacy of politics as a policy option

The Flemish coalition agreement shows that the Flemish Government views the primacy of politics as one of the major basic principles in the modernisation of administrative policy. The primacy of politics was a basic principle of the Louvain decisions of 19 February 2000 on the future organisation of the Public Service. We thus have to examine what the term means.

2.2 Primacy of politics and political responsibility

Primacy of politics. The primacy of politics generally means that the legislature takes precedence over the executive, the minister takes precedence over the civil servant/manager, and the public interest takes precedence over the individual interest.

For the Flemish Government, it is mainly a political option, which means that government policy must be determined by the political heads and not by actors with less democratic legitimacy. Parliament and Government thus have to determine what social interests are government responsibilities, what social policy effects are covered, and what policy instruments are selected. The policy makers also have to be in a position to direct, monitor, supervise, evaluate, and if necessary adjust the implementation of the policy.

The rule of the primacy of politics does not detract from the role of Flemish administration (in the wide sense), which prepares, implements and evaluates policy, including monitoring, supervision and inspection. Flemish institutions with their own legal personality and their own degree of autonomy may not, however, take on policy-making responsibilities. Civil society, in its turn, must be actively involved in the preparation, interpretation and implementation of policy, but the political heads must have the final say.

In reinforcing the primacy of politics, an optimum relationship between the legislature and the executive has to be ensured.
Whether there is a firm requirement for a stronger Flemish Parliament, will have to be determined in the framework of the political consultation.

According to the Minister-President of the Flemish Government, the primacy of politics must be clearly distinct from politicisation. Strengthening the primacy of politics is not about extending the terrain of politics to matters that do not belong to it, nor about screening the domain of politicians from outside influences.

Political responsibility. The primacy of politics is based on the concept of "political responsibility". According to the special Act of 8 August 1980 on institutional reform, this means that each minister and the Government as a whole are required to be accountable to Parliament with regard to their policies.

While the primacy of politics is a political option that mainly relates to policy making, political responsibility must be seen in a wider sense: it is a concept, founded on the constitution, that concerns not just the making of policy, but also the policy followed.

The ultimate sanction attached to political responsibility is dismissal. If a minister or the entire Government loses the confidence of the majority, then the minister or the entire Government has to resign. Political responsibility also plays a part in the normal relationship of co-operation, the openness and the dialogue between Government and Parliament. While Government, as the most important engine of the political order, must be able to count on the loyalty of the members of its majority in Parliament, Parliament must also be able to rely on the members of Government to properly explain their policies to Parliament, provide clarification and account for them.

As decision making in the Flemish Government is collective and runs according to the procedure of consensus, individual and collective accountability can become intertwined. The rule of collective or joint decision making can however be interpreted as a widening of individual accountability, whereby the minister is not only accountable to Parliament, but also to his ministerial colleagues. It is the Flemish Parliament' task to assess in practice whether the accountability is individual or collective.

In principle, the political responsibility of a minister is total and applies to his personal actions and the actions of the services he/she is responsible for. Responsibility also applies to the entire policy and management cycle and to the entire work area that the minister is responsible for. For this reason, ministerial responsibility also has to be complemented by administrative loyalty and neutrality.

The democratic foundation and dynamics of the two principles. Political responsibility and, in a derivative order, the primacy of politics constitute the most important instruments in a parliamentary democracy for ensuring that decision-making is democratically legitimised, in order to safeguard the public interest. A parliamentary democracy, however, requires legitimacy and policy control to be supported by the participation of the citizens, the quality of the decision-making organisation, and the policy and management cycle. With regard to

Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

good governance, political responsibility has grown into a means of ensuring, in a general sense, that the governmental organisation functions well.

Political responsibility must therefore not be viewed as a mere legal concept, but also as a matter of continuous political debate. The principle belongs to living constitutional law, and its interpretation is time and context dependent. This applies all the more so to the rule of the primacy of politics.

2.3 Political responsibility and the organisation of the public service

The principle of political responsibility seems to be put under pressure by the increasing complexity of the Public Service and the decentralisation of tasks.

How can ministers be held responsible if in fact they cannot control every government action?

Two notions in this respect emerged from an extensive debate conducted in The Netherlands. The first and widest notion says that the minister's responsibility is strictly linked to his or her authorities, and the responsibility is thus limited "in advance" by law. The second notion links ministerial responsibility to the rule of confidence, and says that responsibility is "subsequently" determined by Parliament according to the actual situation.

The belief is growing that the conflict between principle and practice can be put into perspective by making a distinction between:

- The political responsibility of ministers and the Government towards Parliament: this is complete, i.e. ministers give a full account to Parliament about their activities and those of their administration.
- The internal relationship between the minister and the administration, whereby the minister sets the policy and the senior civil servant has the primary responsibility for implementing the policy.

Such an internal division of tasks does not rule out the ministers also being politically responsible for the sound implementation of their policies, and does not detract from the fact that senior civil servants and their services are involved in formulating the policy. In this arrangement, the senior civil servants are accountable to the minister, and in turn through him or her to Parliament.

The concern to restore the primacy of politics must be examined in connection with the emergence of the new public management.

Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

9

This argues for public sector managers to play a stronger role in the preparation, implementation and evaluation of the policy, for them to be given a more prominent role in the involvement of the citizen in the conception, implementation and evaluation of the services, and for them to be made responsible for these roles.

As the politicians are also active in these two domains, the responsibilities and the required accountability must be demarcated - for example through management agreements, management contracts, and internal constructions of self-management or delegation. Even after such a demarcation, the political responsibility of the minister is still total, as a minister himself cannot make any arrangement that influences the level of political responsibility. On the other hand, on the grounds of the separation of powers, a hierarchical relationship may never arise between Parliament and the administration, and parliamentary supervision must necessarily always go via the minister. The accountability of the manager can also supplement the concept of political responsibility, but it may not take its place.

Within the administration, the public sector managers are responsible for the results of their organisations. They therefore have an important influence on the legitimacy of government as this legitimacy rests on the production of results. This delegation of responsibility helps to support the rule of political primacy, and makes it operational by further demarcating tasks and making responsibilities more explicit, and also by providing performance data for the accountability process. The justification of government actions from the administration will increasingly refer to the ability to deal with the available resources in a qualitative manner, i.e. economically, efficiently, and effectively. Thus, management contracts / management agreements can contribute to more clarity on the expected efforts and the resources required for this.

In conclusion, we have to examine political responsibility and the primacy of politics in the framework of the reorganisation at hand, which gives policy preparation and evaluation to the departments, and policy implementation to internal or external autonomous agencies.

Departments operate under the direct authority and responsibility of the minister in a one-to-one relationship, which ensures a clear relationship between Parliament, Government and the administration.

With internal autonomous agencies the relationship is still clear as well, as they continue to act under the direct authority and responsibility of the minister concerned. Legally, it is a case of diluting or distributing responsibilities of a Public Service to a number of hierarchically subordinate services or civil servants.

External autonomous agencies decide autonomously and are not under the hierarchical authority of the minister. Legally, this is a case of a functional decentralisation, where a well defined, specialised task of public interest is given to an independent service. Such a service is not subject to the authority of government, but only to its guidance and supervision. Its

independence is expressed in its legal personality, granted by Flemish Parliament Act. Its specialisation is set in the clearly defined objective or assignment. The level of autonomy and the level of supervision can diverge.

External autonomous agencies can undermine political responsibility and political primacy, and lead to situations where the minister still has the final responsibility but cannot account for all the activities of the institution. That risk arises in particular through the autonomy of external autonomous agencies, the participation of interested parties in public administration, the restriction of the authority of the minister, the highly disparate nature of the agencies and the supervision rules, and highly diverse administrative practices, for example with regard to supervision by government commissioners.

Constitutionally, the question also arises whether there is enough democratic control by Parliament and the minister over external autonomous agencies. The Flemish Parliament, the Audit Office, the Council of State and legal doctrine have all pointed out the risks with external autonomous agencies. Their recommendations for avoiding a "democratic deficit" have been partly confirmed by the experience with this process in The Netherlands, and they form the basis for the recommendations given below.

2.4 Recommendations

Change of culture. In order to strengthen the primacy of politics and political accountability, and thus contribute to a policy favoured by the citizens, a change of culture is first required in which the sense of responsibility is the central point.

Organisational elements. The following organisational elements that have to be further supplemented and considered also support the primacy of politics and political accountability.

1   *Core tasks and subsidiarity.* The government concentrates on its core tasks (public interests) and applies the principle of subsidiarity.

2   *The government makes a clear and consistent division of tasks and accompanying responsibilities:*

-    Between politics and administration (distinction between policy making on the one hand and policy support and policy implementation on the other).

-    Between policy support and policy implementation (by forming departments and autonomous agencies).

-    Between politics and the citizens, between politics and social actors.

The determination of policy (making social choices, formulating objectives, choosing policy instruments and directing implementation) is a prerogative of the Flemish Government, in consultation with and under the supervision of the Flemish Parliament. Other social actors can be consulted closely and in many ways, and are involved in the decision making, but the final decision on important public matters remains the responsibility of the political level.

3   *Good governance.* The government applies the principles of good governance, for example by delegating responsibility to all decision levels and by preventing possible mixing of interests.

4   *New public management.* The government introduces the new public management further, for example by appropriate delegation of responsibilities, quality control, stronger information and accountability mechanisms, and better policy and management information.

5   *Openness and transparency.* The government encourages openness and transparency, both internally and externally. The Flemish government has to involve citizens more actively in the policy and management cycle, for example through a restructured and revised advisory and consultative system, customer surveys, social surveys, citizens' charters, consultative referenda, and by fostering a culture of debate.

6   *Supervision and audit.* The government fulfils the supervisory and audit role (internal and external).

7   *Partnership between politics and administration.* The government safeguards the partnership between politics and administration, whereby political responsibility and administrative loyalty and neutrality are each other's counterpart.

Choices and preconditions for autonomous status.

•   A consistent policy on autonomous status - in which a generic distinction is made between work that has to be carried out entirely under the instructions of the minister (departments, where the most important policy-making tasks are performed) and executive work - will accentuate political accountability for policy work and support the primacy of politics. A one-to-one relationship between minister and administrative entities is of course important for a clear division of tasks and responsibilities. Alongside clearly delimited tasks and responsibilities, there is also a need for mutual harmonisation and co-ordination, in order to achieve a balanced, self-controlling system.

Political primacy means that - in principle - internal autonomy takes preference over external autonomy. The rule is, however, that governance is done under the direct hierarchical responsibility of the Government and its members. The authority then remains with the politically legitimised heads who are accountable to Parliament.

External autonomy consequently requires a conscious, considered choice at the political level to transfer segments of the responsibility for policy implementation. It must be

remembered that creating autonomous agencies means that autonomy has to be granted to them. External autonomy presumes the readiness to let go of policy implementation and not to intervene in the day-to-day practice. Determining administrative authority is in fact about determining whether and to what extent autonomy is desirable and possible. However, from a policy point of view the minister maintains final responsibility.

- If the government chooses to create external autonomous agencies (EAAs), the following choices and preconditions apply.

  1 Only policy implementation is entrusted to EAAs. There is no transfer of legislative powers, work with a policy impact, affairs with a high degree of political sensitivity, or work that requires the interests of the citizens to be weighed up against one another.

  2 It always has to be examined whether the EEA should be incorporated as a separate legal entity.

  3 A Flemish Parliament Act is needed to govern external autonomy. The role of the EAA is clearly demarcated and the detailing is limited to this. Authority overlaps with other institutions or services are avoided. Activities that revise the nature of the assignment, such as creating subsidiaries or participation in other legal entities, require parliamentary consent.

  4 When determining the statute, a clear choice always has to be made between the use of public law and the use of private law. A statute under public law is preferable in principle. Certainly, if authorities regarding essential government functions are transferred, public law should be chosen. If a statute under private law is chosen, it can not detract from parliamentary supervision and the essential provisions of private law are not departed from.

  5 A clear flow of information between politics and EAAs is ensured. Politicians express clear objectives and priorities in the management agreement. The boards of directors of the EAAs in turn have a wide obligation to provide information on the implementation of the government work, not only to the minister but also to Parliament and citizens. The minister has the authority to set further rules with respect to the accountability of the external agencies. Management agreements must also be adjustable in the relatively short term.

  6 The responsibilities of politics and the EAAs are clearly demarcated with respect to one another. The minister must be able to properly direct, supervise and take into account the independence of the institution. The political authority and the intervention mechanisms are demarcated by Flemish Parliament Act. Political accountability must be able to be realised with regard to: the policy framework with objectives and social choices, determining the resources in order to produce that framework, legislating, policy monitoring, evaluating and if necessary adjusting the implementation and deployment of government resources.

The minister acts like a director rather than a controller here. He places a greater emphasis on supervising the results than on hierarchical control, and is supported in this by his or her administration. In principle, the minister should be able to suspend and cancel the decisions of the EAA, and intervene in the event of neglect of duty. Too many requirements and control instruments alongside one another may not mortgage the decisive working of the EAAs.

7   The administrative participation of social actors in EAAs requires sufficient justification. Direct involvement is justified if it leads to added value in the actual policy implementation, or if the social actors financially participate in policy implementation.

If involvement is desired, it has to be examined whether it is best done through administrative participation or through other forms of participation. If administrative participation is chosen, then the managers representing the social actors will first of all take care of the interests of the organisation and not those of the social group that they belong to.

8   The service requirements are established, for example in quality charters.

9   The organisational design of EAAs aims in particular for greater transparency, more coherent systems and discipline regarding the categories of external autonomous status. A minimal arrangement and a certain standardisation of external autonomy can be achieved by general legislation, or by agreeing upon a number of basic principles between Government and Parliament. These principles can be applied as recommendations for drawing up Flemish Parliament Acts in the matter.

3. Organisational model for the administration

The organisational model proposed in the report assumes that the scope of policy is divided into *"homogenous policy domains"*, i.e. collections or clusters of areas of policy that form a recognisable and coherent whole from the point of view of politics as well as the customer / target group.

The administrative entities are grafted onto these domains in a *"one-to-one relationship"*, and in turn also function in a one-to-one relationship with the political government. A one-to-one relationship between ministers and entities means that a minister takes care of the directing, monitoring and supervising of a coherent set of services that belong to one policy domain, and that each service or entity is directed and monitored by only one functional minister. One minister may be responsible for more than one homogenous policy domain.

A *"policy board"* oversees each homogenous policy domain. This is a strategic platform where the minister and the senior people from all relevant entities of the homogenous policy domain meet one another for mutual debate on potential strategic and operational objectives for the policy domain, and to test innovative projects and new policy intentions as a result of new challenges and developments.

The model makes a clear distinction but not a separation between *policy support and policy implementation*. On the one hand, the roles of support and implementation are converted into transparent and unambiguous organisational entities. On the other hand, the interaction between the roles is clearly described and given shape to through new consultative platforms.

In general the model combines the following *two structures*:

-   For each policy domain a basic structure is developed that consists of one department, possibly supplemented by one or more internal autonomous agencies (IAAs), and one or more external autonomous agencies (EAAs). The department and any IAAs together form the Flemish Ministry of "N", where "N" is the name of the policy domain. Any EAAs have their own legal personality and thus do not form part of the ministry.

-   Through the policy domains and/or the hierarchy there is an additional structure with instruments and mechanisms for harmonising policy on the one hand, and projects and temporary partnerships on the other.

Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

15

3.1   Departments

The new departments are no longer overseen by one Flemish Ministry as is now the case, but each of them forms a separate entity that belongs to the Flemish Ministry of "N". They no longer operate in a matrix structure but organise their internal services themselves within a directive framework set by the Flemish Government.

The departments are under the hierarchical authority of the functionally competent minister and are managed by a manager-mandatory. As a rule they are manned by members of staff who have to satisfy the traditional core values of a public administration (integrity, impartiality, legality) and the core values of the new public management (efficiency, quality, effectiveness, performance). Their legal status is governed on the basis of a general resolution-in-principle of the Flemish Government, which applies to the personnel of the departments, the IAAs and the public law EAAs.

The departments have the following tasks.

-    They take care of the policy support by assisting the minister: by using reasoned policy preparatory documents with regard to the desired social effects and possible policy instruments, by monitoring the policy implementation and preparing the policy evaluation, by assisting the policy board with regard to content.

-    They take care of the relationship of trust with the minister by providing him or her with all relevant information and advising or warning him or her of any undesirable effects of decisions already taken or still to be taken.

-    They perform the essential government duties, which by virtue of the primacy of politics may not be done autonomously because they require the supreme power of decision relating to the public interest, and for example relate to the development of a strategic understanding of complex social problems, highly sensitive political matters, the preparation of legislation, or the balancing of serious interests with respect to the citizens.

-    They perform the duties that do not (yet) satisfy the criteria for autonomy developed further in this chapter.

-    They provide management support services for the line management of the department and for the IAAs who wish to make use of them, for example with regard to personnel management, financial management, facility management or ICT-management.

Each department organises its own internal operations itself using three basic building blocks: policy support services, management support services and policy implementing entities. The line management is delegated full responsibility and authority and is made accountable.

3.2 Autonomous agencies

IAAs and EAAs have the following characteristics in common in a "to be" situation.

- They are given implementing tasks, under certain conditions and for various reasons (own culture aimed at professionalism of implementation, greater efficiency, effectiveness and quality, more expert implementation of tasks, the desire to place activities on the market in a competitive context, the desire to be further from the policy centre and closer to the customer, the desire to bring about independence with respect to the Government in some domains).

- They can at least count on the same flexible operating methods as the current Flemish category B public institutions[1]. In the "to be" situation this means: directing via management agreements with agreed evaluation periods, autonomy in the organisation of policy implementation, autonomy in the management of the resources to be deployed such as personnel, ICT, finances and facility, internal control systems with internal and external audits and "external" ex post supervision, management and policy reporting on the agreed parameters at the agreed times and including management information systems.

- They have a well-defined and functionally justified co-operative relationship with other entities in the policy domains that they belong to and with entities in neighbouring and "horizontal" policy fields.

- They have a well defined relationship with the political level, which means respect for political accountability and the primacy of politics, and which creates real responsibility linked to the accountability of line management.

- In principle, line managers who are mandataries manage them.

IAAs and EAAs differ from one another with regard to:

- *Legal personality.* IAAs form part of the Flemish Community/Flemish Region legal entity. EAAs have their own legal personality.

- *Steering.* IAAs are steered on the basis of a management agreement between the minister and the agency head. EAAs are steered on the basis of a management agreement between the minister and the board of directors.

- *Hierarchical link.* IAAs come under the direct hierarchical authority of the minister. With EAAs there is no hierarchical link, although the minister directs and supervises.

---

[1] The main characteristics of category B public institutions are:
. own legal personality
. management operates under the authority of a board of directors
. higher degree of operational autonomy than category A public institutions
. ex post control on deployment of financial resources

Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

17

- *Political responsability.* With IAAs, the minister has full political responsibility for directing, supervision and performance. With EAAs the minister only has the final political responsibility.

Internal autonomous agencies (IAAs)

The Flemish administration does not yet have **IAAs.** Only the Services with Separate Management have made a modest initiative in this direction.

In a "to be" situation, IAAs will be formally incorporated within the Flemish Community/ Flemish Region legal entity, by decision of the Flemish Government. In the Flemish Ministry of "N" organisation chart they will be expressly separated from the policy support department for their policy domain, and will be managed by a manager-mandatary on the basis of a management agreement of definite duration negotiated with the minister. The members of staff satisfy the same values as those of the departments, and also have a legal status governed on the basis of a general resolution-in-principle of the Flemish Government.

Within the bounds of the management agreement, IAAs have the necessary autonomy for the management of deployable resources. This means that IAAs can acquire their own income and unused financial resources can be transferred to the next year, with or without restrictions.

The control system consists of: appropriate internal control organised by the manager, internal and external audits, and external supervision (ex post by the Audit Office).

The management agreement stipulates how often and what information the manager must report to the minister. The information relationship must be based on a win/win situation for the provider and receiver.

Optionally, an advisory committee can be organised at the head of an IAA that operates in a socially sensitive environment. It does not participate in the management, but does supervise the activities. Its positioning and role must clearly differ from those of the strategic advisory boards discussed in chapter 4.

IAAs can for example operate in the area of: approvals, permits, inspection and supervision, collection of taxes and levies, allocation of subsidies and grants, management and operation of infrastructure, information collection, information provision, creating awareness, advising, promotion, implementation of (scientific) research, specific services in certain policy areas.

IAAs can be set up if the following criteria are satisfied:

1   The package of tasks must have sufficient critical mass.

2   The products and services must be measurable.

3   The efficiency, performance and quality must be able to be managed.

4   The information relationship must be actually realisable on the grounds of an assignment description that is specific, measurable, agreed, realistic and time related.

5   The entity must be large enough to be able to operate autonomously with sufficient added value.

The future IAAs can arise from: current Services with Separate Management, divisions, groups of divisions or parts of divisions with an executive role, Flemish public institutions or parts of them, new entities to be set up.

External autonomous agencies (EAAs)

EAAs are government institutions that are set up on the initiative of the political level in order to implement tasks of public interest at some distance from the political level, which need to have their own legal personality for specific reasons of a functional nature, and which:

-    Are either directed, monitored and supervised along strategic lines by the Flemish Government, which carries the political end responsibility for this.

-    Or, are only monitored and supervised on the objective deployment of government resources.

At the moment the Flemish Government has a wide amalgam of organisations with their own legal personalities: 18 Flemish category A public institutions[2] managed by the competent minister, 35 Flemish category B public institutions managed by a board of directors and supervised by the competent minister, 4 basic-investment companies with subsidiaries and shareholdings at home and abroad, as many as 400 non-profit associations, limited liability companies and other legal entities the Flemish government has a close link with regarding ownership, governance or direct supervision.

In this great diversity, it might be best to conduct a reorientation. Some of the organisations rather belong to the model of the IAAs, while for others the model of the EAAs given below is recommended. For a third group, the question can be raised as to whether they belong or should belong to the Flemish Public Service at all.
The reorientation of organisations with their own legal personality into EAAs can be based on the following basic objectives.

-    There must be a clear relationship between politics and EAAs with regard to political responsibility, steering and supervision, the role of the board of directors and the responsibility of line management.

---

[2] The main characteristics of category A public institutions are:
. own legal personality
. management enjoys a higher degree of operational autonomy than management of ministry/department
. management works under direct authority of minister

- There must be optimum co-operation between different entities within homogenous policy domains and policy fields.
- The effectiveness and efficiency of the EAAs must be preserved.
- There must be a balance between transparency and flexibility of the EAAs.

The following criteria apply as formation criteria for EAAs:
- The political will to allow implementation run autonomously and independently.
- The political will to realise implementation in partnership with other organisations or levels of governance, with structural co-authority and/or financial contribution.

A simple, transparent and flexible system with a limited number of categories of EAAs will be created through Flemish Parliament General Act on autonomous status. In the first instance it will be used as a test framework for existing organisations and in the second place as a formation framework for new or reorganised agencies.

Legally the EAAs must be given a pure form, i.e. either under public or under private law. Hybrid forms should, in principle, be rejected on the grounds of the arguments developed in chapter 2.

The boards of directors and the management function can be modelled in two ways. A single board can be selected that combines the board and management functions, or a two-tiered board that separates the board of directors and management from one another. In both models:

- The board of directors has the general responsibility for the activities of the organisation, in its entirety.
- The board of directors appointed by the Flemish Government can bring in and appoint independent directors for the execution of its assignment.
- The executive management must have line responsibility for all aspects of the executive management, whether he/she is a member of the board of directors or not.
- The conclusion of the management agreement with the minister is a matter for the board of directors, even if preparation and negotiation have been delegated to the executive management.
- All directors appointed by the Flemish Government are accountable to the Flemish Government.

The personnel of public law EAAs have a specific legal status. The personnel of private law EAAs come under employment law.

Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

In principle, EAAs can do the same types of activities as the IAAs, provided that they fit in with the above formation criteria for EAAs. The activities can be aimed at:

- Co-operation (e.g. joint management and joint operation, co-production, co-financing, public-private co-operation, integrated operational activities).

- The market, in a competitive or monopoly position (e.g. marketing and promotion, investment, externally oriented services and production, publicly oriented management and operations).

- Affairs in which the political level does not wish to intervene directly (on the grounds of autonomy, e.g. public broadcasting, or on the grounds of specialist expertise, e.g. university/psychiatric institutions or cultural institutions).

Flemish scientific institutions. The position of policy-relevant scientific research also has to be examined as part of the reorganisation.

The Flemish Government now has five scientific institutions. An audit in 1997-1998 showed that they have a unique position in the Flemish scientific landscape because they mainly perform research and issue advice in policy design, but in brief improvements are possible in the area of the work package, annual planning, autonomy, management boards and resources.

A generic solution where the policy-relevant scientific research is structurally anchored to the organisational model of the Flemish administration is not advocated. With the structuring of each policy domain the following elements can indeed be taken into consideration:

- *Position departments.* As policy support and monitoring form part of the work of the (policy centre / policy units in) departments, they must have the in-house capability to interpret the results of scientific research and to convert them into potential policy options. It could also be an option to let them (partly) do policy-relevant scientific research, if it is effective and can be done with the necessary scientific quality guarantees.

  Healthy working relationships must be built up between the departments and the scientific bodies. On the one hand, the departments will (be able to) call on the scientific bodies to design the monitoring systems for policy-oriented data at departmental level. On the other hand, in time, the departments will become important suppliers of policy-relevant data to scientific bodies that perform secondary analyses.

- *Position of support centres for policy-relevant scientific research.* In 2000 the Flemish Government gave its approval in principle to a new framework for the structural financing of policy-relevant research. Support centres for policy-relevant scientific research will be created between the universities and colleges of higher education on the one hand and the administration and the policy on the other, which will often take the form of con-

sortia where universities work together with colleges of higher education and other, possibly foreign partners in a multidisciplinary approach. Five-year management agreements will be concluded with the support centres.

Although, it is not yet clear how many support centres will be set up in the next few years, it is indeed certain that they will not all be able to do policy-oriented research and they will not cover all policy sectors. Each minister will therefore continue to have a limited budget for study assignments and scientific services.

- *Position of Flemish scientific institutions.* It could be feasible to preserve Flemish scientific institutions provided that they:

    · are structured and fleshed out according to the model of the IAAs,

    · are fully developed as proposed in the audit of 1997-1998,

    · also fulfil clearly defined assignments that form part of the core tasks of the Flemish government, and which yield clear added value for the policy domain, and which are not performed by the policy centre/policy units in the departments or the support centres for policy-relevant scientific research.

If these three conditions cannot be fulfilled, a winding down scenario is recommended.

3.3 Temporary partnerships: project operation

Project operation is an essential component in the model and of equal value to the hierarchical structure of the departments, IAAs and EAAs and the harmonisation structure as described in 3.5. The instrument is required in order to be able to quickly and efficiently meet new challenges, and in order to make professional expertise in the administration available, across the hierarchical structures.

A project can be defined as a set of activities performed by a number of specialist groups in a temporary partnership, aimed at a clearly specified result, that has to be achieved within a time limit, with limited resources and with responsibility for these resources.

Projects can be set up across several policy domains, policy fields or structures. In order to achieve results, at a minimum the following elements have to be determined:

- The strategic and operational objectives, with the time frame they have to be achieved in.

- The political accountability: one functionally competent minister.

Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

- The positioning of the project in relation to the Flemish administration, with demarcation of responsibilities, input lines and reporting lines.

- The necessary resources with regard to personnel, budgets, facility and ICT.

Major projects get a temporary but formal structure that has many similarities to the autonomous organisations. The structure is dissolved when the problem concerned is solved or if the purpose of the project is permanently embedded in the organisational structure.

3.4   Relationships between the structural components

In order to make the reorganisation succeed, clear agreements are required on the relationship between the administration and the political level on the one hand, and on the relationships within the administration on the other.

Cultural elements. The political-administrative relationship must first of all be specified via an organisational culture aimed at co-operation. Here, co-operation has to be interpreted as neither strictly hierarchical nor as completely altruistic and integrated. The organisational culture is rather aimed at a feasible, professional form of co-operation, which in particular is based on common objectives, the recognition of each other's role and input, constructive dialogue on the interpretation of the objectives, and a good balance between individual accountability and collective responsibility.

Such a culture can be encouraged in human resources management by partly basing the selection and evaluation of line managers on the one hand and those in staff positions in policy development and support on the other on these parameters, and by creating collective co-operation platforms for the exchange of information and experience.

Structural elements. The co-operative culture can be supported by a number of structural elements.

The relationship between minister, his or her office and the administration is given a new emphasis in a number of areas by the proposed model.

- Policy support in the departments is directed (and monitored) by the minister.

- Policy implementation in the IAAs and EAAs is directed and monitored by the minister via management agreements.

- In the policy board, the minister has direct open dialogue with all senior civil servants that belong to the policy domain the minister is responsible for.

- Alongside this the minister informally consults with individual senior civil servants that provide the necessary feedback. Where useful and necessary, the minister thus communicates directly with key figures from policy centres/policy units in the departments, IAAs and EAAs, who in turn show the necessary fair play in the feedback to their bosses and boards of directors.

- The role of the ministerial offices is limited to political advice. A limited number of political advisers help the minister to prepare for the debates in the Flemish Government and provide assistance with the political consideration of policy proposals submitted by the administration. They do full justice to the responsibility of line management, within the bounds of the management agreements.

- Policy support is optimised in departments. A structured consultation and co-operation system is developed between policy support and implementation-oriented entities.

The strategic advisory bodies that will be discussed in chapter 4 fulfil their own role with respect to the other structural components. It is based on two principles:

- The independence of the advisory bodies must be protected, which means that no politicians, advisers to the minister's office or civil servants may form part of them. However, they may well be invited to them to provide explanation.

- The impact of the advisory body is of such a nature that the advice - after having been analysed and processed by the policy maker and the departments - is an important though not determining element in the discussions in the policy board.

The consultative bodies that are also discussed in chapter 4 give the policy heads the opportunity to bring about the widest possible support for the policy. In the bodies, the minister and/or his or her administration consults with civil society, and there is a mutual sounding out and exchange of ideas on the intended policy with the aim of reaching a consensus. Outside these consultative bodies, the policy head can also organise ad hoc consultation, for example on very specific matters, with the discussion partners chosen by him or her.

The policy board for each homogenous policy domain is the integrator of policy and an excellent example of the required close relationship between the political and administrative levels. The relationship is based on: mutual trust and mutual trustworthiness, transparent and unambiguous objectives, a joint assessment of the implications of implementing the policy objectives, an unambiguous delegation of implementation to the administrative level supervised by the political level but without its interference, monitoring of the policy implementation based on the agreed reporting, a joint evaluation of the results and/or effects of the policy conducted.

The minister or the head of the minister's office chairs the policy board, and the members are the senior civil servants of the department and of the autonomous agencies. The board has the following duties:

- To conduct mutual debates and test innovative projects, new policy intentions, actions as a result of new challenges.

- To prepare the content of the policy memorandums at the policy domain level (which mark out the strategic objectives for the whole term of office), and of the annual policy briefs that give an operational interpretation to the policy memorandums.

- To integrate the budget proposals at the policy domain level.

- To test the draft management agreements against the strategic and operational objectives and the available budget.

- To analyse important advisory opinions of the strategic advisory board and prepare positions/ policy decisions with regard to this advice.

- To analyse the agreements in the consultative bodies and prepare the positions to be adopted.

- To monitor the implementation of the decisions of the government, management agreements, in a good governance supervisory role. The policy board does not concern itself with the day-to-day management decisions.

- To monitor the activities of the management groups in order to examine whether they are targeted at the right problems and whether they consistently test and critically analyse their assumptions regarding the strategic and operational objectives.

- To prepare the policy evaluation and the policy adjustments.

The management group is set up within a homogenous policy domain and is mainly an integrator of policy support and policy implementation. Each management group consists of the relevant manager-mandatary of the department, the top management of the IAAs and EAAs from the policy domain/policy field, the head of the policy centre/policy unit. The management group can have a rotating chairmanship. The group does not make any formal decisions.

Within each department the relationship between the minister, the manager-mandatary at the policy domain level, and the manager-mandatary at the policy field level is based on:

- Integral management at all levels of the line (where policy and management are always considered as a whole and each manager is fully responsible at his or her level for performing the tasks and assignments, deploying the necessary resources and achieving the objectives set).

- A clear hierarchy within the line, with a clear division of tasks between administrative managers at all levels.

- New lines of communication between the minister and his or her administration, as specified above.

- Mandate and rotation over the whole line (still to be dealt with in a separate memorandum).

Between the department, the IAAs and the EAAs there is no hierarchical link. They do, however, work together as equal partners, structurally stimulated by the following elements:

- IAAs, EAAs and the department have the minister as their common principal.

- IAAs, EAAs and the department form part of the policy board and the management group.

- IAAs and EAAs are directed by a management agreement concluded with the minister, but also supported and monitored by the department.

- IAAs and EAAs participate in the work of the department through input in policy design and participation in any common management information systems.

3.5   Harmonising policy

The concept of the new organisation of the Flemish administration starts from a demarcation of the entire work terrain into "homogenous policy domains". This is obvious with "vertical" policy. However, not all policy initiatives are of a vertical nature or fit in with a homogenous policy domain. With a policy that goes across policy domains, the preservation of policy coherence will require specific attention, in the form of policy harmonising mechanisms and instruments.

Definition of terms: integrated, co-ordinated or inclusive policy. The level of policy harmonisation can vary, such that there is a continuum from a very stringent and integrated policy, through the hybrid form of co-ordinated policy, to the minimal binding inclusive policy.

With integrated policy the Flemish Government determines the content of the intended integrated policy through a jointly consulted integration framework. While the various ministers are bound by the integrated policy objective, one minister is designated as the competent "integrating" minister.

The integrating minister is politically responsible for achieving the integrated policy objective, closely directs its putting into operation and proactively consults and negotiates (possibly within a policy group mandated by the Flemish Government under his or her chairmanship) in order to ensure actions are coherent and consistent. The integrating minister supervises the implementation, if necessary intervenes with the functional ministers concerned, reports to the Flemish Government, and via the Flemish Government to the Flemish Parliament.

With inclusive policy the ministers agree that they will take a common point of concern into account in their policies. The Flemish Government clearly demarcates the common policy objective, after which each minister takes the necessary initiatives to help realise the objective,

and ensures that his or her sectoral policy is not counter-productive with respect to the common policy objective.

The functional ministers are responsible for achieving the common policy objective within their respective policy domains. One minister can be designated as the reporter and is responsible for reporting on the policy to the Flemish Government and/or via the Flemish Government to the Flemish Parliament. The general evaluation of the result of the inclusive policy is done at the Flemish Government level.

Co-ordinated policy lies between the two extremes outlined above and occurs most often in practice. At a minimum, co-ordinated policy comprises a commonly determined policy objective, a commonly determined policy strategy, and the explicit commitment of the ministers concerned to achieve this policy objective. At a maximum, co-ordinated policy closely resembles integrated policy.

Co-ordination is recommended:

- To avoid any inconsistencies as a result of overlaps between organisational components.
- To preserve the overview of a specific problem.
- To foster the mutual provision of information between organisational components and to draw maximum added value from this.
- To keep the policy development capacity up to standard.
- To achieve synergies.
- To realise benefits of scale.
- To facilitate uniform external communication.
- To build up expertise.

Instruments for harmonising the conduct of policy. The instruments are best selected ad hoc and will depend on the desired level of harmonisation, the complexity or importance of the policy issue, and the political sensitivity.

In principle, policy harmonisation has to be done at the political level and the administrative level; it is not always necessary to set up "new" structures. In policy making, not only the common policy objective has to be established and fleshed out, but decisions are also needed on the extent of policy harmonisation, the responsibilities and authorities, the harmonisation style and the instruments.

The style of harmonisation can be based on hierarchy, on the market principle of the personal interests of the actors or on networks.

With regard to the instruments and mechanisms, policy harmonisation can be realised through co-ordinating structures, consultative forums, strategic planning and control, information systems, financial and budgetary instruments, chain approach and networks, and cultural harmonisation instruments such as training.

Practical detailing of policy harmonisation. On the one hand, there are socially oriented policy initiatives, which go beyond one or more homogenous policy domains. This is the "transverse" policy. A number of policy components are of an organisational nature, and have in principle an organisation wide impact. This is the "horizontal" policy.

The political government has to make a number of choices with regard to detailing a transverse or horizontal policy:

- The location of the policy on the continuum of policy harmonisation (i.e. opt for an inclusive, co-ordinated or integrated policy).

- The harmonisation style (or a combination of the above harmonisation styles).

- The instruments deployed to achieve policy harmonisation.

The transverse policy items are clearly specified by the Flemish Government. A number of subjects are proposed in chapter 5.

With regard to horizontal policy, the Flemish Government has decided to abandon the matrix model of the current Flemish Ministry. The current Board of Secretary-Generals, that had a co-ordinating and management role as the top administrative body, is abolished. The permanent interdepartmental working groups, in which the policy support consultation between horizontal administrations and general administrative services were formalised, are also abolished. The current departmental "general administrative services" (GASs) are converted into "management support services" (MSSs). The line management of each Flemish Ministry of "N" determines their position and organisation. The management support services will not come under the joint authority of the Minister-President and the Minister of the Flemish Government responsible for the Civil Service, as is now the case with the GASs, but under that of the functionally competent minister.
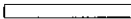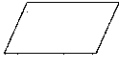
The building blocks for the organisation of the administration for horizontal policy domains are identical to the building blocks for the other policy domains. The way in which the organisation is given shape in practice is a matter for sector consultations.

The next page shows a diagram, which gives a schematic overview of the various components of the organisational model.

Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

ministerial committees — temporary ministerial committees — consultative system — temporary administrative committees — administrative committees — advisory boards

Flemish Government

minister-president / minister of ... * | minister of ..... | minister of ..... | minister of ..... * | minister of ..... | minister of ..... | minister of ..... * | minister of ..... | minister of ..... *

PB

services of the minister-president — foreign policy and international cooperation — scientific- and technological innovation policy — administrative affairs — finance and budget — education and training — welfare and public health — culture, sport and media — economy, employment and tourism — agriculture — environment and nature conservation — mobility — town and country planning, housing, monuments and landscapes

MGR — department — IAAs — EAAs

Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

Explanation of the symbols used

⟶ line of authority

◯ permanent consultative body

◌ temporary consultative body

△PB policy board

(MGR) management group

* coordinating / integrating function

▭ organisation oriented direction and supervision (generic for all policy domains)

✦ cultural coordination

▱ information system

4. Restructuring of advice and consultation

Alongside the reorganisation of the Flemish public administration, it is also advisable to consider restructuring the Flemish advisory and consultative system.

4.1 Defining advice, consultation, and negotiation

Because the terms "advice", "consultation" and "negotiation" are often mixed up, it is best to first define the dividing lines between them.

Advice is an opinion or suggestion based on expertise involving a clearly defined policy theme, and which is given to the minister.

Consultation is an exchange of views where the government and civil society endeavour to reach a consensus on the key features of a policy issue. The social actors participate as representatives of the groupings they belong to, and thus not as experts. The consultation procedure results in a reasoned conclusion, which incorporates either a unanimous position or the separate positions. The government does not have to give an answer to this conclusion (which is indeed the case with negotiations, see below). We make a distinction between three types of consultation.

- *Formal consultation* is defined as consultation that is expressly organised to give the minister the opportunity to get a feel for the positions and viewpoints of the social actors concerned, in order to bring about the widest possible support for the policy, without the consultation having to lead to explicit binding conclusions or agreements.

- *Intrinsic consultation* is defined as an exchange of views between social actors among themselves.

- *Ad hoc consultation* is defined as an unstructured, bilateral exchange of views between the minister and the discussion partners he or she selects and invites, for example in order to discuss very specific matters.

Negotiations are discussions that are expressly organised to result in an agreement ("contract") on a certain issue between the parties concerned. In the Flemish context, the system of negotiations in fact only applies with regard to union status. Here, the law makes a distinction between matters that are subject to negotiations and matters that are subject to consultation,

Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

31

in which the negotiation formula is applied to the most fundamental matters. The conclusions of the negotiations are reported in a protocol, which records either the unanimous agreement of the delegation of the government and the delegation of the participating social actors, or their respective positions if no consensus is reached. The government undertakes to politically implement the content of the protocol, and the participating social actors adopt the moral obligation to defend the content before their members and not to legally challenge the measure as organisation.

4.2 Current situation

Flanders does not only have many advisory, consultative and negotiating bodies, they also have highly divergent characteristics. Moreover, in practice a number of bodies also combine advisory, (intrinsic) consultative and even negotiating functions.

The Flemish advisory system contained at least 126 advisory bodies at the end of 1999 that gave direct advice to the Flemish Government, to a member of that Government and/or to the Flemish Parliament. There are major differences between these bodies with regard to function, composition, logistical and personnel support, the way they are set up, timescales within which the advice has to be given, practical activities and types of advice (whether compulsory, binding, by consensus, reasoned or not). In various bodies, representatives of social actors also participate in the advisory process.

Intrinsic consultation is done in advisory bodies in a number of cases. A typical example at the meta-level is Flanders' Social and Economic Council (Sociaal-Economische Raad Vlaanderen - SERV) which has a very wide authority to study, recommend and advise on the socio-economic policy of the Flemish Government.

An example at sector level is the Environment and Nature Council of Flanders (Milieu- en Natuurraad van Vlaanderen - Mina Council) which has general authority to study, recommend and sometimes give binding advice on all matters relating to the environment or nature conservation.

For formal consultation there are only a limited number of bodies in Flanders:

- The Flemish Economic and Social Consultative Committee (Vlaams Economisch en Sociaal Overlegcomité - VESOC), where there can be formal consultation between the Flemish Government, the Flemish employers and the Flemish employee organisations on all Flemish policy matters with a socio-economic dimension. Negotiation aspects are linked to this consultation by the Flemish Government undertaking to actually implement the proposals for which there is

Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

a consensus and the other members undertaking to defend them before their members and to assist in the implementation.

- The Flemish Construction Consultative Committee (Vlaams Bouwoverlegcomité - VBOC) for formal consultation on the general issues of the construction sector. The protocol stipulates that all proposals for which there is a consensus during the consultation will be submitted to the Flemish Government for approval.

- The political policy group and the social partner's policy group in the framework of the Action Plan for Limburg. Here too, the protocol stipulates that in case there is a consensus "all people concerned undertake to implement it correctly, completely and unchanged or to defend it before the bodies concerned".

- The formal consultation in the framework of the pact between the Flemish Government and the Flemish municipalities and public centres for social welfare.

- The union bodies, within which consultation and negotiations take place (see above).

The negotiating bodies are mainly situated in the framework of the relationships between employee and employer. Organisationally there are a number of general committees with an umbrella function, within which negotiations are held on measures with a general or multi-sector scope. There are also various committees within the Flemish government.

Note. Because union consultation and union negotiations are strongly bound by federal legislation, the report does not consider them any further. It is limited to the advisory and consultative system, with an extraction from the union consultations, and with regard to advice places the emphasis on the advisory bodies oriented towards policy preparation and evaluation, with the technical implementing committees left out of consideration.

4.3   Premises for restructuring advice and formal consultation

The restructuring of the system is justified on the basis of simplicity, transparency and the added value of the system, but also on the effectiveness and speed of policy making.

The premises for our proposals are:

- *The primacy of politics*, which means that advice and formal consultation are always subordinate to political policy making.

- *Recognition of the importance of the relevant social actors and "independent" experts.* For the government, consultation with the relevant civil society is more than advisable in order to be able to examine what is socially viable, desirable and feasible, in order to

acquire social support for the policy. "Independent" experts can also provide added value to the policy by using their expertise.

- *No hybrid form between advice and formal consultation in one body.* They have clearly different functions and are best organised into separate structures.

- *A judicious organisation of advice and consultation within Flemish policy making.* Because advice and consultation are so important, the minister must undertake to request advice when recommended, and to aim for a consensus with the relevant social actors. On the other hand, the decisiveness of the Flemish government must be safeguarded. The political level must find the right balance in practice between acquiring social support and/or expert advice and firm government action.

Setting up a business plan, for example annually, seems to be essential. The advisory board can draft a working programme, while the policy board can provide an overview of the intentions on which advice will be needed. Unplanned requests for advice must always be possible. The business plan could be an instrument to engage advisory boards from the start of the policy process, so that expert and fast advice is possible.

4.4 Restructuring the advisory system

Key features

1 *Trimming the advisory system.* Three categories of advisory bodies are provided:

- One strategic advisory board per homogenous policy domain (or in any case a low number of large strategic advisory boards). Where necessary they have underlying working committees (per policy field) who prepare the advice of the strategic advisory board. The principle is that the strategic advisory board issues the strategic advice.

- Temporary advisory boards, that advise on a temporary policy problem and ad hoc advisory boards, that give a one-off advice on a very specific problem.

- A number of meta-advisory boards, who, alongside the SERV, issue cross-domain advice. Their role has to be wide, while their added value has to be clear and their number must be limited: partnerships between advisory boards are also among the options for cross-domain problems.

2 *Streamlining the advisory system.* A Flemish Parliament General Act is developed that sets the general principles for giving advice and also provides a uniform method for the set-up, composition, way of giving advice, deadlines, working programme, and logistical support. The advisory role of each advisory body is clearly defined in the rules establishing each separate body. The roles will often be wider than now (e.g. monitoring of the

---

34 Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

international or European aspects of a policy domain). The constituting rules must clearly show that strategic advisory bodies concentrate on the main lines of policy.

3   *Abolishing binding advice.* By virtue of the primacy of politics, binding advice is abolished. The political government will clearly stipulate the value it attaches to specific advice when setting up an advisory board.

4   *Logistical and personnel support of the advisory bodies.* On the basis of an annual work programme, budgets are produced for logistical and personnel support. The personnel of advisory bodies are strictly separated from the policy support functions in the departments: either the advisory bodies are supported by personnel made available from the functionally closest administrative entity, or the advisory bodies are conceived as entities with a legal personality, which means a number of advantages with regard to autonomy, independence and flexibility of operation.

5   *Wide field of action for advisory bodies,* that can issue different types of advice:
   -    Reactive advice on policy proposals developed to a greater or lesser extent.
   -    Policy-oriented advice, in phases in which a minister does not have complete clarity over a problem and the policy has not yet been determined.
   -    Proactive and anticipatory advice, on social subjects that the policy heads are not yet working on.
   -    Advice as a sounding board, whereby the minister submits still undeveloped ideas.

Composition of the advisory boards

There are two possible models:
   -    *"Pure"* advisory boards and any working committees are exclusively composed of "independent" experts. There is no place for the civil society, even for civil society representatives who are experts. There is no possibility for intrinsic consultation.
   -    *"Social"* advisory boards are composed of "independent" experts and expert representatives from the civil society. There is a possibility for intrinsic consultation.

These models are ideal types in which intermediate forms are possible. The choice between models or forms may differ per policy domain.

Achieving equilibrium between independence and social knowledge remains difficult, however. While it can be shown that in principle advice is best given by "independent" experts, it must be acknowledged that independence is difficult to measure and that expertise, knowledge and involvement are often interlinked. Hence it might be chosen to have the members of advisory boards appointed on the grounds of the expertise required for advising on the policy terrain,

and on the grounds of social knowledge and experience that enables them to take stock of social developments. In "pure" advisory boards, the social link can be achieved by maintaining systematic contact with the field through workshops, regular rounds of meetings, and ad hoc working groups.

From that point of view, "social" advisory boards have an advantage because the risk of inadequately socially embedded advice is the lowest. The purpose of expert advice must however remain central: independent and social members of the advisory board must remain open to the views of all members.

With "social" advisory boards there is a risk that draft advice will be systematically "left to soak" by the social actors. That risk is smaller with "pure" advisory boards, although there is a similar risk here: "independent" experts do not always succeed in going beyond "their" own sector of expertise, which can be a disadvantage with cross-domain problems. Moreover, personal differences of opinion within the advisory board can also determine the debate.

4.5   Restructuring the formal consultative system

Greater visibility of consultation. Flanders has few formal consultative bodies and has more informal, intrinsic and ad hoc consultations. In order to make policy formation more transparent for the citizens and in order to expressly acknowledge the value and importance of the social actors, in principle it is advisable to have regular formal consultation and to set up the necessary formal consultation structures for this purpose.

Structure of the formal consultative system. The formal consultative structure preferably reflects the organisational structure of the administration. Hence, it is advisable to create one consultative board per policy domain, or to set up consultative boards at the policy field level, or to combine the two.

In addition to the minister or the leading civil servant, each consultative body also includes those representatives who together form a representative image of the social actors in the policy terrain. Consultation with the traditional social partners and organisations can therefore be supplemented by a finer network for consultation with non-governmental organisations. Ideally, non-organised citizens should also be involved in the consultation.

By virtue of the primacy of politics, the minister is free at all times to consult ad hoc and to create temporary consultative instruments.

Above the consultative boards per policy domain and/or policy field, there is still the separate position of the VESOC consultation. Meta- or cross-domain consultation can be done here, which goes further than the socio-economic consultation in the narrow sense.

---

36 Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

5. Towards a new organisational structure

The new organisational structure for the Flemish public administration and for the advisory and consultative system will be developed for each homogenous policy domain by mid 2001. This will be done by a team of managing civil servants from the administrative entities concerned, under the leadership of the respective functionally competent minister(s).

In order to detail the organisational model explained in chapter 3, on 17 November 2000 the Flemish Government took the interim decision to divide up the entire package of matters for which it is responsible into the following thirteen homogenous policy domains:

- services of the Minister-President,

- foreign policy and international co-operation,

- scientific- and technological innovation policy,

- administrative affairs,

- finance and budget,

- education and training,

- welfare and public health,

- culture, sport and media,

- economy, employment and tourism,

- agriculture,

- environment and nature conservation,

- mobility,

- town and country planning, housing, monuments and landscapes.

The homogenous policy domains have a one-to-one relationship with the Flemish ministers. Some Flemish ministers will be responsible for a number of policy domains.

For documentation purposes in the further development of the organisational structure, the report provides a detailed description of each homogenous policy domain, with:

- The current administrative sections of the Flemish government that come under it.

-   The other legal entities linked to the Flemish government (non-profit, limited liability, other).

-   The description of the authorities and tasks.

-   The advisory and consultative bodies.

-   The numbers of personnel and budgets.

The report also presents a (non-exhaustive) list of cross-domain subjects that require a transverse policy (inclusive, co-ordinated or integrated): urban policy, rural policy, policy on sustainable development, equal opportunities policy, children's rights, (integrated) water policy, regional (economic) policy, Brussels affairs, the Vlaamse Rand (i.e. Flemish Border Region), e-government, evaluation of law and administrative simplification, public-private co-operation.

The report ends with mentioning the need for policy harmonisation across domains for a (non-exhaustive) list of subjects that result from the horizontal functions: certain aspects of foreign policy, policy oriented scientific research, planning and statistics, personnel policy, facility management, ICT, information and communication, finance and budgeting.

---

38 Summary of the report "Better governance - An outlook on a transparent organisational model for the Flemish public administration" - summary, dated 15 of June 2001; full report (Dutch language), dated 21 of December 2000

Ministry of Flanders