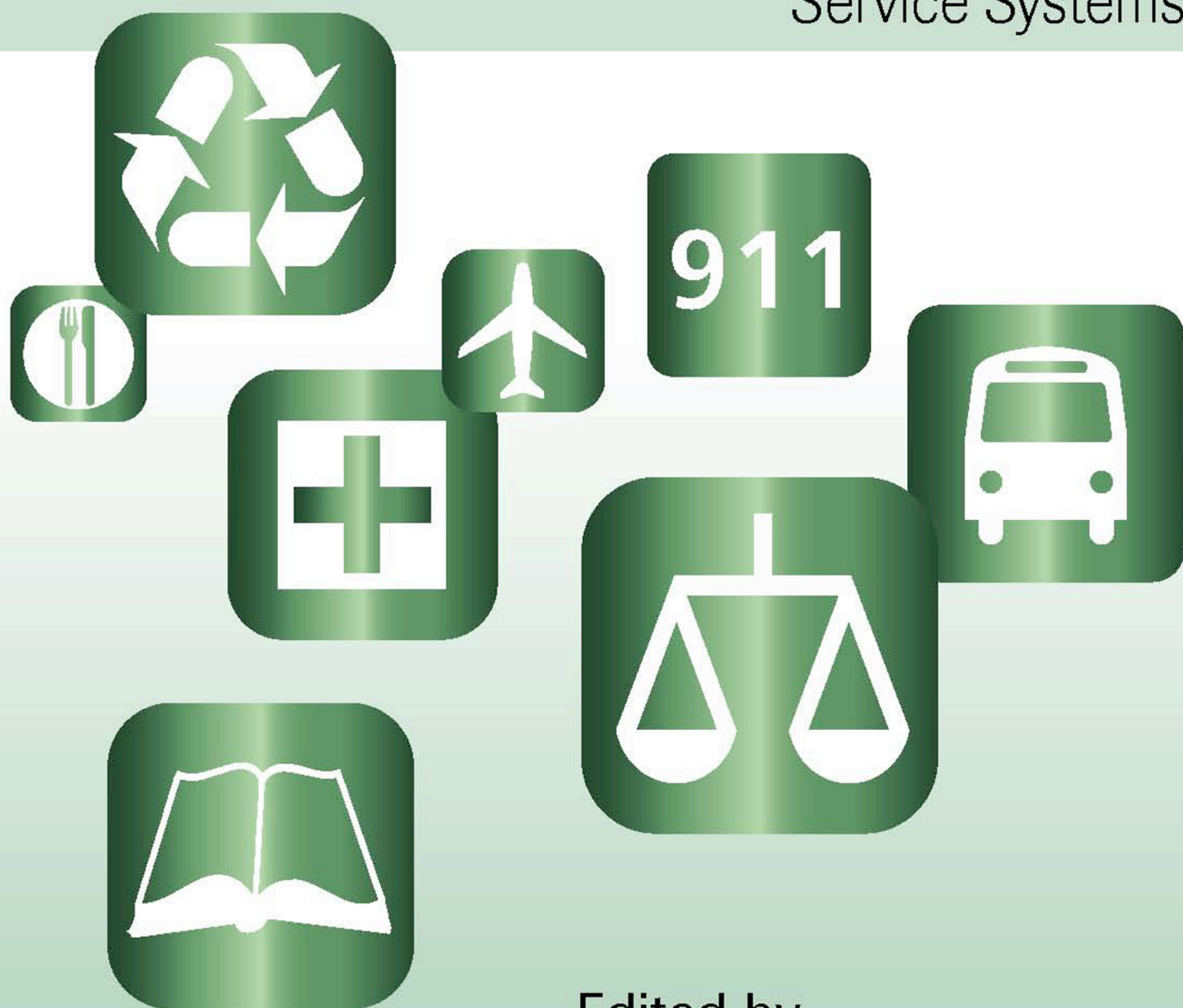


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# The State at Work

**Volume 2**

Comparative Public  
Service Systems



Edited by

**Hans-Ulrich Derlien**  
and **B. Guy Peters**

## The State at Work, Volume 2



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Comparative Public Service Systems

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*Edited by*

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**Edward Elgar**

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Internationally comparative projects take a long time to accomplish before results are finally published. For various reasons including multiple commitments of researchers, the initiative to projects like this often dates back ten years and more. In our case, work started with a fund provided for the period 1994–98 by the Humboldt Foundation in their Transco-op Program. This fund was co-founded by Pittsburgh University and the University of Bamberg, whom we thank for their support. Out of this initial two-country cooperation grew a preliminary comparative study of public services in the USA and Germany (Derlien and Peters 1998). This study set the framework for the second phase of the larger comparative project, for the country reports included in Volume 1 here.

The initial funding enabled us to hold a conference in Bamberg in 1998, which brought together most of the teams represented in the two-volume work. The Bamberg conference was followed by similar conferences in Sandbjerg, Denmark (organized by Jørgen Grønnegaard Christensen and financed by the University of Aarhus Research Foundation) in 1999 and at the University of Strathclyde in Glasgow (organized by Brian W. Hogwood and financed by the Future Governance Program: Lessons from Comparative Public Policy) in 2000. Without these conferences during the take-off period of the project, much of the enthusiasm needed for a long shot like this endeavour would not have been generated.

Our special debt, furthermore, goes to James Iain Gow, who not only contributed to these volumes, but also helped polish chapters written by authors whose native tongue is not the English language. The same job was done by Helen Nelson in several cases. To both of them we are deeply grateful. Also, we are indebted to those colleagues who were particularly engaged in this project, for their unrelenting emotional support and encouragement to complete this project. In a similar way, various people at Edward Elgar Publishing's headquarters, who expressed continuing support for the project, are to be thanked. Finally, the tremendous job of bringing up the manuscripts to the publisher's style requirements was done by Gisela Baumgärtner (Bamberg) with admirable precision, and Stefan Frank (Bamberg) assisted in cross-checking data and rearranging tabulations. We owe them thanks too. The remaining

weaknesses and flaws of this publication, as usual, are the responsibility of the editors.

Hans-Ulrich Derlien  
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## REFERENCE

Derlien, Hans-Ulrich and B. Guy Peters (1998), *Who Works for Government and What Do They Do? Common Trends and Structural Differences of Public Employment in the United States and Germany*, *Verwaltungswissenschaftliche Beiträge*, **32**, Bamberg: University of Bamberg.

# 1. Introduction

**Hans-Ulrich Derlien and B. Guy Peters**

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It is the aim of the study *The State at Work* to take stock of the historical development of public services, shed light on employment in the most important public task areas and illuminate the distribution of public employment between national and sub-national governments. We seek in addition to analyse in depth, special dimensions of public service systems such as part-time and female employment, ethnic and language representativeness, the social stratification of systems including the situation of administrative elites, and finally the way public service systems in the ten countries under scrutiny are managed. As set out in the introduction to Volume I, our work is informed by modern concerns regarding the so-called ‘waning of the state’, the emergence of the concept of ‘governance’ and the impact of the New Public Management (NPM) reform agenda.

The summary chapter to the Volume I set of country reports draws tentative comparative conclusions regarding the above concerns. The contributions in this second volume elaborate upon these dimensions in detail comparing the situation in the ten countries under scrutiny.

## PROJECT DESIGN

In selecting the countries represented here, we started with two basic considerations. First, we found it necessary from the beginning to compare federal and unitary states. Our reasoning was, among other more obvious typological interests, that the degree of centralization might induce different management challenges that would have a bearing on the reform inclinations in national governments. Federal states represented here are the USA, Germany, Canada, Australia and Spain. Second, we found it reasonable to compare public services in countries with different political cultures, in particular countries that went along the path of stateless, minimalist welfare traditions such as the USA and Commonwealth countries in contrast to Nordic and Continental European countries based on public law traditions and the notion of rather strong states, reflecting

*Table 1.1 Design: countries and contributors*

Polity Family		Federal		Unitary
Anglo Countries	<b>USA</b> <b>AUS</b> <b>CAN</b>	Peters Nelson Gow/Sutherland	<b>UK</b> <b>NZ</b>	Hogwood Gregory
Non-anglo countries	<b>G</b> <b>ESP</b>	Derlien Alba/Navarro	<b>FRA</b> <b>DK</b> <b>SW</b>	Rouban Christensen/Pallesen Pierre

welfare regimes other than the Anglo-American family. Thus the design depicted in Table 1.1 emerged (with contributors indicated).

The research work on which this two-volume study is based, started in 1994, initially funded by the Transcoop Program of the Humboldt Foundation and a matching fund of the University of Pittsburgh. It resulted in the pilot study by Derlien and Peters (1998) concerning public service development in the USA and Germany. Subsequently, conferences in Bamberg, Germany (1998), Sandbjerg, Denmark (1999) and Glasgow, Scotland (2000) were organized to bring together an international research team to extend the study to eight additional countries.

## DATABASE

Any project attempting to provide comprehensive comparative information on a subject such as ours encounters substantial difficulties. To a great extent we were all at the (not so tender) mercy of the official statistics of our respective countries. We all attempted to be as diligent as possible both in identifying the sources of our data and the definitions of particular entries, especially when they differed from the agreed-upon definitions of the project. It was agreed to begin the time series of data as early as possible after the Second World War. As is pointed out in the chapter on long-term trends (Jørgen Grønnegard Christensen and Thomas Pallesen in this volume), detailed data have been available in most countries only since the beginning of the 1960s, while the 1950s can be covered only with rough aggregates. Furthermore, it turned out that statistical data for some aspects we are interested in were not always available and where available, were often difficult to compare, for instance statistics of employment by policy areas or employment along ministerial demarcations that underlie frequent changes. Further, not only did the statistics formally change, with some

entries disappearing and others appearing, but in some cases the countries themselves changed. For example, the significant changes in the Spanish polity from the 1970s onwards and the unification of Germany in 1990 required careful attention to the details of what was being measured and in relationship to what. Due to the time it takes to bring so many researchers together in a single project, the latest data we were aiming at were for 1998, and then as the project drew along, for 2000. The important thing has not been to put together an up-to-date collection of comparative statistics but rather to make a first and serious step towards paving the field for systematic comparative analysis applying a public employment perspective. In addition to the set of quantitative data and qualitative information all Volume I country reports should contain, some of the comparative chapters included in this second volume are based on more specific information collected from project members in bilateral communication.

## CONTRIBUTIONS IN THIS VOLUME

Jørgen Grønnegaard Christensen and Thomas Pallesen summarize public employment trends with special attention to differences between periods of public employment growth, stagnation and decline and variation between policy areas. Their work encountered a theoretical problem because even if differences in government employment are expected to be great between for instance the Nordic and other countries, the tax structure and hence the fiscal base of government also varies among these countries, including differences in the form of the official compilations. Such cross-national differences raise the question of what variations in the structure and size of public employment actually reveal about government and its performance of public tasks. Part of the variation may be due to some countries having opted for organizational and financial solutions that do not question governmental responsibility for social welfare, but place less emphasis on pure public sector provision of these services. In the latter model, public employment will be smaller, without implying a smaller public sector in economic or regulatory terms. Thus the employment figures tell only part of the story about the role of government and its true size in economic and political terms. It turned out that it is difficult to reject or confirm the hypothesis that government funded but privately delivered services entirely fill the gap between the high public employment in the pure public sector model of the Scandinavian welfare states and the more modest level of formal public employment in continental Europe and the Anglo-American countries. The authors therefore distinguish three models of public service provision organization: pure state, pure market and a grey area. They note that

historically grey sector institutions also played an important role in the Scandinavian health and social care sectors. With the expansion of the public sector in the 1960s and 1970s and the consolidation of local government areas, these alternative organizations were squeezed out and replaced by pure public organizations, generally run by local governments. The authors conclude that when the cross-national comparison of public employment patterns in this way is expanded to cover a historical dimension as well, it is even more evident that part of the differences found in official statistics are artefacts. Only by including an analysis of the regulatory, financial and organizational aspects of the public sector is it possible to grasp the proper role of government in the private and public labour markets.

Helen Nelson analyses how public employment is distributed across the levels of governments in unitary and federal systems. A general conclusion is that in both cases privatizations occurred chiefly at the national level of government and that cutbacks were less severe at sub-national levels. Continuing responsibility for the delivery of large social programmes accounted for continued growth at most regional and/or local levels. The pattern is particularly in evidence in federations where the bulk of the responsibility for the delivery of labour-intensive programmes – including police services – has been located traditionally at the state and more often the local level. In Chapter 4, B. Guy Peters examines regional government employment more closely and in Chapter 5, Jon Pierre delivers an in-depth analysis of local government employment.

Silke Heinemann in Chapter 6 investigates the widespread acceptance of part-time employment in the public sector since the late 1960s. A primary reason for the adoption of part-time work was the necessity to deal with labour shortages and to encourage women to enter the labour market. In the European countries, part-time employment remains predominantly a phenomenon of working mothers with school-age children. The parallels in the emerging patterns of female and part-time employment are evident in comparative perspective. Both are complex phenomena, depending on an interaction of different economic, social and political factors. After identifying policy areas and level of government where women constitute a noticeable share of public employment Heinemann goes further into the problem of the statistical under-representation of women in specific areas and strata of the public services. Finally, equal opportunity measures as well as supportive social policy provisions for female public employment are inspected.

The problem of representativeness is taken up in yet another respect in Chapter 7: language and minority racial and ethnic status pose a problem in countries with multi-ethnic societies and in immigration societies such as

the USA, Canada, Australia and New Zealand. Iain Gow and Sharon Sutherland examine the public services in these countries focusing on their composition and the extent of group representation overall and within the various status levels. They identify three types of policy: anti-discrimination; equal opportunity measures to promote access by minority groups; and affirmative action, stipulating some form of equality of result through various preferential schemes.

In Chapter 8, Hans-Ulrich Derlien and Luc Rouban deal with the public service as a social system. They pull together information from the country reports regarding the internal specialization and stratification of public services. This internal focus on the public services is complemented by two macro-sociological perspectives, one concerning the prestige of and trust in the public service and the other relating to the administrative elite and their interaction with the political and economic environments. Although in increasingly more countries the public service is regarded by the population as a normal segment of the labour market, public servants themselves may nevertheless display an *'esprit de corps'*. However, as was obvious from Volume I, public service systems are far from being socially homogeneous. Besides the legal basis of employment that in a number of countries distinguishes between the core of civil servants and the rank and file members, the chapter examines the professional differentiations related to educational training and policy area of employment. Third, in all systems there is a hierarchical differentiation of positions in and between offices and a concomitant vertical social stratification which is likely to overlap with the legal basis of employment and the professional differentiation. Finally, training and recruitment of the public service elite and their relationship to the economic and political subsystems of society are addressed.

In Chapter 9, Jørgen Grønnegaard Christensen and Robert Gregory compile and compare the ways in which personnel policy is administered and the changes the systems have undergone in this respect. Is there a trend from uniformity of national personnel policy to diversity due to decentralization and fragmentation within the systems? For in all countries seemingly radical reforms have been undertaken in the public sector impelled by a paradigmatic shift away from traditional civil service conventions in favour of ideas embodied in the New Public Management approach. The rules regulating the recruitment, careers and pensions of public employees, as well as the framework within which salaries and work conditions are settled for the public sector labour market are compared. To the extent that NPM reforms have been implemented, the authors discuss whether these reforms were inspired by the new and common rationale or whether changes are due to nationally and sector specific factors that have induced political decision-makers to review traditional public personnel policies.



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## 2. Public employment trends and the organization of public sector tasks

**Jørgen Grønnegaard Christensen and Thomas Pallesen**

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### THE GROWTH OF MODERN GOVERNMENT

The growth of the public sector is perhaps one of the most significant developments in the contemporary western world. This holds true even if some of the tasks undertaken by governments are classical state functions in the double sense of having been government responsibilities for centuries and in most countries. This is the case with defence, police and the courts, and with the basic infrastructure for social and economic communication and transportation. Also the embryonic state had an administrative organization. Tax collection was necessary to finance an army and to wage wars. These few governmental tasks created problems of coordination and control that presupposed the existence of a governmental administration. With modernization, these functions became the backbone of a modern civil service, recruited on the basis of merit and protected from an arbitrary executive and the temptations of corruption through tenure and pension rights (Silberman 1993; Ertman 1997).

This classical state, undertaking the classical tasks of government and organized on a civil service basis, still forms the backbone of the modern public sector. During this century, however, government has expanded in two directions in the industrialized world. First, modern government is responsible for the regulation of society in a very broad sense. This regulation covers economic regulation of private business as well as social regulation in the form of environmental protection, area planning, health and occupational safety regulation. Certainly, if we go back to the 19th century, many of these activities were to some extent subject to legislative regulation, but the interesting thing is that they are now integrated into government and administered by the civil service.

Second, the twentieth century saw the rise of the welfare state with the expansion of mass education, health care, the provision of social services

and care, and a system of social assistance and income transfers. To some extent, those tasks were undertaken before the development of the modern welfare state, but they were rarely integrated into the public sector and looked upon as a government responsibility. To the very limited extent these tasks were undertaken on a collective basis, the government was not the principal provider or financier. They were instead organized on a community basis and undertaken by different kinds of social networks and what today would be described as non-profit organizations (churches, guilds, village communities and later on, trade unions).

While all industrialized countries have expanded the provision of welfare services and social security networks, the scope and form of this welfare state expansion is considered to be very different (Esping-Andersen 1990). At the extremes, we have the market-based economy of the United States and the social democratic welfare states of the Nordic countries which according to popular interpretations also demarcate the distinction between slim and big government. It is the story of a society with modest vs. high taxes, of modest vs. high public expenditure, and low vs. high public sector employment. However, an inter-European comparison may reveal other differences. Consequently, even if differences in government employment are expected to be great among the Nordic countries and other countries of the continent, the tax structure and hence the fiscal base of government also varies among these countries; but the patterns are different.

Such cross-national differences raise the question of what variations in the structure and size of public employment actually reveal about government and its performance of public tasks. The present chapter deals with this issue. In the interest of simplification, we assume that the organizational and financial variation is particularly strong when it comes to the performance of welfare state functions, that is the provision of health care, education, social care and assistance. Part of this variation probably reflects the difference between countries where government has taken a stronger responsibility for social welfare than in other countries. Part of the variation may be due to some countries having opted for organizational and financial solutions that do not question governmental responsibility for social welfare, but place less emphasis on pure public sector provision of these services. In the latter model, public employment will be smaller, without implying a smaller public sector in economic or regulatory terms. Against this background, our goal is to analyse to what extent variations in public employment are 'real' in the above sense. This is an important aspect of any comparative study of public employment since this is one way of ensuring comparison of identical phenomena. If the differences are

not real, the comparison should also include the possible existence of 'functional equivalents'.

The first step is a description and comparison of western world public sector growth and functions. Public sector growth mainly due to the expansion of the provision of welfare services during the past century is more or less taken for granted. Similarly, it is more or less an established truth that the expansion of the public sector has been common to the western world, even if we allow for cross-national variation. Although these truisms may be correct in a broad sense, they are not based on solid facts. Severe problems of data measurement and comparability within and between countries have long been recognized: 'Despite the recognition of this deficiency of measurement and data, relatively little has been done to rectify the weakness in the field' (Derlien and Peters 1998, p. 5). The Comparative Public Service (CPS) project tentatively aims to fill part of the gap between the strong and self-confident tradition for welfare state categorization and theorizing and the equally strong sense of data measurement and comparability problems. Therefore, the findings of the CPS-project are summarized in the first part of the chapter.

This is a purely formal comparison. It provides a baseline for further comparative analysis as it informs about cross-national and cross-temporal variation in public employment while identifying discrepancies between the employment statistics and public finance statistics. Such discrepancies indicate that the employment figures only tell part of the story about the role of government and its true size in economic and political terms. Therefore, in the second part of the chapter we present a tentative comparative analysis that controls for organizational differences in the delivery of welfare services.

## TRENDS IN PUBLIC SECTOR EXPANSION

International organizations such as the IMF, the UN and the OECD have for long compiled and published information on the public sector in monetary terms. However, international comparisons are hampered by the various and changing definitions of public expenditure. But, contrary to what is experienced in the field of public sector employment, there has been a long and steady effort to streamline the national data measurement practices in order to improve the possibilities for international comparison. Currently the System of National Accounts 1993 (1993-SNA) is in use. The system is established jointly by the international organizations listed above. This has improved the prospects for systematic comparative analysis, although many problems persist. The introduction to the latest National

Account of OECD Countries, volume II, 1988–1998 tellingly admits that ‘the data are compiled for most of the countries according to the 1993 SNA system’ and ‘during 1999 most countries switched from the 1968 version to the 1993 version as the basis for compiling their national accounts’ (OECD 2000, p. 3). Thus, despite the continued effort to streamline national accounts, we are still facing the traditional problem of short comparable time series which does not bother the patient and optimistic statisticians: ‘It is likely to take two or three years before these problems are resolved’ (ibid.). One of the major problems arises in the conversion from current to constant prices. In order to overcome this particular problem, public expenditure figures are calculated as the percentage of the GDP where both the public expenditure and GDP figures are calculated in current prices (Kristensen 1987).

The development of the public sector over a 50-year period is shown in Table 2.1. It confirms the conventional picture of a common trend of strong public sector growth, especially in the 1960s and 1970s. During the 1980s, public sector growth stagnated, and in many countries the public sector share of the GDP even decreased in the 1990s. Simultaneously, Table 2.1 is consistent with the established view of the Scandinavian countries as the high spenders and the USA as the welfare state laggard. However, in a comparative perspective, the French and British public sectors come close to the high Scandinavian level while the Spanish public sector is close to the low US level.

The public sector development measured as the number of employees to some extent parallels the monetary measure, as seen from Table 2.2. Again the Scandinavian countries stand out with their comparatively very high level of public employment while Spain has also in this respect a relatively low level of public employment. However, the difference between the remaining countries is fairly modest. Thus, there is a contrast between the story of the development and size of the public sector depending on whether the size of the public sector is measured in employment or monetary terms. Interestingly, this discrepancy recedes somewhat if the public sector share of GDP is broken down into public consumption and transfer expenditure. This is a strong indication of national differences in public sector structure in monetary as well as organizational terms. As salaries constitute a large share of the public consumption expenditure, the level of the public sector employment is more in line with the public consumption expenditure than the total public expenditure figures. The correlation between the level of public employment and the level of public consumption is as high as 0.91 while the correlation between the level of public employment and total expenditure is at a more modest level of 0.75. Still, apparent differences remain depending on the basis for the comparison. On

Table 2.1 Public expenditure: public consumption and public transfers as percentage of GDP

	1960		1970		1980		1990		199x	
	Cons.	Transf.	Cons.	Trans.	Cons.	Transf.	Cons.	Transf.	Cons.	Transf.
USA	16.6	-	18.7	-	17.6	11.1	16.8	10.8	14.4 (1998)	14.3 (1996)
Canada	13.4	-	18.5	-	19.2	10.2	22.6	12.1	19.0 (1999)	12.1 (1999)
UK	16.4	-	17.5	-	21.2	13.1	19.9	20.0	18.3 (1999)	22.9 (1999)
New Zealand	10.5	-	13.4	-	18.0	-	17.0	-	15.3 (1998)	-
Australia	11.5	-	14.0	-	17.8	9.5	19.1	11.7	18.2 (1998)	15.2 (1998)
Germany	13.3	-	15.8	-	20.1	18.8	19.2 <sup>b</sup>	19.5 <sup>b</sup>	19.0 (1999)	21.1 (1996)
France	14.2	-	14.7	-	18.1	20.8	22.3	23.3	23.6 (1999)	26.1 (1996)
Spain	8.3	-	9.6	-	13.3	16.0 <sup>a</sup>	15.6	15.9	17.1 (1999)	17.6 (1996)
Sweden	16.0	-	21.6	-	29.1	19.3	27.4	21.3	27.0 (1999)	24.8 (1996)
Denmark	13.2	-	20.0	-	26.7	18.4	25.6	19.6	25.7 (1999)	20.1 (1999)

Notes:

a. 1985.

b. 1991.

Source: OECD National Accounts, various years.

*Table 2.2 Public employment. Headcount (in 1000) and share of the population (in %)*

		1950	1960	1970	1980	1990	199x
USA	N	8635	11 357	16 093	18 280	20 497	20 683 (93)
	%	5.7	6.3	7.9	8.0	8.2	8.0
Canada	N	–	1154	1713	2103	2700	2798 (99)
	%	–	–	–	–	9.7	9.1
UK	N	5757	5758	6515	7387	6052	5126 (96)
	%	11.4	11.0	11.7	13.1	10.5	8.7
New Zealand	N	196	224	268	331	225	209 (99)
	%	9.8	9.3	9.3	10.4	10.2	7.9
Australia	N	695 (54)	824 (61)	1203 (71)	1549 (81)	1741	1464 (98)
	%	7.7	7.8	9.2	10.4	10.2	7.9
Germany	N	2282	3152	3876	4658	4920	5276 (96)
	%	4.6	5.7	6.1	7.6	7.6	6.4
France	N	–	–	3713	5020	5714	–
	%	–	–	–	–	–	–
Spain	N	–	–	806	1213	1704	2208 (99)
	%	–	–	2.1	3.6	4.9	5.6
Sweden	N	–	–	1240 (76)	1438	1542	1260 (95)
	%	–	–	–	–	–	16.0
Denmark	N	139	368 (67)	558	888	950	946 (2000)
	%	3.0	8.0	11.0	17.0	18.0	18.0

average, the level of public sector consumption is twice as high as the level of public employment. Four countries deviate significantly from this ratio. They are on the one hand, Spain and Germany where the ratio of public employment to public consumption is 1 : 3 and on the other hand, Sweden and Denmark where public employment equals two-thirds of the level of public consumption. The deviant German ratio is due to an exceptionally high share of contracting out in the German public sector. While the average share of contracting out is about 30 per cent of public consumption, Germany has a tradition for contracting out tasks corresponding to half of public consumption expenditure (Kristensen 1987, p. 98). This is clearly related to the organization of the German public sector. The apparently heavy reliance on contracting out hardly implies an extended use of competitive tendering in German government. The explanation is that for a number of tasks, state and local governments are responsible for the regulation and financing, while they leave the operation to external contractors,

be they non-profit organizations or intergovernmental organizations. For the remaining three countries, the discrepancy is in part explained by the different use of part-time employees. By definition, Spanish public sector employees are full-timers while Denmark and Sweden have high levels of part-time employment (about one-third of total employment). This again is due to the high and increasing share of women employees in the public sector. In all of the countries covered by this investigation, high and increasing part-time employment has gone hand in hand with high and increasing female employment in the public sector. However, in none of the countries the feminization of the public sector has been stronger than in Sweden and Denmark where about two-thirds of the employees are women (see Heinemann's chapter in this volume for an analysis of part-time and female employment in the public sector).

The trend pointing towards increased part-time and female employment is closely connected with the changes in public sector tasks. In all countries, public employment in welfare services makes up an increasing share of total public employment. Public employment in education, health care and social services amounts to half of total public employment in several countries, that is the United States, Germany, the United Kingdom, France and Australia, and it is even higher in the Scandinavian countries, and New Zealand and Canada. The continued post-war growth of the relative share of public employment in welfare services is the result of two different developments. In the 1960s and 1970s there was a strong absolute growth of the number of public employees in the welfare service with it outpacing the growth in other parts of the public sector. Later, in the 1980s and 1990s, the number of public employees in welfare services more or less stagnated, but in relative terms the growth continued due to reductions of public employment in other areas. In particular, the strong wave of privatization or corporatization of public enterprises and utilities (telecommunications, ferries, buses, postal services and so on) has reduced the number of public employees in these former classical public services. In this way public employment in the education, health care and social services has continued to increase in relative terms, as is seen from Table 2.3.

The increased share of public employees in the welfare policy areas, education, health care and social services goes hand in hand with other important developments of the public sector in many of the investigated countries. For those countries that maintain a distinction between civil servants and public employees working under a collective agreement according to private law and general labour law, the relative share of civil servants tends to decline (see Christensen and Gregory's chapter in this volume). This decline is in part due to a general policy reorientation to hire public employees working under private and labour law arrangements in some of the countries.





Police and public safety	8 866	5.1	130671	5.7	25 400	2.0	218 000	4.1	1 394 000	6.4
Legal services	6 475	3.7	68007	3.0	14 600	1.2	–	–	455 000	2.1
Education and research	60 919	35.0	551 835	24.2	182 380	14.5	1 362 000	25.7	9 498 000	43.8
Social services	5 539*	3.2	32088	1.4	329 720	26.2	367 000	6.9	683 000	3.1
Health service	40 457	23.3	370018	16.2	243 860	19.4	1 360 000	25.7	2 131 000	9.8
Housing	831	0.5	–	–	–	–	47 000	0.8	141 000	0.7
Agriculture	2 575	1.5	–	–	–	–	–	–	–	–
Energy/water	–	–	–	–	–	–	–	–	–	–
Transportation/railways	1 017	0.6	–	–	24 600	2.0	–	–	569 000	2.6
Public enterprises	–	–	–	–	–	–	379 000	7.2	–	–
Unaccounted/others	35 494	20.4	58467	2.6	290960	23.1	–	–	4722 000	21.8
<b>Total</b>	173 877	100.0	2 284452	100.0	1 259 700	100.0	5 298 000	100.0	21 690 000	100.0

Note: \* Social services are contracted out to community providers.

Sources:

Canada: Tables 5.5, 5.6 and 5.9.

Denmark: data from *Statistical Yearbook 2003*, Labour market and wages, Tables 147 and 150.

New Zealand: data from Tables 3.6 and 3.8.

Sweden: Tables 11.2, 11.5 and 11.6.

Spain: data from Ministerio de Administraciones Publicas – [http://www.mapes.serviciosalciudadano-empleo publico](http://www.mapes.serviciosalciudadano-empleopublico).

General administration: Consejerías y sus O.O.A.A. + Administración Local + Ministerios y O.O.A.A. – Patrimonio Nacional + Agencia Estatal Admon Tributaria.

Defence: Fuerzas Armadas + Personal laboral de Defensa.

Police and public safety: Fuerzas y Cuerpos de Seguridad del Estado + Fuerzas de Seguridad.

Legal service: Administración de Justicia + Centros Penitenciarios + Administración de Justicia (Comunidades Autonomas).

Education and research: Universidades + Docencia no Universitaria (Central) + Area de la Docencia no Universitaria.

Social service: Seguridad Social.

Health service: Instituciones Sanitarias.

UK: data from <http://www.statistics.gov.uk>.

USA: Table 6.9, defence civilians.

The changing composition of the workforce has also had an impact on the distribution of public employees across the different levels of government. As much of the expansion has taken place within the welfare services, local and regional governments experienced considerable growth. This trend is common to both federal and unitary states (see the chapters by Guy Peters, Nelson and Pierre in this volume for an elaboration of central–local government employment). With the exception of New Zealand, central government employment has declined in the unitary states, both in the countries with a strong central state tradition, for example the United Kingdom and France, and in the unitary states where local government traditionally has played an important role, for example Sweden and Denmark. In Spain, where decentralization has been considered an important element in the democratic consolidation, the relative importance of local governments has increased. As a consequence, Denmark, Spain and Sweden are nearly as decentralized as the federal states when using the distribution of public employment over level of government as a yardstick. The decentralization of public employment in the federal states has, in general, taken the route of expanding both the relative importance of state and local government, even if in Australia decentralization has stopped at the state level. There are other notable exceptions.

Thus, in centralized systems such as the United Kingdom and New Zealand, central government has often upheld its control over important parts of the welfare services and then delegated the managerial responsibilities to organizational units that despite their formal status remain ultimately under their control. Another source of subnational expansion is the local government reforms that countries such as Denmark and Sweden enacted in the 1970s. An integral part of these government reforms was the transfer of several central government responsibilities to local and regional governments.

To summarize the post-war public sector development in a broad comparative perspective, there are a number of noteworthy trends that are common to all or the vast majority of the investigated countries:

1. Growth of the public sector in monetary terms (public expenditure share of the GDP) as well as the number of public employees.
2. Within the generally expanding public sector, the welfare services, that is education, health care and social services have experienced an expansion as compared to other public policy areas. Another trend is that the traditional transportation and infrastructure services have declined in importance since a wave of privatization and corporatization has reduced the number of public employees.
3. More or less as a consequence of the increased relative importance of the welfare services, three additional observations can be generalized:

- A relative increase of female and part-time employment;
- A relative increase of public employment based on collective agreements instead of traditional civil service employment;
- A relative increase in the importance of public employment outside the central government, that is in local and regional government and in federal countries, state employment.

As noted, there are a number of exceptions to this general pattern and the trend is simultaneously more or less pronounced in the countries investigated. These deviations from the overall pattern have a more general interest if they point towards the existence of different types of public sectors and public sector organization. Therefore, the deviations from the overall trend may add up to an alternative stratification of the countries.

The Scandinavian countries stand out as countries where the general trend has been especially strong. The size of the public sector, both in terms of public expenditure and employment, is significantly higher than in the rest of the countries. The feminization of the public workforce and the relative dominance of the welfare services are also especially pronounced in these countries.

The conventional welfare state literature pictures the United States as a 'welfare state laggard' because of its relatively small public sector and its stronger priority given to 'warfare' rather than welfare (Wilensky 1975). This picture is only partly sustained. If the yardstick is public employees' share of the population, the public employment is at the same level as in Canada, the United Kingdom, Australia, and New Zealand and at a somewhat higher level than Germany. Also the priority given to welfare services is comparable to Germany, the United Kingdom and Australia.

Furthermore, it is difficult to find support for the modern New Public Management image of the United Kingdom, Australia and notably New Zealand, as general pioneers and especially as forerunners in terms of privatization of public sector functions. It is true that the relative size of the public sectors has diminished in these countries during the 1990s. However, in a broader comparative perspective, the United Kingdom, Australia, and New Zealand have only reduced the relative size of their public sectors to the continental and North American level. Empirically, public sector employment in Spain and Germany is a much better fit to the NPM-ideal of a highly decentralized public service, but the problem is that the forms of decentralization found in these countries have little affinity with the proposals constituting the NPM reform repertoire, and none of these countries are renowned as NPM-protagonists. Still, the fact is that the NPM-reformers, the United Kingdom, Australia and New Zealand, remain far

more centralized than not only most federal states, but also several of the unitary states. This is confirmed if the degree of centralization is measured as the relative level of central government employment. Along these lines, New Zealand is not only the most centralized of all the countries covered by this analysis, but has moved even further in this direction during the post-war period.

The preliminary conclusion is that the conventional categorizations of the modern welfare states and notably those that in one way or another have set the Anglo-American countries apart are questionable. Only the opulent Scandinavian welfare states have survived this initial empirical attack. It may, however, also be a superficial categorization as different organization and financial arrangements blur the differences and similarities between the countries. This issue is addressed below.

## THE PURE PUBLIC SECTOR AND ITS FUNCTIONAL EQUIVALENTS

To define a purpose as being within the realm of the public interest simply implies the provision of a given service to some extent being excepted from provision through the demand and supply of the market. It still leaves political decision-makers with a range of organizational and financial options as to the operationalization of the public interest. Here, a fundamental question is the legal status of the service-providing institutions: should the service be provided by public institutions integrated in the governmental hierarchy, by private institutions operating on market conditions, or rather by institutions operating in the grey area between these two extremes? An equally fundamental issue concerns the financial basis of the service-providing institutions: are their costs covered by either tax-financed or mandatory contributions allocated to the institutions as part of an operational budget, or are they covered by direct user payment for services provided by the institution? Once again there are solutions between these two extremes. Finally, the legal status of the employees has to be settled. Should their staff have civil service status or should they be hired on contracts, and should they be based on individual or on collective agreements?

Each of these dimensions has empirical relevance. However, in the real world we expect them to be combined, thus creating a complex matrix of empirically more or less realistic solutions. For the sake of simplicity, we focus on three types defined in Table 2.4. In comparative terms, the pure public sector solution is the simplest. Here schools, hospitals and institutions providing social care are fully integrated into an unbroken

Table 2.4 Comparative framework for analysing public employment

Type of institution	Legal status	Financial basis	Employee status
Pure public	Integrated into governmental hierarchy	Annual budget, financed by taxes or mandatory contributions	Civil service
Civil society/grey area	Non-profit association or trust fund	Governmental contracts/output related reimbursement by government or quasi-public funds	National/sector-wide collective agreements with unions
Pure market	Corporate/company law	Individual sale to end users of services	Employees hired on individual contracts or collective agreements entered at private labour market

governmental hierarchy, ultimately linking rank-and-file staff with a political executive, receiving an annual budget financed by taxed or mandatory contributions, and employing a staff enjoying civil service status. This archetypical governmental solution produces few problems in comparative analysis of public employment.

Market solutions are placed at the other end of the continuum. They are found in two variants. In one, here termed the pure market, health and social care as well as education is provided on the market to individual users who pay the market price for their consumption. In this extreme case, the government is not involved in any capacity other than as a possible source of regulation. Such solutions are definitely outside the scope of a comparative analysis of public employment. However, the other variant, contracting out complicates the comparison of national public employment. Here governmental tasks are carried out by private entrepreneurs. With contracting out the government keeps in its hands the responsibility for defining the service to be delivered in terms of content, quantity and quality. With contracting out it is also a government responsibility to finance the provision of services, but production and distribution of services is left to private entrepreneurs who have won the contract in competition with other entrepreneurs placing their bids for the specific order in a competitive tender. Thus, with contracting out, the government externalizes the employment relation, but *ceteris paribus* the government still

bears the costs of providing the service. So, the market has not replaced the reliance on government for the provision of services. Rather it has been brought into play as part of the institutional framework for government provision of services.

Quasi-governmental (or quasi-market) solutions alternatively can be seen as variants of the pure public sector solution. The principal difference lies in the legal status of the provider organizations. In its pure form, public service providers are fully integrated into the governmental hierarchy; however, in the quasi-governmental (quasi-market) form they are formally organized as either corporations or trust funds. But apart from this formal trait they may share many of the characteristic features of the pure public sector solution. Although having their own boards, they are subject to sometimes quite intense regulation and governmental control. Their financial basis is mainly governmental as their annual budget is financed by tax money according to procedures and rules that are very similar to those of the pure public sector. Their staff works on contractual conditions that emulate the civil service system of the pure public sector, although in legal terms they do not enjoy the status of civil servants. Finally, when it comes to counting the size of the public sector in employment terms they clearly fall within the confines of the public sector, thus representing a formal deviation from the pure public service solution that is not matched in real terms. These quasi-governmental solutions enjoy a prominent position on the New Public Management agenda for public sector reform where they are uniformly presented as quasi-market reforms. Still, comparative analysis has had difficulties in demonstrating their superior performance, and these analyses further show that their institutional design allows for government intervention not very different from the pure public sector solution (Boyne et al. 2003; Christensen 2003).

Civil-society-based solutions are often described as constituting a grey area, neither relying on the mechanisms of governance for the government nor the market. In their pure form they are non-profit associations or trust funds formed on a voluntary basis; their internal organization and leadership structure is a matter for its members subject to little or even no public regulation. They may rely on private financial contributions in the forms of voluntary contributions and fees, but their budgets are to a varying, even though high extent, financed through government money and their employees in several countries work on conditions very similar to their colleagues in the quasi-governmental and thus in the pure public sector. The historical roots of these civil society solutions are to be found in the social networks around the church and religious communities, and in the trade union movement in parts of Western Europe. If the original voluntary character has been kept intact, their integration into

the public sector is weaker. Their financial basis will then be voluntary contributions and their staff will be a combination of volunteers and social workers hired on a private contract basis. The implication is that the civil society solution, just as is the case with the market solution, splits into a pure voluntary form with no or weak bonds to the public sector and a form that is integrated into governmental finances and the public sector labour market.

However, as noted, the most genuine public solution (the pure public sector solution) implies that the service-providing institutions: (1) are fully integrated into an unbroken governmental hierarchy that ultimately links rank-and-file staff with a political executive; (2) receive an annual budget financed from taxed or mandatory contributions; and (3) employ a staff enjoying civil service status. We claimed further that this archetypical governmental organizational style produces few problems in comparative analysis of public employment because institutions with these pure public characteristics are likely to be counted in statistics of public expenditure and public employment. However, in another comparative perspective, these pure public institutions do represent a problem because the prevalence of pure public institutions vis-à-vis institutions in the grey area between the public and private sectors differs from country to country. Hence, a disposition to equalize public involvement with pure public sector solutions may exaggerate the size of the public sector in a comparative perspective. Especially in Scandinavia, public involvement in general takes the form of establishing institutions that are owned, run and financed by the public sector. In part, this preference may explain why the Scandinavian countries rank high in comparative public employment. The remainder of this chapter takes up this question. Since social services, health care services and education taken together make up more than half of the public sector, and since institutions in the grey area between the public and private sector are common in the welfare sector, the comparative analysis will cover three kinds of welfare-providing institutions: primary and secondary schools, hospitals and social care institutions for the elderly as well as kindergartens and day-care institutions. The main purpose is to provide a systematic basis for comparing public employment while controlling for the institutional and organizational set-up of the welfare sector.

## THE PREVALENCE OF PURE PUBLIC AND GREY SOLUTIONS

The pure public sector solution has gained a foothold in the Scandinavian countries in particular. It is nevertheless a fairly recent development. Even



in the 1960s, the grey area organizations also constituted an important part of welfare service provision in Scandinavian countries. From the 1960s onwards, the relative importance of the grey sector has diminished for two reasons. First, the expansion of the ordinary pure public sector was immense in the 1960s and 1970s. Second, the grey area organizations were gradually taken over by the pure public system. In some cases, the public sector has completely erased the legal and financial basis for institutions with a private sector imprint. This is, for example, the case with a number of Danish non-profit hospitals and nursing and rest homes. In other cases, the institutions have nominally preserved their legal status as private foundations but have de facto, been enrolled into the pure public sector. This is for example the case with a large number of Danish kindergartens and other social institutions for children where their de facto integration in the pure public system takes the form of a management contract between the private foundation and the (local) government. This contract specifies that the private foundation is financed just as a public institution and in all matters of importance has to follow the same regulations as the pure public institutions. This applies also to the collective agreements negotiated between the public employers and the unions. By implication, salaries and working conditions as well as parents' user fees are identical with those in public institutions within the same local area. Second, the private institutions have no discretion in the selection of clients. Given these profound similarities between pure public sector institutions and private institutions operating on the basis of a management contract, it is only logical that official statistics do not distinguish between them (Damgaard 1998).

While the grey area has become negligible in the social service sector, an important part of the health and educational sectors is still organized outside the pure public sector. In the primary health care sector, general practitioners, but also, for example, medical specialists, dentists and physiotherapists work under a collective agreement negotiated by their professional unions and a central board representing local and regional government interests. Although these practitioners are legally private entrepreneurs, they receive a varying but significant part of their income from services delivered according to the agreement. In either case, official statistics do not count them as public employees.

Also in the educational sector, there has been a long tradition for public subsidized but legally private schools (Lindbom 1995; Christensen 2000). These so-called free schools receive a public subsidy calculated as a share (85 per cent) of the operational expenditure in the public schools. The schools are obliged to follow the general provisions laid down in the general educational legislation and further to employ teachers according to the

terms in the collective agreements between the public employers and the relevant teachers' unions. In contrast to private social institutions operating under a management contract with local governments, the private schools are free to decide how many and which students to enrol. Within the broad constraints of educational legislation they can also differentiate their teaching to a considerable extent. Although the private schools are strongly subsidized by the government and operate under the same collective agreements as the public schools, their staff are not counted as public employees. The private primary and secondary schools enrol 10 per cent and 5 per cent of the student population.

As the above discussion demonstrates, even in the Scandinavian welfare states it can be claimed that the official public employment figures underestimate the real public sector employment. Nevertheless, the hypothesis is that the grey areas between the private and public sector are even more important in several other countries. In order to pursue this proposition, we look at the prevalence of the grey sector in the United States, Germany, the United Kingdom, and Australia. First, the United States is an obvious choice, not only because it has been considered as a welfare state laggard, but also because the size of the public sector when measured on the basis of the number of public employees might indicate that this image does not tell the full truth, thus representing a popular myth rather than a reality. Second, Germany is chosen as an example of the continental European way of organizing the welfare services because it has a reputation for giving high priority to the provision of welfare services and for relying on service provision by non-profit institutions belonging to the grey sector. Therefore, it is expected that in Germany in particular, inclusion of the grey sector closes at least part of the gap on the Scandinavian welfare states. Third, United Kingdom is traditionally considered to be a state-centred and centralized version of the Scandinavian welfare model that is in general organized as a pure public model relying on central government governance. For this reason it is not expected that the size of the grey sector in the United Kingdom will bring it on a par with the Scandinavian countries. Finally, Australia is included, not only to fulfill the criteria of geographic spreading, but also because Australia represents a mixture of different traditions and organizing principles. On the one hand, Australia belongs to the state-centred British tradition, and in this respect the Australian grey sector is expected to be of minor importance. On the other hand, Australia is a federal state, and federalism is in general expected to favour power-sharing principles and decentralized solutions that place constraints on public sector and public expenditure thus favouring provision through grey sector institutions (Castles 1999; Schmidt 2001).

## **The United States**

Contrary to the conventional European picture of the American public sector but in accordance with the public employment figures referred to above, public sector provision of welfare service is important in the United States. The public sector imprint is especially marked in the educational sector where state and local government is the main provider of the service. Whether measured in terms of the number of schools, teachers or students, public schools account for about 85 per cent of primary education. The picture is somewhat different when it comes to secondary education. The number of private schools is relatively higher (about one-fourth of the total number), but in terms of the number of teachers and pupils the private share is even lower. Only one tenth of the teachers and pupils are found in private schools. State and local government dominance is also reflected in the financing of the schools. Only 6 per cent of the total public funds (US\$ 275 billion) spent on primary and secondary schools are federal with the rest split equally between state and local governments. Thus, the American school system shares the pure public sector features characterizing, for example, Scandinavian education.

Higher education, the health care sector and pre-schooling/kindergartens are a much closer fit to the conventional picture of a patchwork of different organizational and funding principles. Of the pre-schools and kindergartens, 55 per cent are public institutions while the rest are private. Also the number of teachers in pre-schools and kindergartens is about the same in private and public institutions. In higher education, there are more private than public institutions, but similarly to secondary education, the private higher educational institutions are smaller than the state universities. While the state universities account for less than half of all universities and colleges, the number of staff and students are respectively 2.5 and 3.5 times higher than for their private competitors. Still, the private institutions are not private in the sense that they are entirely private financed. One-fifth of their funding comes directly from public funds. Although revenue from tuition covers nearly half the costs in private universities, government scholarships to some extent support their students. Similarly, public institutions are not public in the sense that they are entirely public funded. Half of their funding stems directly from public sources while private contributions (30 per cent of the total) and tuition (20 per cent of the total) cover the remaining costs. Like the private institutions, however, the student fees are in part covered by public sources. Thus, American higher education bears all the marks of organizational hybrids placed somewhere between the pure public and the pure market

models, but the remarkable fact is that this applies to both private and public colleges and universities.

Also when it comes to health care, the government sector is a major player, although the government's role is more important in funding than in the provision of services. Here, private non-profit hospitals make up half of the hospitals, manage a similar share of all hospital beds, and employ no less than two-thirds of all hospital staff. Another 25 per cent of the 6000 hospitals are public (federal, state or local government) covering 20 per cent of both the total capacity of 1 million hospital beds and 4.4 million employees (FTE) working in the US hospital sector. In primary health care, almost all general practitioners are professionals owning their own clinics even if they may receive payments from government insurance programmes. In total, the government covers 45 per cent of the total health care expenditure through various health care programmes. By implication, it is fair to conclude that the government not only pays for the 800–900 000 FTEs on the payrolls at public hospitals, but also that indirectly a considerable part of the remaining staff and the self-employed in the health care sector are paid out of public funds. This does not transform them into public employees in any meaningful sense, but it is an empirical demonstration of the fact that the government's role in providing and facilitating welfare services cannot be grasped by a narrow focus on formal employment status and public employment statistics.

In sum, if public employment also includes employees who nominally are private employees but paid out of public funds, the public employment in the United States is considerably higher than the official public employment. This upward correction is due in particular to the funding and organization of higher education and the health care system, while elementary and secondary education is mainly organized on the basis of the pure public sector model.

### **The United Kingdom**

The National Health System (NHS) is an ideal type application of the pure public model with its emphasis on public ownership and financing and central government control of the sector. Although the quasi-market reforms of the early 1990s converted the health care providers to types of public corporation (so-called hospital trusts) and introduced managed competition between health care providers, the British health care system is still financially and organizationally firmly embedded in the public sector. The hospital trusts are funded almost entirely by central government and account for more than 99 per cent of the 0.5 million hospital beds in the United Kingdom.

Within the same financial and organizational framework, the NHS also runs social institutions that provide services for the elderly. Together with the local authorities, the NHS controls two-thirds of the capacity. Genuinely private institutions cover a further 20 per cent of the total capacity while the remaining places are found at nominally private institutions that are fully financed by local authorities. In the educational sector, the grey area between the public and private sector is even more important. Sixty per cent of the primary and 40 per cent of the secondary schools are pure public with less than 10 per cent of the schools being purely private. It means that one-third of the students in primary and more than half of those in secondary schools attend semi-public schools. There are two types of semi-public schools. One kind is schools run and owned by non-profit organizations but financed by the local authorities that also appoint the board of governors. These schools are attended by a third of the pupils in both primary and secondary schools. The other type of semi-public schools, the grant-maintained schools, are especially important in the secondary school system where one-fifth of the total number of pupils are enrolled. These schools are also non-profit schools headed by a board of governors, but in their case the grant is given directly by central government.

In kindergartens/day care, there are pure public nurseries for 3–5-year-olds allied to primary schools. Grant-maintained schools teach about 60 per cent of the 3–5-year-olds eligible for pre-school education. However, in general, the main provider of pre-schooling, day care, nurseries, playgroups and other types of child care are private institutions. Of the 1 million places in these institutions, 97 per cent were owned and run by private organizations which until recently were also privately funded. However, government subsidies for pre-school years in private nurseries were introduced in 1997, and in addition, since 1998, working families can obtain a tax credit based on a combination of a means test and the parents' working hours.

It also follows that in Britain there is a substantial grey sector, notably in primary and secondary education. However, the grey sector in education does not distort the public employment figures because the teachers and other personnel employed at the semi-public institutions in British education are included in the public sector employment statistics. The grey area in the social services has a considerable number of employees that are nominally privately employed, but their salaries are fully paid for by public funds. However, the available information does not allow us to obtain a more precise estimate of the employment equivalent of the public funds.

## **Australia**

In Australia, state governments have constitutional jurisdiction over primary and secondary education and over the provision of hospital services. These constitutional provisions do not preclude a substantial role for private provision. One-fourth and one-third of the students attend private primary and secondary schools respectively, and 40 per cent of hospital services are delivered by private organizations. While the private hospitals are genuinely private as nearly 100 per cent of the funding is comprised of proceeds from private contributions, the private schools are partly financed by the federal and state governments. About a fourth of total education expenditure is federal and state subsidies are especially important. Due to these financial schemes, the government covers 90 per cent of all educational expenditure, even if enrolment in private schools is considerable.

Social institutions for old people are formally private organizations in Australia. The services are nevertheless subject to government regulation and, to a very high extent, funded by the public sector. The federal Department of Health advertises for organizations to provide care in particular geographical areas and pays for the care offered to residents. To qualify for government funding, each institution must meet specific care standards and obtain governmental accreditation. For institutions that meet these standards, government funding covers some 60 per cent of the nursing homes' total income. Moreover, several federal and joint federal-state programmes subsidize social services to the elderly staying in their own homes in various ways.

Kindergarten/day care is another important example of grey sector provision. Two-thirds of the child care is delivered by community care institutions funded and monitored by the federal government and that qualify under another accreditation scheme. Government funding covers more than half of the childcare institutions' income while 40 per cent is covered by proceeds from parent contributions. But government subsidies are available to keep user fees down for parents. Government subsidies are thus available for work-related expenses to government approved institutions and low and middle-income families are eligible for means-tested support.

With government funding covering a substantial part of the costs for voluntary and private institutions providing welfare services of all kinds, a large number of nominally private employees are sponsored by the public purse. For example, 30 per cent of the teachers are employed in private schools, but if the public subsidy to schools is taken into account, only 10 per cent of the total teaching staff is paid by private funds. In the social institutions for the elderly, 100 000 employees and 15 000 volunteers are nominally private

employees, but mostly paid out of public subsidies. In childcare, the government also subsidizes private providers while earmarked public subsidies cover part of the user fees. By implication, more than half of the 55 000 employees and volunteers are in reality paid by the public purse.

### **Germany**

A common trait for most of the countries covered in this study is that they allow for the co-existence of public schools and private schools. The role played by the private schools varies in terms of relative student enrolment, but whatever their role in education they are beneficiaries of considerable government support, be it in the form of direct subsidies to their finances or support to parents opting for private education for their children. Compared to this pattern, Germany stands out as an exception with private schools playing only a marginal role. But this is not the full picture. In other fields, the grey sector is a major provider of welfare services. In the hospital system, 40 per cent of the hospitals are legally public entities (state or local government organizations), a similar share of the hospitals are semi-public institutions while about 20 per cent of the hospitals are private organizations. Again, around half of these private providers are non-profit organizations, often owned by religious organizations. But the formal status and ownership conceal the integration of hospitals in the public sector. According to official German statistics, two-thirds of the health care expenditure is covered by general taxation or compulsory social security contributions. However, to some extent this underestimates the role of government in providing health care services. Consequently, if costs related to income compensations in case of illness and costs of investment, research and administration are excluded from the health care sector, which makes the German figures more suitable for international comparison, the public share of the funding is approximately 80 per cent (Mosseveld and van Son 1998). The social sickness insurance is operated by more than 1100 sickness funds that are organizations with regulatory authority under public law. The sickness funds pay the hospitals according to a diagnosis-modified fixed day rate while the nominally private general practitioners (including dentists and paramedical practitioners) are remunerated on a fee-for-service basis. From an employment perspective the implication is that in addition to the 500 000 public employees working for state or local hospitals, there are a similar number of employees in private institutions and more than 300 000 private practitioners; staff that de facto in both cases are paid by public funds.

In international comparison, social services for the elderly are also in part provided by the hospital system and funded by the sickness funds since

a third of the hospitals are long-term care or geriatric institutions. The local authorities and voluntary institutions provide nursing homes and other homes for the elderly that in international statistics are defined as social institutions. Also ambulatory nursing care and home care are provided by organizations with varying legal status. The main providers are independent charity organizations while local governments (the so-called Social Stations) are responsible for coordination and triages. With the introduction of public nursing care insurance in 1995, the social services have been financed in the same way as the health care system with compulsory social contributions and standardized payment of the providers. In this way, most employees working in the social institutions for the elderly are predominantly paid out of public funds whether they are employed by legally public organizations, voluntary non-profit or for-profit private organizations. With only about 15 per cent of the social institutions organized as pure public providers (Bahle and Pfenning 2001), the number of employees working in private but publicly funded organizations is close to half a million people.

This mixed pattern of public financing and private organization is repeated for kindergartens and day care institutions. State and local governments are fully responsible for the funding and provide some 75 per cent of the modest number of places for 0–2-year-olds, but only 45 per cent of the much larger number of quantitatively much more important kindergartens (Bahle and Pfenning 2001).

## CONCLUSION

Due to a combination of lack of data and deficiencies in the existing data, it is impossible to conduct a systematic cross-national comparison allowing us to draw firm conclusions concerning public employment in strict terms as well as the functional equivalent to public employment where governments regulate the services offered by service providers and to an often high extent are funding their operation even if in legal terms the services belong to the private sector. Thus, we are unable to reject or to confirm the hypothesis that government funded, but privately delivered services entirely fill the gap between the high public employment in the pure public sectors of the Scandinavian welfare states and the more modest level of *de jure* public employment in continental Europe and the Anglo-American countries.

Nevertheless, a few observations or tentative conclusions follow from the examination of the public employment and the functional equivalents of public employment. First, the high level of public employment in the



Scandinavian countries is not due to exclusive reliance on pure public sector solutions. The educational sector represents a significant exemption from the general public sector model. This also applies to the United Kingdom. The main difference is the British reliance on central government solutions that stand in strong contrast to the local government dominance in Scandinavia. There is, on the other hand, an important similarity between these systems. In both Scandinavia and the United Kingdom, private schools play an important role, while being heavily subsidized by the government. This is a policy with deep historical roots rather than a novel phenomenon that can be explained by the intrusion of 'New Public Management' ideas into public policy and public sector organization. Although the organization and financing of the 'private' school systems in both Scandinavia and the United Kingdom neatly fit the NPM-prescriptions, these systems of organization and financing were framed more than 100 years ago.

The mix of public-private solutions in the Scandinavian and British school systems is conspicuous in comparison with the United States and especially Germany. In the latter country, primary and secondary schools are pure public strongholds in public sectors in other policy areas dominated by functional equivalents to the pure public model. The comparison of the American and German and to some extent the Australian public sectors, lead to the tentative conclusion that a significant part of the difference between the size of public employment in these countries and in Scandinavia is due to different ways of organizing the governmental role in the welfare sectors. Health care and social institutions for the elderly and children below school age in the former countries are prime examples of functional equivalents to the pure public sector model, as restrictive governmental regulation and large public subsidies go hand in hand with provider institutions that are legally private entities. In the same areas, the pure public model virtually monopolizes the provision of services in Scandinavia. Again, a historical perspective is sobering. Historically, grey sector institutions also played an important role in the Scandinavian health and social care sectors. With the expansion of the public sector in the 1960s and 1970s and the consolidation of the local governments, these alternative organizations were squeezed out and replaced by pure public organizations, generally run by local governments. When the cross-national comparison of public employment patterns in this way is expanded to cover a historical dimension as well, it is even more evident that part of the differences found in official statistics are artefacts. Only by including an analysis of the regulatory, financial, and organizational aspects of the public sector is it possible to grasp the proper role of government in the private and public labour markets.

The same comparison of patterns and trends in public employment points to an additional observation. In many studies of comparative public policy, countries are the unit of the analysis. As demonstrated in this chapter, this can be problematic. None of the investigated countries fits into a simple categorization. Rather the chapter indicates that comparative analysis should to a much higher extent be open towards the differential historical roots that have laid out distinct paths of evolution for different policies and different parts of the public sector. Some of the changes in policy and public sector organization that in recent decades have been enacted in several countries show that the implication is not the result of a historical determinism and unbreakable path dependencies. It is rather a reminder of the interaction between political and societal contingencies that are operational at the meso- and micro-institutional level.

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### 3. Public employment and multilevel governance in unitary and federal systems

**Helen Nelson**

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As policy agendas change, so public workforces expand or contract, across policy areas and across levels of government. In the period since the end of the Second World War, public sector employment in all countries, unitary and federal, in this present sample has undergone two major changes of direction: a period of extensive expansion followed by one of withdrawal and cutback, the former generated by the introduction of welfare state social policies and the latter a response to economic exigencies and/or reversion to 'small government' ideologies.

The initial impact of the post-war welfare state agendas was evidenced in a substantial growth in public sector employment, most notably at sub-national government levels. Governmental responses to the management of the newly expanded workforces varied, shaped by diverse cultural, political and administrative historical legacies. Overriding the national differences, however, governments trod a common evolutionary path. In common among the countries included in this study, the period of workforce expansion was accompanied by reorganizations of the machinery of government, particularly at the sub-national levels and most particularly in the rapidly expanding health and education policy areas. The subsequent period of restraint and cutback in public employment in the 1980s and 1990s and the complexities entailed in planning, resourcing and delivering universal social policy programmes spawned a spreading intertwining of the functions of governments at different levels. The resultant multilevel government profiles show relatively smaller-sized national-level governments adopting a planning and monitoring role whilst devolving 'hands-on' responsibilities to the sub-national levels. In the process, national governments have shed functions and staff and have become more top-heavy in their composition, while sub-national workforces have become 'feminized' and more flexible in their approaches to casual and part-time employment.

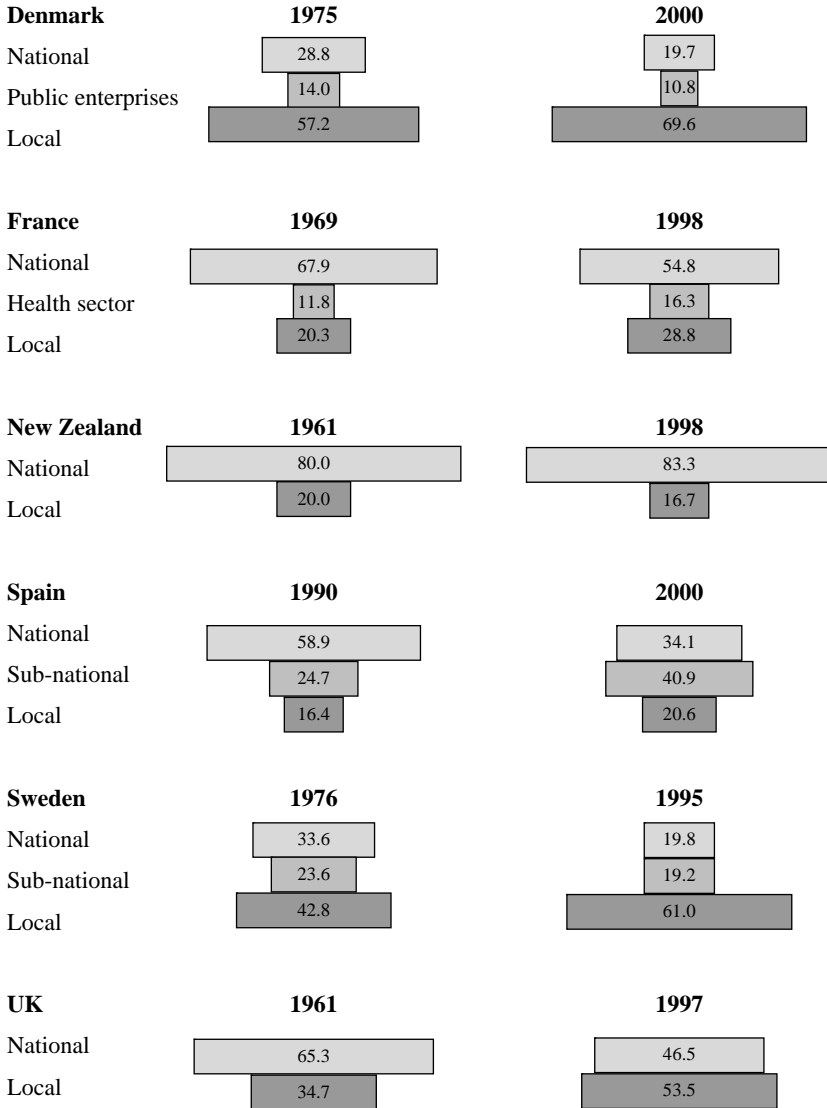
The data presented in the country chapters in Volume I of this study provide a base from which to track the impact of the new policy agendas on the allocation of workforces across levels of government and the emergence of changed multilevel government profiles. Multilevel governance is no new phenomenon, but an outstanding feature of its modern manifestation is the increased interdependence of levels of government and the challenges that presents for relations between them.

## THE REDISTRIBUTION OF PUBLIC SECTOR WORKFORCES, 1950–2000

Figure 3.1 illustrates the changes in the individual country multilevel government profiles that developed during the period under review. Throughout the ‘big government’ period of the 1960s and 1970s and then the ‘small government’ period of the 1980s and 1990s, despite the reversals in public sector employment policies, one trend continued uninterrupted: the steady decline in the size of central government workforces relative to their sub-national counterparts. When the growth in welfare state programmes swelled the ranks of public servants at all levels of government, the increases at sub-national levels well exceeded those at national level. Again, in the 1990s, when governments were retracting, either through actual cutbacks or restructurings that removed whole organizations from the ambit of direct government control, the cutbacks at national levels well exceeded those at sub-national levels. Throughout, policy agendas continued to dictate that the focus of government employment would be increasingly at sub-national levels. New Zealand is the only country in this present sample not to conform to the model (see further below).

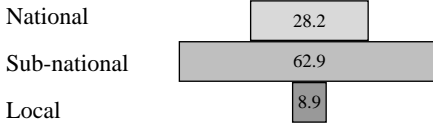
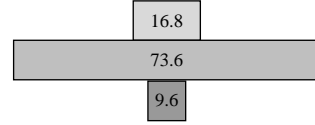
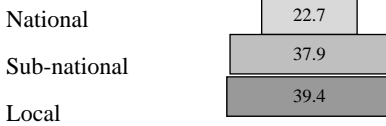
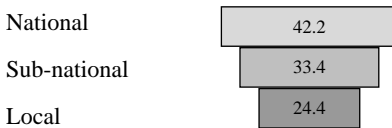
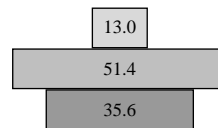
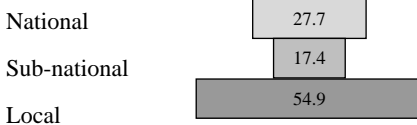
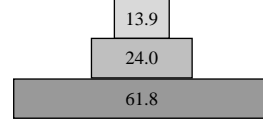
Tables 3.1 and 3.2 summarize the public employment data from the country chapters in Volume I of this study. As noted, the period covered includes two distinct phases: Phase I, when the introduction of welfare state policies heralded an expansion of public sector employment at all levels of government; and Phase II, when new policy directions dictated government withdrawal or cutback in specific policy areas and a consequent decrease in the size of government workforces. Three dates, drawn from the data in the country chapters and different for each country, serve to distinguish the separate phases: a base year of 1960 (or its nearest equivalent), when government post-war policy agendas might be reckoned to be underway; the year in the late 1980s or early 1990s when public sector employment growth can be seen to peak; and the latest year for which employment figures are presented. The exceptions to the above are Canada and Spain. Tables 3.1 and 3.2 record four dates for Canada: 1960–82 denoting Phase I and

## UNITARY COUNTRIES



Notes: Universities sector excluded.

Figure 3.1 Relative size of national and subnational governments (continued on following page)

**FEDERAL COUNTRIES****Australia****1971****2000****Canada****1975****1999****Germany****1960****2000****USA****1960****1998**

1991–99 denoting Phase II. The different format arises from a hiatus in the availability of data. Spain presents a special case. The available data spans the years 1990–2000 only, a period that marks not only the relatively late introduction of welfare state policies but also the commencement of devolution to the Autonomous Communities.

The Table 3.1 calculations are limited in their application. The dates selected depend largely on the availability of employment statistics and cannot purport to cover fully the periods of expansion and shrinkage. The commencement date for Phase I, plucked from the data in the country chapters, does not necessarily mark the actual commencement of

Table 3.1 Growth and decline in public sector employment (ooos)

	National		State/regional	Local	Total
<b>UNITARY COUNTRIES</b>					
<b>Denmark</b>		<i>PE&amp;SI</i>			
1975	183.0	89.0		363.0	635.0
1990	201.0	128.0		620.0	950.0
2000	186.0	102.0		658.0	946.0
Percentage change					
1975–2000	+1.6	+14.6		+81.3	+49.0
1975–90	+9.8	+43.8		+70.8	+49.6
1990–00	–7.5	–20.3		+6.1	–0.4
<b>France</b>		<i>Health</i>			
1969	2 068.0	360.0		618.0	3 046.0
1980	2 719.0	702.0		1 021.0	4 442.0
1998	2 873.0	857.0		1 507.0	5 236.0
Percentage change					
1969–98	+38.9	+138.1		+143.9	+71.9
1969–80	+31.5	+95.0		+65.2	+45.8
1980–98	+5.7	+22.1		+47.6	+17.8
<b>New Zealand</b>					
1960/61	179.2			44.8	224.0
1980/81	265.9			64.9	330.8
1997/98	173.8			34.9	208.7
Percentage change					
1960/1–1997/8	–3.0			–22.1	–6.8
1960–80	+48.4			+44.9	+47.7
1980–97	–34.6			–46.2	–36.9
<b>Spain</b>					
1990	1 277.8		537.0	355.5	2 170.3
2000	753.8		904.0	455.3	2 113.1*
Percentage change					
1990–2000	–41.0		+68.3	+28.1	–2.6
<b>Sweden</b>					
1976	404.6		283.3	514.7	1 202.6
1989	407.4		439.8	693.4	1 540.6
1995	246.1		238.0	757.6	1 241.7
Percentage change					
1976–95	–39.2		–16.0	+47.2	+3.3
1976–89	+0.7		+55.2	+34.7	+28.1
1989–95	–39.6		–45.9	+9.3	–19.4
<b>UK</b>					
1961	3 516.0			1 870.0	5 386.0
1980	4 102.0			2 956.0	7 058.0
1997	2 252.0			2 595.0	4 847.0



Table 3.1 (continued)

	National	State/regional	Local	Total
<b>Percentage change</b>				
1961–97	–35.9		+38.8	–10.0
1961–80	+16.7		+58.1	+31.0
1980–97	–45.1		–12.2	–31.3
<b>FEDERAL COUNTRIES</b>				
<b>Australia</b>				
1971	339.2	756.5	107.4	1 203.2
1991	448.8	1 158.5	161.0	1 768.3
2000	246.5	1 080.8	141.1	1 468.4
<b>Percentage change</b>				
1971–2000	–27.3	+42.9	+31.4	+22.0
1971–91	+32.3	+53.1	+49.9	+47.0
1991–00	–45.0	–6.7	–12.4	–17.0
<b>Canada</b>				
1960	334.1	202.9	173.1	710.1
1982	489.6	476.7	332.6	1 298.9
1991	562.6	1 556.0	938.5	3 057.0
1999	420.3	1 448.1	941.5	2 809.9
<b>Percentage change</b>				
1960–99	+25.8	+613.7	+443.9	+295.7
1960–82	+46.5	+134.9	+92.1	+82.9
1991–99	–25.3	–6.9	+0.3	–8.1
<b>Germany</b>				
1960	1 266.7	1 003.8	733.5	3 004.0
1990	1 362.9	1 934.8	1 358.1	4 655.8
2000	575.6	2 273.3	1 572.0	4 420.9
<b>Percentage change</b>				
1960–00	–54.6	+126.5	+114.3	+47.2
1960–90	+7.6	+92.7	85.2	+55.0
1990–00	–57.8	+17.5	+15.7	–5.0
<b>USA</b>				
1960	2 439.0	1 538.0	4 840.0	8 817.0
1980	2 876.0	3 753.0	9 562.0	16 191.0
1998	2 765.0	4 758.0	12 271.0	19 794.0
<b>Percentage change</b>				
1960–98	+13.4	+209.4	+153.5	+125.2
1960–80	+17.9	+144.0	+97.6	+83.6
1980–98	–3.9	+26.7	+28.3	+22.6

*Notes:*

PE&amp;SI = Public enterprises and subsidized institutions

\* Includes universities: 95 000 employees in 2000.

Table 3.2 *Relative size of national and subnational governments*

	National (%)	State/Regional (%)	Local (%)	Total (000s)
<b>UNITARY COUNTRIES</b>				
<b>Denmark</b>		<i>PE&amp;SI</i>		
1975	28.8	14.0	57.2	635.0
1990	21.2	13.5	65.3	950.0
2000	19.7	10.8	69.6	946.0
<b>France</b>		<i>Health</i>		
1969	67.9	11.8	20.3	3 046.0
1980	61.2	15.8	23.0	4 442.0
1998	54.9	16.4	28.8	5 236.0
<b>New Zealand</b>				
1960/61	79.9		20.0	224.0
1980/81	80.4		19.6	330.8
1997/98	83.3		16.7	208.7
<b>Spain</b>				
1990	58.9	24.7	16.4	2 170.3
2000	34.1	40.9	20.6	2 208.1*
<b>Sweden</b>				
1976	33.6	23.6	42.8	1 202.6
1989	26.4	28.5	45.0	1 540.6
1995	19.8	19.2	61.0	1 241.7
<b>UK</b>				
1961	65.3		34.7	5 386.0
1980	58.1		41.9	7 058.0
1997	46.5		53.5	4 847.0
<b>FEDERAL COUNTRIES</b>				
<b>Australia</b>				
1971	28.2	62.9	8.9	1 203.2
1991	25.4	65.5	9.1	1 768.3
2000	16.8	73.6	9.6	1 468.4
<b>Canada</b>				
1960	47.0	28.6	24.4	710.1
1982	37.7	36.7	25.6	1 298.9
1991	18.4	50.9	30.7	3 057.0
1999	15.0	51.5	33.5	2 809.9
<b>Germany</b>				
1960	42.2	33.4	24.4	3 004.0

*Table 3.2 (continued)*

	National (%)	State/Regional (%)	Local (%)	Total (000s)
1990	29.3	41.6	29.2	4 655.8
2000	13.0	51.4	35.6	4 420.9
<b>USA</b>				
1960	27.7	17.4	54.9	8 817.0
1980	17.8	23.2	59.1	16 191.0
1998	13.9	24.0	61.8	19 854.0

*Notes:*

PE&amp;SI = Public enterprises and subsidized institutions.

\* Includes universities: 95 000 employees in 2000.

the introduction of welfare state policies and public sector employment growth. In a number of countries, large social programmes were already underway in the pre-war period. Similarly, Phase II is still in progress in most countries. Table 3.1 does not therefore lend itself to reliable comparative analysis. At best it gives some indications of the main trends over reasonably lengthy periods. Mainly, for the purposes of this chapter, it nominates landmarks in the steady decline in size of central governments relative to their sub-national counterparts.

An additional limitation on the comparative potential of Table 3.1 arises from national differences in the allocation of functions across levels of government. Whereas the size of the defence forces is a common component of national-level workforces, other major areas of public employment vary in their distribution. The United Kingdom, for instance, is exceptional in its inclusion of National Health Service (NHS) employees as a component of the central government workforce. Similarly, the central government data for France include teachers. More generally, public sector employment statistics locate the large and expanding health and education groups of workers at regional or local levels or else classify them into separately identified categories. The country differences are referred to further below. Overall, they do not belie the common trend towards the concentration of public workforces at sub-national levels.

**Phase I: Big Government**

During Phase I, governments at all levels expanded their workforces, with the larger increases occurring at the sub-national levels (Table 3.1). Only New Zealand resisted the trend with a slightly larger percentage increase

at the national than at the local level. The growth in public employment was the direct outcome of post-war policies that extended the scope of government agendas, most particularly to include the universal health, education and social security services that are the hallmark of the welfare state.

In so far as national comparisons can be made, central government employment growth was most notable in New Zealand and Canada, both of which added almost a half again to the size of their national workforces. Other central governments show more modest Phase I growth (Table 3.1). In every case, New Zealand aside, expansion at central government level was considerably less than at the sub-national level. Whereas the introduction of welfare state programmes was the main factor in the enlargement of central governments generally, defence requirements were also a major contributor to expansion of the workforce at the national level during the Phase I years. In Germany, for instance, the rapid expansion after 1955 was largely a function of the establishment of the Bundeswehr. The additional five million employees in the US federal workforce during the period 1960–70 arose in part from requirements associated with implementation of the Great Society social programmes but also from the impact of the war in Vietnam.

As stated, the most dramatic growth of the period occurred at *sub-national* levels (Table 3.1). Commonly the client orientation of social programmes dictates delivery at the local level. All countries, again with the exception of New Zealand, expanded their sub-national government workforces by more than 50 per cent. Growth was most prolific in the federal countries, illustrating perhaps one of the costs of dual systems in which the fact of independent governments at both the national and sub-national levels necessarily entails some duplication, some would say 'over-government'.

## **Phase II: Small Government**

Phase II covers the period of cutbacks or deceleration of public employment, commencing in the 1980s or 1990s. Again, a common trend can be identified: further decline in the size of national governments relative to governments at the sub-national level. In all countries, the *central* government level was the main target for cutbacks or, in the case of France, the level that experienced the lowest rate of employment growth. Diminution of national workforces occurred through natural attrition but also through more proactive means, in particular privatizations and schemes offering retirement incentives. In Canada, for instance, during the period 1995–99, one-fifth of federal government career public servant positions were cut. Of the 64 729 public servants who left the federal public service, 55 per cent took advantage of various early retirement or bonus schemes, 27 per cent

were part of a natural attrition and 18 per cent were accounted for by devolutions and privatizations (see country chapter on Canada, Volume I. Unless stated otherwise, all further country references are to the respective country chapters in Volume I of this study).

Cutbacks in the size of defence forces were a factor in the diminished size of central government workforces, but mainly Phase II represents the period of privatizations. The country chapters record extensive privatization or corporatization, most notably of labour-intensive services such as post and communications and various transport wings, including railways. During the decade 1990–2000, Germany more than halved the size of its federal government workforce, largely through privatizations, although the after-effects of reunification account also for the apparently severe cutback. It would appear to be no coincidence that the three other countries to undertake the most severe cutback measures at the national level were the Westminster-style governments of the UK, New Zealand and Australia. All three have pursued New Public Management (NPM) agendas. The relevant country chapters all record extensive privatizations. In the UK, central government employment statistics traditionally included not only railway and postal workers, but also employees in a range of nationalized industries such as coal and transport. Following reclassification and eventual privatization, their numbers declined notably. In New Zealand, privatization of state assets yielded a figure equivalent to about 20 per cent of GDP. Privatizations extended to the reorganization of the public health system into a quasi-market/competitive structure. In Australia, in 1997, the divestment of public-owned assets constituted 13 per cent of the total global market, a figure second only to that of Brazil. The bulk of the privatizations concerned infrastructure assets, mainly in the electricity, gas, airports and telecommunications sectors (Aulich 2000, p. 162). The other Westminster-style government in the sample – Canada – conforms to the pattern. The period 1983–90, for which statistics are not available, includes a period of extensive cutback at the federal level. The country chapter for Canada notes a fall in the number of federal public enterprise employees of just over 57 per cent during the period 1983–99, arising largely from privatizations.

The USA, Denmark and Sweden have been identified also as having engaged in extensive NPM reform (Suleiman 2003, p. 66). Privatizations have not been a dominant feature in the USA, where state-owned enterprises are limited in number. Nevertheless, in the period 1993–98, the federal workforce was cut by 16.2 per cent. The end of the Cold War and the consequent decline in Defence Department employment was a major factor in the reduction (*ibid.*, p. 118). Of the relatively few state-owned enterprises in Denmark, a number were privatized during this period; cutbacks at the national level were achieved largely through decentralization

to the local level. Sweden, similarly, pursued a consistent policy of decentralization, as well as a mix of privatization and corporatization strategies that involved the postal services and telecommunications sector, and railroad construction and maintenance.

Privatization in the form of the sale of assets outright appears to have been favoured by the Westminster-style governments more than by the European countries in the sample. Corporatization involving some substantial continuing public sector input has been the more common approach. Further examples include the French postal service and France-Télécom restructurings in 1991. In France most companies nationalized in 1945 or 1981 were partially or totally privatized in the 1990s.

The period of Phase II cutbacks was less severe in its impact at sub-national levels (Table 3.1). Continuing responsibility for the delivery of large social programmes accounted for continued growth at most regional and/or local levels. In particular, France recorded a growth of almost half again at the local government level, with expansion also in its health sector, albeit at a constrained rate. In the USA, during the period 1980–98, state and local-level workforces expanded by more than a quarter again, led largely by increases in the education area at one or other sub-national level, depending on the particular state. The figures reflect the continuity of a system of government in which the bulk of the responsibility for the delivery of labour-intensive programmes – including police services – has been located traditionally at the state and more often the local level. Similarly in Canada, in 1995, 67.5 per cent of total provincial and territorial government employment was made up of health, post-secondary education and social services staffs, while employment at the local level was predominantly in the primary and secondary education areas. In Denmark, local government is historically the main provider of education and social and health care services; since the 1970s, public spending and employment has been concentrated at that level while central government has ‘stagnated’. In 1995 almost two-thirds of public sector employment was concentrated in three policy areas: social and health care services, education and hospital services.

During Phase II, Swedish local government employment growth continued at a reduced rate, but the size of the regional workforce was almost halved, largely as a result of amalgamations, corporatizations and privatizations. Otherwise, the Westminster-style governments again stand out as the most active in exercising cutbacks. Privatization strategies were applied at the sub-national levels, but to a lesser extent than at the central government level. In Canada, for instance, public enterprise employment at the provincial and local levels fell by 15 and 10 per cent respectively during the 1980s/90s.

## MULTI-LEVEL GOVERNMENT STRUCTURES AND PROCESSES

The impact of the expanded social policy agendas is reflected not only in changes in the relative sizes of governments at different levels (Table 3.2), but also in reorganizations of the machinery of government and revamped policy-making processes. The policy initiatives, planning and financial resources required in order to launch mass programmes in areas such as health, education and social security ensure an active role for national-level governments, including in federal systems. The client orientation of such programmes, however, dictates that their delivery will be concentrated at the sub-national level, whether regional or local. The division of functions across governments promotes the need for intergovernmental cooperation and coordination. All countries in the sample evolved fresh arrangements in order to adapt to the fresh demands engendered by the new social programmes and the redistribution of the bulk of public employment to the sub-national level. All, as noted previously, have pursued directions that have reduced central government growth, in terms both of actual number of employees and, with the exception of New Zealand, in terms of the relative sizes of government at the national and sub-national levels. All have manipulated the machinery of government to match the imperatives of policy-making in which planning, finance and staffing resources are strewn across governmental levels.

The most easily identifiable strategies for dealing with the newly expanded workforces can be seen in extensive reorganization at the local government level and the use of statutory forms that place major government activities and services at arm's length from direct ministerial control. The former approach is more common in the unitary countries which have greater flexibility than the federal countries for whom local government is the direct responsibility of the sub-national federal partners, albeit in each of the four federations represented here, national governments now provide direct funding to the local government level. The movement towards various forms of quango-style organization is common to both the federal and unitary countries, with the exception of the USA, where such structures remain relatively rare.

The impact of the new interdependencies on intra- and inter-governmental relations within nations is less easily defined. The 1997 OECD report on multi-level governance notes the difficulties in identifying a clear sectoral emphasis in changes in the division of responsibilities across levels of government in recent decades, but notes also that most changes appear to have been in the health, education and welfare sectors. The administrative imperatives arising out of the requirements for the delivery of mass social pro-

grammes challenge both the rigidity of the division of powers in federal systems and the all-powerful authority of central governments in unitary systems. The emergence of new actors in the form of newly created government and semi-government bodies to cope with the administrative demands in specific policy areas muddies the waters further. For the evolving multi-level governments, the question becomes: if sub-national levels of government have become the major focus for the bulk of government employment, to what degree does superior size denote increased decision-making independence?

One approach to the question posed is to distinguish between administrative deconcentration and decentralization, where the former refers to a transfer of functions without a corresponding transfer of political decision-making powers and the latter to forms of decentralization in which the acquisition of new and enlarged responsibilities at the sub-national levels of government carries also an increase in policy-making authority (Loughlin and Peters 1997, pp. 58–9). While federal systems might, in theory, represent the end point in an ascending scale from deconcentration to decentralization, the functional interdependencies in any modern multi-level system of government, federal or unitary, blur the lines. Nor are there any agreed criteria for assessing where countries might stand on a deconcentration/decentralization spectrum.

In so far as control of financial resources denotes independent decision-making, studies suggest that, of the ten countries in our sample, New Zealand, the UK and France can be nominated as the most centralized, with Canada the most decentralized. Drummond's findings (2002, p. 44) are based on calculations of central, regional and local government own-purpose spending as a fraction of total government spending. They exclude the UK and Spain from consideration and are reported in Table 3.3 only as they apply to the other eight countries in our sample.

Fairly similar rankings emerge from the study by Lane et al. (1997, p. 86). Using the central government's share of total central and non-central tax receipts as a measurement, and in the absence of New Zealand data, their rankings again place Canada at the 'decentralization' end of the scale. They show up also the degree of financial centralization in the Australian federation (see further below). Ranked according to the proportion of tax receipts held by the central government, the UK and France record the highest levels of central government dominance, followed in order by Australia, Spain, Denmark, Sweden, the USA, Germany and Canada.

The power of the purse, although a tangible indicator, cannot be however the sole criterion when assessing relations between multi-level governments. The dispersal of resources across government levels, the multiple institutions involved and the interdependencies created thereby find each level of



*Table 3.3 Central, regional and local government own-purpose spending as a fraction of total government spending, 2000 (%)*

	Central government	Regional government	Local government
New Zealand	0.896	0.000	0.104
France	0.817	0.000	0.183
Germany	0.652	0.202	0.146
Sweden	0.619	0.000	0.381
Australia	0.544	0.392	0.064
United States	0.515	0.223	0.262
Denmark	0.435	0.000	0.565
Canada	0.402	0.421	0.177

*Source:* Drummond 2002, p. 44.

government – national, regional and local – participants in an intergovernmental ‘game’ in which each level has the resources for leverage to gain from the other what might be needed in order to achieve its purpose. Rhodes, citing Simeon’s observation that ‘resources are often not tangible, “objective” facts: rather they are predominantly subjective’ (1985, p. 43), analyses the range of resources available to ‘game’ participants under the headings of: authority, money, political legitimacy, information and organization (1985, pp. 42–58). Applied in the Australian context, the manner in which these various resources are brought into play in intergovernmental relations has been characterized as a ‘bloodsport’ (Corbett 1971).

Generally, although the relocation of public employment to sub-national levels implies some enhancement of sub-national government resources in terms of the balance of power between levels of government, the evidence suggests that while central governments have shed staff numbers, their role in policy-making has extended, as described by Rose (1985), ‘from government at the centre to nationwide government’. The following overview groups the ten countries in our sample according to the classifications established by Lijphart and draws also on Loughlin and Peters’ (1997) discussion of state traditions, in which they argue the relevance of administrative histories in the interpretation of public sector reforms, including regionalization.

Lijphart’s study, *Patterns of Democracy* (1999, pp. 185–95), applies a quantitative index of federalism to measure the degree of decentralization in 36 democracies. He applies a classification that deploys an ascending scale of 1-5 to distinguish between countries according to a measure of decentralization based on ‘primary’ federal characteristics. Of the ten countries included in our sample, Lijphart categorizes New Zealand and

the UK (each scoring 1.0) and France (scoring 1.2) as unitary and centralized countries; Denmark and Sweden (2.0) as unitary and decentralized; Spain (3.0), semi-federal; and Australia, Canada, Germany and the USA (5.0) as federal and decentralized.

### **Unitary and Centralized: New Zealand, the UK and France**

Viewed from the perspective of the relative sizes of national and local level government workforces (Figure 3.1), New Zealand stands out as not only the most centralized but also the only government to have continued a centralizing trend over the period under review. Generally, local government in New Zealand has a very limited role in the delivery of services. It has no involvement, for instance, in the funding or management of education, housing or social welfare (OECD 1993, pp. 217–18). The apparent centralization, however, disguises the radical restructuring of the public sector. During its Phase II period 1980–97, New Zealand halved the size of its central government workforce and almost halved employment at local level. Since 1992, various public service departments have been restructured as crown entities (quangos), with boards of directors and chief executives appointed by government, and with workforces employed under the authority of the chief executive and therefore excluded from official public service statistics. The country chapter refers to a growth in the number of crown entities from 164 in 1992 to 234 in 1998. The author notes that in 1998 there were an additional 2664 primary and secondary school boards of trustees, officially designated as crown entities. The reclassification of health employees as part of the crown entity workforce similarly ensures an ‘arm’s-length’ distance from central government, as well as their exclusion from public sector employment statistics. The portrait of a trimmed-back central government delivering mass social and other public services via a galaxy of single-purpose bodies, each granted considerable freedom of action, is repeated in the gallery of country profiles below.

As recently as 1997, the UK was described as ‘one of the most centralized countries in the West’ (Keating and Loughlin 1997, p. 6). The observation – and our data – pre-date the establishment of the Scottish Parliament in 2000. Public sector employment data after that date provide for a new category grouping employees of ‘devolved’ governments separate from central and local government statistics. For the period under review, the relatively large size of the UK central government is accounted for largely by the retention of the NHS as a national responsibility. It has undergone several reorganizations, most recently with ‘the replacement of a nominally monolithic nationally managed organization by quasi-independent public hospital trusts heavily regulated by central government’

(Hood et al. 1999, p. 32). The reorganization of the NHS is representative of the wider civil service changes that were a direct outcome of the Next Steps programme introduced in 1988. The programme advocated a functional separation between policy-making, ordained as a continuing task for departments, and the actual delivery of services, to be carried out henceforth by agencies operating outside the traditional bureaucratic structures, more like private-sector enterprises and run by powerful chief executives, albeit still under the ultimate control of their respective ministries.

Since the 1960s, UK local government has similarly undergone frequent major changes in structure and functions, mainly in the direction of reinforcing central government control. The 1972 Local Government Act, for instance, reduced the number of units from 1100 to 400. Subsequent legislative changes and the Next Steps programme relieved the local government level of a range of responsibilities, transferring them either to the private sector, boards or central departments (Hood et al. 1999, p. 97; Elcock 1997, pp. 425–6).

Rhodes's account of intergovernmental relations in the UK (1985, pp. 58–63) notes the 'complex interdependencies of public sector organizations' and traces the changing pattern of the relationship between central and local government in the UK through three stages: bargaining, incorporation and, since 1979, 'the search by central government for effective instruments of direct *control* . . . over the expenditure of local government' (p. 63). He notes the government's objective that '*local* income and expenditure must conform to *national* decisions' (original emphasis). The study by Hood et al. (1999, p. 98) of UK central government regulation of local government activities summarizes the story: 'Ruling colonies in the Empire was replaced by regulation of Britain's internal colonies – its counties, towns and cities'.

The traditionally centralist French government identifies three civil services: state level, the health sector and local level, the last mentioned comprising regions, *départements* and municipalities. The apparent growth in the size of the central government during Phase II (Table 3.1) is accounted for largely by increases in the health sector, with other central government employment having entered 'a period of stagnation or slight increase but not of decline' since 1986. While the country chapter author refers to the long tradition of state intervention in France and the 'broad consensus over the last 20 years to safeguard public employment as a tool for social peace', he notes also that quango-type structures are an expanding feature of the French public sector. The decentralization process initiated in 1982 saw local level quango employment grow at the rate of 89 per cent during the period 1989–98, with consequent increases in part-time employment and in the proportion of personnel working under private-law contracts.

The decentralization programme was designed to afford local government managers increased freedom; the practice has been more a sharing of policy areas rather than a devolution of authority. Dupuy (1985, p. 80) refers to a system of national/sub-national relations governed by 'the principle of "cross-cutting regulation" . . . [which] operates through a network of informal relationships between a certain number of state administrative services and local interests, based on an interdependence of the roles played by their leaders.'

He argues further that the empowerment of government at the regional and local levels works in favour of the central government: the centre's control over local bodies that are more powerful and active, rather than weak, reinforces the capacity of the centre to exercise control over society and its evolution (1985, p. 102). Under the Deconcentration Charter, decreed in 1992, deconcentrated services at the regional and local levels are defined under ordinary law as the levels at which the state carries out its mission. The role of central government is in providing design, organization, guidance, evaluation and monitoring. Under the deconcentration programme, in the period 1998–2000, almost 75 per cent of individual decision-making procedures of a legal or financial nature were transferred from ministries to departmental prefects (OECD 2000).

In the context of increased central government control, it is perhaps noteworthy that, during the period of Phase II cutbacks in central government employment practices, in both New Zealand and France the main areas of continued portfolio growth have included the agencies responsible for education and universities, and 'culture' (see further below).

### **Unitary and Decentralized: Denmark and Sweden**

Traditionally, both Denmark and Sweden conform to the Nordic model of highly decentralized states in which local government plays a key policy role, exercising considerable autonomy and supported by high levels of public participation (Scholten et al. 1994, p. 47). In recent decades both countries have undertaken reform programmes that preserve the high levels of decentralization and local participation, but apply more overt central government control.

Denmark has a long-established dual national level, comprising central government and the 'public enterprises and subsidized institutions', the latter grouping including public corporations such as utilities and private-sector bodies that are totally or heavily subsidized by government and whose staffs are included as central government employees. The grouping accounts for more than two-thirds of central government employment. 'Subsidized institutions' include private health care and social services fully

subsidized by the public sector and a private school sector supported by a government subsidy that covers 85 per cent of total expenditure.

Local government reforms in 1970 created a dual system of shires and municipalities at the local level and undertook a reorganization that reinforced their critical role as providers of welfare services. The number of municipalities was reduced from nearly 1400 to 275 and the number of counties from 25 to 14. They are financed through local taxes supplemented by government block grants according to a formula negotiated between the central government, the National Association of Local Authorities and the Association of County Councils. Since the 1980s, there has been intense debate concerning further decentralization and increased empowerment of the citizenry vis-à-vis service providers, in combination with centralized advice, development of tools and concepts, and performance evaluation. A primary concern behind the changes has been to ensure accountability for service delivery (OECD 2000).

The Swedish public workforce, already in 1976 the most decentralized of the unitary governments, became more so in 1989 when basic education services were transferred to the sub-national level. Rapid growth in the demand for services and the consequent rise in the government deficit prompted extensive change in the structure of the Swedish public sector, most particularly since the beginning of the 1990s. The corporatization of major state-owned enterprises, as mentioned above, has been accompanied by the establishment of independent supervisory agencies for the telecommunications, postal services and electricity markets. Also as noted previously, Sweden has a long-held tradition of major services delivered by constitutionally founded, highly independent public agencies. In the year 2000 there were 270 such boards, operating free from ministerial control and made accountable through a system of administrative boards and ombudsmen (Boston 2000, pp. 299, 301; Suleiman 2003, p. 131).

Legislative reforms to local government in the 1990s entitled all municipalities to choose their own organizational structure and also broadened their scope for contracting out the provision of education, childcare and other services. A new state funding system merged the previously numerous special state grants to the municipalities into a combined general grant, allowing local government bodies to exercise local expenditure priorities, at the same time subjecting such expenditures to comprehensive financial regulation. The OECD (2000) report on the Swedish public sector notes that in a few instances in which either local variations were found to be undesirable or to fail to meet efficiency standards, centralization has taken place. The emerging Swedish model is characterized by Scholten et al. (1994, p. 49) as one of extensive decentralization under a dual administrative structure in which small policy-making ministries and

numerous independent executive agencies operate alongside each other with considerable responsibility vested in the regional and local levels.

Denmark and Sweden have followed reform processes that preserve the traditional emphasis on high levels of decentralization and local participation, but now mixed in with a larger dose of centralized control. As with the 'centralized' group of countries, public sector restructuring in the two Nordic countries represented here is in the direction of establishing relatively small central government machinery to oversee a raft of independent agencies and sub-national-level bodies charged with responsibility for the actual delivery of universal services.

### **Semi-federal: Spain**

Spain is the only country in the sample to pursue a formal policy of regionalization endorsed by constitutional change. It has had the effect of creating a 'quasi-federal' system of government. The details of the policy and its implementation are set out in the country chapter. The new Constitution of 1978 authorized the establishment of a regional level comprising 17 Autonomous Communities, a number of them exercising legislative powers in major policy areas, including education, health and labour. Public sector employment data does not cover the entire period since the introduction of the new Constitution, but the data for the period 1990–2000, summarized in Table 3.1, gives an indication of the impact of the redistribution of government functions.

Regionalization has seen an expansion in the size of the public workforce at all levels of government, most notably at the regional level. Whereas growth at the regional level might represent an anticipated outcome, the concurrent introduction in the 1980s of welfare state policies such as unemployment benefits, health coverage and universal education compounded the impact on government at all levels. Central government employment expanded slightly, despite a considerable transfer of powers, funding and personnel to the regions. As well as absorbing the transfers from the centre, the regions undertook their own employment programmes, resulting in an expansion of 75.6 per cent at the Autonomous Communities level. Local government grew by 18.5 per cent. The regionalization process is still in progress, but already the authors of the country chapter can refer to 'a new centralism embodied in the Autonomous Communities'.

### **Federal and Decentralized: Germany, Australia, the USA and Canada**

Federal entities lack the flexibility of unitary systems. The written constitutions of the federal countries dictate a sub-national level of

*Land/state/provincial* governments, which in turn give rise to local government systems. Under federal arrangements, local governments are the creation of their respective regional entities. In the German, Australian and Canadian federations, the larger workforces are located at the *Land/state/provincial* level; in the USA, local government level workforces comprise the larger component and in some policy areas deal direct with the federal government. Whereas the constitutional division of powers excludes national governments from direct involvement in the organization of the machinery of government at sub-national levels, the interdependencies created by the introduction of mass social programmes ensure a need for some form of cooperation and programme coordination across levels of government. As Rose has written (1985, p. 21): 'Policy unites what constitutions divide'.

While the style and content of intergovernmental relations in federal systems are more formal and therefore more overt than in unitary systems, assessment of the degree of decentralization and co-decision-making nevertheless entails consideration of a complex set of indices (see, for example, Watts 1996, pp. 65–74). In particular, although the constitutional division of powers might remain unaltered – often, 'set in cement' – the interdependencies engendered by mass programmes tend to melt the lines of division. The emergence of welfare state programmes, with the pressures they bring for horizontal equity and their heavy demands on financial and staffing resources, can be reckoned to have an impact on both the balance of power within federations and the style and content of intergovernmental relations.

A major difference between federal and unitary systems is the capacity for the *Land/state/provincial* sub-national levels to have a considerable degree of independence in revenue-raising and expenditure. As noted previously, the Drummond (Table 3.3 above) and Lane et al. (1997) studies, based on financial indicators, ranked Canada as the most decentralized of the four federations included in this present sample, with Germany or Australia as the most centralized depending on the indicator applied. The ordering complies with general observations and might have been anticipated from the respective federal financial and administrative histories. More generally, Agranoff (1994, pp. 167–8) argues that the financial domination of federal-level governments and the importance of federal grants in the funding of mass programmes have led to a trend in federal systems towards increased national-level control and involvement in sub-national affairs.

The German federation might be seen as having interdependence between levels of government built-in. The constitutional provisions, including the clauses calling for equality of living conditions across the board and 'the maintenance of legal and economic unity', the vertical division of powers under which almost all federal laws and programmes are implemented at the

*Land* and/or local government levels, and the tax-sharing arrangements place limitations on the autonomy of government at all levels. Joint decision-making between the federal and *Land* governments is a constitutional requirement in certain specified policy areas and Bundesrat representation and veto powers ensure consistent *Länder* input into federal lawmaking. The federal financial arrangements similarly dictate some form of joint decision-making. The bulk of federal, *Land* and local government tax revenue is derived from shared taxes. Intergovernmental grants are an important component of local government revenue and have become so also for the newly incorporated *Länder* from the east.

Reissert and Schaefer's account (1985) of centre-periphery relations in the former West Germany concluded that the 'high consensus requirements for all major policy decisions' worked 'quite successfully' in the 1950s and 1960s, but the economic crisis and increased inter-party conflict of the 1970s and 1980s brought out the latent potential for institutional deadlock, with negative implications for effective policy-making. In the 1990s, the reunification process allowed the federal government to exercise central control over the privatization of state-owned enterprises and the restructuring of local government in the *Länder* located in the former East Germany but, more generally, the process, including in particular the equalization measures, dented further any prevailing consensus between the federal partners. European Union regionalization policies represent another unsettling factor (see, for example, Sturm 1997). The combined impact of economic globalization and European Union membership on the balance between the federal and *Länder* governments is yet to manifest itself, other than that they have placed further strains on a federation formed out of a constitutional framework that aspires to unitary norms.

The Australian federation might be seen as more a case of 'coercive' interdependence. The Australian federal financial arrangements offer a prime example of the power of the purse in federal affairs. Since 1942 the Commonwealth government has exercised a monopoly over individual and company income tax revenue. Increasingly, and most particularly since the 1970s, the federal government has used conditional grants as a lever for involving itself in policy areas regarded previously as state domains. By the 1990s, just over half the total transfers from the Commonwealth to the states and territories were in the form of conditional grants. The large bulk of the transfers were – and are increasingly – in the health and education areas and carry quite specific conditions dictating the terms of their expenditure. The Commonwealth government's jurisdiction has broadened further under its foreign affairs powers whereby, through its being a signatory to a range of international treaties, it has gained authority in a number of domestic policy areas regarded once as state-based activities, for



instance, environmental policy areas, drugs, children's rights and labour laws. The states are not without resources – the constitutional division of powers is strongly in their favour and they have a traditional hold on staffing and infrastructure for the major services – but, in the end, it is the one who pays the piper who calls the tune.

As noted above, the USA differs from the other federations in that the local government level is the largest government employer. A major source of employment growth for local government in most of the states is in primary and secondary education. At the same time, it is the state level that has undergone the larger expansion in the size of its workforce. Various 'new federalism' policies have seen state governments acquire new functions devolved from the federal government, not always accompanied by an equivalent transfer of back-up financial resources, as was evidenced in the debate surrounding 'unfunded mandates' (see country chapter). Meny and Wright (1985, p. 7) suggest that under President Reagan's 'New Federalism' programme – and other contemporary decentralization programmes elsewhere – 'central government seems quite happy to decentralize penury!'. The Unfunded Mandates Reform Act 1995 restored some federal balance by limiting Congress' ability to impose new mandates for state, local and tribal governments unless accompanied by appropriate funding (OECD 2000). A further indication of state 'fightback' emerged from the 'summit on federalism' held in 1997 by the four major state organizations, the national Governors' Association, Council of State Governments, National Conference of State Legislatures and American Legislative Exchange Council with an 11-point plan to restore balance to the federal–state partnership (Cameron and Simeon 2000, pp. 97–8).

Canada, more than the other three federations, has retained some sense of coordinative federalism, with the Canadian federal government less involved than other federal governments in sub-national affairs. Rose (1985, p. 27) notes that in Canada, 46 per cent of public revenue is raised independent of Ottawa. The financial independence of the provinces appears to be matched by a determined resistance to federal–provincial interdependence, at least on the part of certain provincial governments. Watts (1996, p. 53) records a province-led proposal that 'federation-wide standards in areas of exclusive provincial jurisdiction, such as health, education and social programs, be established by inter-provincial agreement rather than by federal imposition through conditions attached to federal grants'.

Following the failure of attempts in the 1970s and 1980s to achieve reform through constitutional change, Canada is evolving a style of intergovernmental relations described by Cameron and Simeon (2000) as 'collaborative federalism'. They define the intergovernmental process as a two-pronged affair: at one level, federal, provincial and territorial government

collaboration in seeking a balance between their respective roles and responsibilities; at the other, collaboration between the provincial and territorial governments alone in formulating 'national' policies that preserve provincial jurisdictions in areas such as health, welfare and education. "National policy" does not necessarily mean the national government must do it' (ibid., p. 77). Cameron and Simeon point to the element of 'confederalism' in the evolving federal-provincial/territorial relationship.

At the time of writing (2004), the establishment of a National Health Council has been announced, but it might be anticipated that although health funding might remain an issue, the separate identity claimed by Quebec and the diversity between the provinces generally will preclude any move towards standardization of the provincial-run health services. The 'Framework to Improve the Social Union For Canadians', signed by Ottawa and all the provinces except Quebec in 1999, endorses financial participation by Ottawa in areas of provincial jurisdiction, but at the same time stipulates that new programmes or major changes to existing ones will not be introduced without due notice and substantial provincial consent, and that provincial governments will retain responsibility for programme design and delivery (Cameron and Simeon 2000, p. 79).

Not too much can be drawn from the above overview. Any conclusions regarding the deconcentration/decentralization question would require to be modified according to policy area. The question, when approached from a public employment perspective, puts the spotlight on welfare policy areas. As noted, they account in large for the concentration of public workforces at sub-national levels and by virtue of their resourcing and delivery requirements create the intergovernmental dependencies that demand some form of cooperation and coordination between levels of government. One consequence of the redistribution of public employment to sub-national levels and the emergence of multiple actors and organizations is a breakdown of both the simple hierarchy once typical of unitary systems and the rigidity of federal systems: 'Certain IGR [intergovernmental relations] patterns thus seem to make federal systems increasingly display centralizing and national control tendencies without making them unitary. The converse is also true. Unitary systems increasingly display decentralization and devolution tendencies without necessarily becoming federal. These IGR patterns suggest there are few pure types' (Agranoff 1994, p. 168).

A further conclusion might focus on the mutuality of the government dependencies at each level. The national government needs sub-national level cooperation in order to acquire the means to deliver mass programmes; it needs to contain the sub-national funding requirements and to ensure compliance with national objectives; and it needs grass-roots feedback. The sub-national level governments need national government

financial support; and they have their hands on the day-to-day management and, in federal systems, ownership of staffing, infrastructure and information. The 'game' – or 'blood sport', depending on national style – will be inevitably one of ever-changing balance.

## CENTRAL GOVERNMENT

If interdependence is now the name of the game, what is the impact at central government level? Having shed functions and staff numbers, what policy areas are now the focus of central government activities? What has been the impact on the organization of the machinery of government at national level? What are the implications of smaller workforces for the composition of central government staffing? The detailed data necessary in order to address these and similar questions are not readily available from this present survey. The following draws on the material to hand to give a brief overview of what appear to be some of the trends.

The public employment data for the post-war period reveal clearly enough the general decline in the size of central governments, both in real numbers and in their size relative to sub-national workforces. By the close of the 1990s the two Nordic countries in the sample and each of the four federations all had central governments that accounted for less than 20 per cent of total government employment. The UK central government workforce, which in 1961 had claimed 65.3 per cent of total public employment, by 1997 was smaller than the local government component (46.5 vs. 53.5 per cent). The more recent establishment of the Scottish Parliament and the Welsh Assembly will have promoted the devolution process further. While France and New Zealand continue to show a majority concentration of employment at the central level, both sets of statistics need to be read in the context of public sector changes overall, as summarized above.

The statistics, however, disguise the full reach of the tentacles of central governments. Central government cutbacks have been real enough and privatizations have been extensive, but there is also a large public sector spillover that has been absorbed into a plethora of quango-style bodies, subject to no uniform set of government controls and, in many cases, left free to operate in the market independent of political oversight. In most cases such bodies have no presence in government employment statistics. They might or might not work within a statutory framework and government input can vary in extent and kind. Commonly their recruitment requirements and employment pay and conditions respond to market forces and are aligned with private sector practices. In many instances market survival has superseded public accountability.

If agencification has been a shared approach, there is no common pattern to the structure and extent of government input into the newly-created bodies nor to the extent of government control imposed upon these extra-government/semi-government bodies. All central governments represented in this present sample have favoured strategies that place responsibility for the day-to-day management of a range of services at arm's-length. The country chapters in Volume I recount the relevant changes: privatizations and/or corporatizations generally; in New Zealand the establishment of crown entities; in the UK the creation of executive agencies; in France the growth in quango-based employment; in Denmark and Sweden the increased contracting out to private providers; in Australia the transformations to private sector company structures; and in Canada the creation of special operating agencies. Traditionally the central governments of Sweden and Germany have had only a limited range of 'hands-on' responsibilities, the former through the widespread use of independent boards and the latter as a consequence of the federal arrangements prescribed by the constitution. Agencification is less a feature in the USA, but under the 'reinventing government' programme, certain federal agencies were nominated as 'Performance Based Organizations' and were allocated increased operational independence (Boston 2000, p. 302).

The evolving structure of the central governments represented here fits well the model outlined by Loughlin and Peters (1997, p. 59):

Instead of large, conglomerate departments, the emerging picture of government is one of multiple small organizations, each delivering a single service or a limited range of services. These newly created organizations have been granted a good deal of autonomy and are expected to respond to market considerations when that is possible.

What then has been the impact on the role and internal composition of central governments? By the turn of the century, having in the main relieved themselves of direct 'hands-on' involvement in the delivery of large social programmes, national-level governments were returning to their traditional functions: defence and foreign affairs, law and order, and macro economic management. The country chapter account for Canada presents a profile of the directions of change that would seem to reflect also the changing priorities of central governments elsewhere. As noted above, during the period 1995–99 the Canadian federal government cut one-fifth of career public servant positions. Ninety-one per cent of the cuts were to five departments, all 'actually doing things for the public': the civilian branch of National Defence; Transport; Human Resources Development; Agriculture and Agri-Food; and Public Works and Government Services. The survivors included central agencies such as The Privy Council Office in the Prime

Minister's Department and the Treasury Board Secretariat, both of which show increased staff numbers after 1993 (Table 5.9, Canada country chapter in Vol. I). The only central agency to be included in the major cuts was the Public Service Commission which, from the cited research, took on a diminished role as a central management agency in favour of an enlarged audit and control role. The country chapter authors argue that those federal government employees who have lost ground are:

those who executed [federal government] policies . . . , while the planners, coordinators, controllers and managers have gained . . . [This] fits in with the Public Management doctrine, . . . widely adopted at Ottawa, that government should 'steer, not row'. Thus privatizations, contracting-out and devolution have led to the decline of the rowers, or implementers (country chapter on Canada, Vol. I).

More generally, among our sample, by the close of the 1990s, the dominant central government departments and/or those with still expanding workforces were mainly those responsible for 'protection' (Justice, Police, Interior) and economic management (Finance), with most unitary countries (Denmark, France, New Zealand and Sweden) also recording education and universities as areas of continued central government growth. 'Culture', as noted previously, is recorded as an expanding portfolio area for France and New Zealand, reflecting in the former instance a growing concern for the national patrimony and its preservation and, in the latter case, perhaps a more political agenda around race relations. Defence remained the largest central government department in both Germany and Spain, although elsewhere (France, Canada, New Zealand and Sweden) it was listed among the departments that experienced the most severe cut-backs during Phase II. The observation (Bird 1979, cited in the country chapter on Canada, Vol. I) that as regards Canadian federal government employment, it might be more accurate to refer to the growth of the 'police state' rather than the 'welfare state' would seem to have wider application to include central governments elsewhere.

The renewed emphasis on traditional priorities appears to have had little impact on the size of political executives. They appear to have remained fairly stable in number, driven perhaps by the political imperatives. Australia, in the 1980s, adopted a system that created an inner cabinet of 17 'super-portfolios', with the ministers in some instances assisted by junior ministers or parliamentary secretaries. In 1993 Canada reduced the number of cabinet ministers from 39 to 25 but the pressures for regional representation saw the number restored to 33 in 1999.

Reorganizations are more frequently in evidence at the official executive level. In New Zealand, in the decade following 1984, 26 new departments were created and 23 were abolished, corporatized or privatized. The new

departments were smaller than their predecessors, most of them having had their role as a service provider abolished (Suleiman 2003, p. 149). The move of the German federal bureaucracy from Bonn to Berlin was the occasion for streamlining the ministries. They became smaller and directed more towards their policy-advice functions, with a range of 'executive tasks' transferred to bodies at other levels of government (*ibid.*). Canada in the 1990s reduced the number of departments from 32 to 20.

Perhaps the more visible impact on central government internal organization can be observed as arising out of the enforced interdependencies of multi-level governance. In particular, the devolution of functions to sub-national levels, with the added requirement for some form of cooperation and coordination between the levels of government, can be observed to have had an impact on the dispersal of central government staffs. The general movement towards a monitoring role for central governments and their increased control over nationwide policy-making and expenditures carries also the requirement for a sustained central government presence at sub-national levels. The unitary governments represented here vary in the manner of their response to the requirement. In Denmark, central government tasks that extend to an institutional presence at the regional and local levels, cover a wide range, including defence, police and customs and excise. In addition, for historical reasons, central government is represented at regional level by a government commissioner/prefect, who holds responsibility for various central government matters under civil and family law (for instance, divorces) and who chairs a five-member council which supervises the municipalities on behalf of the central government. The council, however, is weak in formal authority and administrative influence. France retains a prefectorial system in which high-ranking officials, appointed by presidential decree, hold responsibility for the coordination at district level of a range of national programmes, including responsibility for the modernization of public services at local level. Following the 1982 Act of Decentralization, prefects no longer oversee the deliberations of regional and general councils, but they retain a strong presence through their coordination of security services at the department level and their management of EU grants to local authorities. New Zealand, by virtue of its geographical size perhaps, but also given the structure of its public sector and the minimal role of local government, has no formal central government representation at local levels. The Swedish central government has regional administrations in the form of county administrative boards, each headed by a governor appointed by the government for six years, with the other board members appointed by the county councils. Their role is to represent central government and to coordinate policies across the board. In addition, some central agencies have regional bodies (OECD 2000, respective

country chapters). Traditionally, in the absence of any prefectorial system or regional assemblies, the British civil service has been fairly dispersed across the kingdom. A number of departments, most particularly those with a client focus, provide services through local and regional offices. In the 1990s integrated regional offices were established to coordinate the regional activities of a number of central government departments (Keating and Loughlin 1997, p. 4). Central government input at sub-national levels following the establishment of the Scottish Parliament and the Welsh Assembly has yet to work itself out. Suleiman (2003, p. 104) cites Bogdanor's prophecy that 'Westminster . . . will be transformed into a domestic parliament for England, part of a domestic parliament for Wales, and a federal parliament for Northern Ireland and Scotland.'

In federal systems, the involvement of national governments in sub-national affairs tends to take place within more formal frameworks. The very nature of a constitutional division of powers places an onus on federal systems to develop forms of intergovernmental cooperation that foster both national and sub-national input into matters of mutual concern. The style of the interchange in each of the four federations in this present sample is outlined above.

The requirements for a sustained presence at sub-national levels have implications for the location of central government staffs. Again, the collection of data regarding the dispersal of central government employees to the field represents a research task in itself. From the readily available data: in the 1990s, in France, 90 per cent of central government staff were located in the field; in Australia, 71 per cent of federal public service employees were located in the states and territories (OECD 1993, p. 19); in the USA, about 88 per cent of federal government employees were located outside the national capital limits (*ibid.*, p. 339). The statistical information is scanty, but together with the summary in the previous paragraph, it would seem to indicate that 'nationwide' government can mean also a 'nationwide' workforce.

What effect has diminished numbers had on the composition of central government staffing? Other chapters in this volume discuss relevant aspects of public service employment, in particular the chapters on public service elites (Derlien and Rouban) and the employment of women and the growth in part-time employment (Heinemann). Again, the detailed information required in order to identify trends that distinguish central level workforces from those at sub-national levels calls for a separate research project. The material available, as drawn from the country chapters, is at best only suggestive of emerging differences in the make-up of workforces at different levels of government.

In broad outline, the emerging images suggest more compact and numerically stable central government workforces, predominantly elitist, centred

around 'core' ministries, male, working full-time and in the main pursuing fairly traditional career paths, albeit, particularly in those countries that have pursued NPM agendas, paths somewhat more fractured than previously. In contrast, the tendency is for the more sprawling sub-national workforces to be seen as the main sources of employment expansion, increasingly predominantly female in composition, concentrated mainly in social policy areas and comprising a large part-time component. The most consistent of these images is that of the 'feminization' of employment at sub-national levels, noted particularly in the cases of Denmark, Sweden and Germany, and also, more generally, the now widespread acceptance of part-time employment (cf. Heinemann in this volume). The stand-out exception, in this present study, is the French public bureaucracy. It appears, more than others, to have retained its values and structures relatively untouched by fragmenting forces. France has resisted the NPM call. Also, tradition, the corps system and the public sector unions are well entrenched as strong forces in favour of retention of the existing system. In the French instance, there has been an expansion in the part-time public labour force, but women's employment is still predominantly full-time.

The age make-up of the respective public sector workforces is not a theme pursued in this present study, although reference is made to early retirement provisions in Germany and the Danish chapter refers to an increase in the number of top civil servants taking early retirement. The authors of the country chapter for Canada note also that increases in the employment of temporary and casual staff have led to an over-representation of young people who as a group are at the same time under-represented in the career public servant group: 'Whether or not the present situation indicates a deep move away from the classic career model to a new precarious, flexible workforce will have to be seen from a longer perspective.'

The observations would seem to have some relation to the current public administration literature, particularly that regarding the impact of NPM agendas, that picks up on the contemporary 'brain-drain' from the public sector and/or the deprofessionalization of traditional civil service career paths, with the consequent apparent loss of institutional memory and experience (see, for example, Suleiman 2003).

## CONCLUSION: EMERGING MODELS

The pattern of smaller central governments and enlarged regional level workforces has implications for policy-making. As identified by Scholten et al. (1994, p. 13), the trend is indicative of an emerging 'Western model' of the public sector, in which a comparatively small central government adopts



a steering role, taking responsibility for policy formulation and monitoring, meanwhile leaving actual implementation and delivery of services to the sub-national levels. According to Scholten et al., the trend is the result of internal and external pressures, including globalization of the economy and changing perceptions of the appropriate role of the public sector. The earlier preference for 'big government' has been replaced by an organizational model that is reminiscent, they argue, of that utilized by Japanese multinational corporations: 'the company handles all core activities and subcontracts all less productive and routine activities which are subject to cyclical ups and downs in economic activity' (1994, p. 13). The rationale is for increased flexibility in government and the public sector overall.

The 'steering' model conforms to the fashion for strategic management and notions of limited government. The transfer of functions from national to sub-national levels of government, the consequent redistribution of public workforces to the sub-national levels, the consolidations and reorganizations at sub-national levels, the sustained central government presence at other levels of government and the increasing use of non-governmental bodies to administer programmes all also conform to the notion of 'steering' as the appropriate role for national governments.

At the same time, a 'steering' role for central governments, guiding large sub-national government units in their implementation of national objectives, implies unusual coordination and compliance down the line. Sub-national governments are unlikely to deny themselves exercise of the power that derives from holding a large segment of the resources necessary for the implementation of large social programmes. Such resources have the capacity to develop politically potent strongholds. Cameron and Simeon (2000, p. 98) observe that the common trend in federations for national governments to download, off-load and in general, reduce the scope and density of their policy reach 'has led states and provinces . . . to occupy vacated policy space, and to engage in greater political dynamism and policy innovation'. The same trend, and the same possible outcome, is evident in the unitary governments included in this study. The political potential is implied in the earlier references to new points of centralization at sub-national levels, for instance, in Spain the new centralism emerging around the Autonomous Communities and in Canada the emerging 'collaborative federalism' with its slant towards a new form of provincial centralism. If 'steering' is to be done, it seems unlikely that central governments can perform such a task unchallenged by those with the grass-roots know-how and – in the case of those sub-national governments subject to election – those facing the more immediate threat of electoral backlash.

Since the conclusion of this current research, however, the policy agenda has undergone further change. Following the events of 11 September 2001

and the continuing threat posed by international terrorism, issues of national security have acquired a new priority. The new agenda reinforces a dominant role for government at the centre, strengthening national government involvement not only in security services, but also in economic and social affairs. The earlier reference to the growth of the 'police state' takes on new potency in the context of the changed policy priorities. This chapter ends where it began: As policy agendas change, so public workforces expand or contract, across policy areas and across levels of government.

## NOTE

Unless stated otherwise, the data for this chapter is drawn from the country chapters in Volume I.

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## 4. Regional government and public employment

**B. Guy Peters**

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The typical political system in the contemporary world functions with at least three levels – central, intermediate and local – with European countries typically adding the fourth, EU level. The functional logic of structuring the task of governing in this manner is based on the need to provide services distributed across space, with different levels of government being assigned (at least in theory) those functions best provided within the particular geographical and population size of the government.

There are also political considerations involved in the assignment of activities and in the granting of levels of autonomy to the intermediate and local governments. Some of this political influence on the relative powers of levels of government is a function of basic constitutional decisions such as the creation of a federal constitution, but there is also the pressure to move political decisions closer to the public and presumably thereby to enhance democracy. There is, therefore, a strong pressure in contemporary politics to decentralize, and to move power away from central government toward intermediate and lower levels of government.

Decentralization has been one of the central political dynamics characterizing the past several decades. Whether the term used is ‘state’, ‘province’, ‘region’ or whatever, there has been a tendency to shift political power and responsibilities for public policies away from the central governments and toward the sub-national level of government. This movement of political and policy-making power has been generalized, with both levels functioning below the central government – those that would be termed state and local levels of governments in the United States and by a variety of terms elsewhere – receiving enhanced powers. The obvious loser in all these shifts of power is central government that is often seen as clumsy and incapable of responding to important differences among the regions.

Although decentralization is a general political phenomenon, there are some special dynamics associated with devolution to the regional level – hereafter referred to as the intermediate level of government. In particular, within federal regimes this level of government is conceptualized as having

some degree of sovereignty and autonomy of its own as a matter of constitutional right. Further, moving power and resources to this level of government tends to create a further political dynamic within the regions, with some struggle for autonomy for the lowest tier of government often ensuing (see chapters by Nelson and Pierre in this volume) after the intermediate level has been empowered. The decentralization process is to some extent a technical process of finding the most appropriate level of government at which to deliver a service, but it is primarily a political process of seeking power. In addition, the intermediate level of government is more likely to have independent revenue raising powers of its own, again especially in federal states, so that it will be capable of acting more autonomously than might local governments in most systems.

The movement of political power and policy responsibility to lower echelons of government has been evident within unitary as well as for federal political systems. Indeed, despite the identification above of several special features of federal states, the dynamic of increasing employment at the intermediate level of government may be more pronounced for non-federal regimes simply because there has been greater latitude for change. Even countries such as France, that have had very long histories of centralized power resting with the central government, have experienced some degree of reduced central control (de Montricher 1994) over policy and implementation, although in this case the intermediate level of government is not significant. Further, in the case of Spain and the United Kingdom, the creation of new levels of government with at least some autonomous powers (Alba and Navarro in Volume I; Pierre and Stoker 2000) has contributed to the general tendency toward decentralization among the industrialized democracies, as has the consolidation of county governments in Sweden into larger and more powerful units. This chapter will investigate the logic behind that shift of political and policy-making powers within the public sectors of the countries included in our 'sample', using public employment as the indicator of the shift.

Much of the logic of the above discussion has been of there being a clear separation among the levels of government, and indeed a capacity to identify clearly the differences among the levels. That assumption may not always be defensible. For example, although regional governments are discussed (especially in federal regimes) as independent they are often merely the agents of central government. Further, local governments often exist at the pleasure of the intermediate level of government, so that they are in essence the agents of that government. Likewise, special-purpose local governments that are formed to provide specialized services across a large geographical area may take on some attributes of governments existing at the intermediate level, at least in the scope of their coverage.

## THE LOGIC OF DECENTRALIZATION AND REGIONAL PUBLIC EMPLOYMENT

The decentralization that has occurred since the 1970s has been the result of several political forces. One of the most obvious has been the disaffection felt by much of the public toward their government, but especially toward central government (Norris 1998). For those countries where there is available evidence, sub-national governments tend to be considered more effective and more legitimate than central governments, so that the public would be more willing to accept some expansion of the public sector at this level. This expansion of regional government may have been done through the autonomous actions of that intermediate level of government, or through the conscious political decisions of central governments to empower the lower levels. Central governments may opt to shed as many functions as possible to lower levels of government in order to reduce their expenditures and their responsibility for programmes that may or may not be successful.

There was also a pervasive political ideology at the time that argued in favour of reducing centralized control, whether that be over lower levels of government or over the components of ministerial departments (Peters 1996). The idea was in part that centralized, hierarchical controls over organizations prevented those organizations from competing with one another and hence kept costs too high and efficiency too low. In the particular case of sub-national governments centralized controls were also argued to prevent them from matching their outputs more closely with the demands of local populations, and fitting programmes to different objective conditions existing in different areas of the country. In short, excessive central control was argued to stifle competition and innovation in the public sector.

In the European Union there has been yet another political dynamic moving power toward the intermediate level of government. The creation of a 'Europe of the Regions' and the recognition by Brussels that intermediate levels of government have an important and quite particular role in governing, have tended to strengthen the hand of this level of government, even within unitary regimes. The concept of 'multi-level governance' (Marks et al. 1996; Scharpf 1997) is increasingly brought into play within the European Union, and validates even more the increasingly significant role of intermediate levels of government in providing governance for their societies. In some instances Brussels has been capable of providing a venue for this level of government to exercise an autonomous role that may have been denied to them in the past in highly centralized regimes.

As we discuss the movement toward greater decentralization, we should be careful not to confuse relative movements with absolute movements.

This is clearest in the case of Canada where the provinces have been gaining as a share of public employment but where their absolute levels of employment have, on average, been dropping. This difference in the movements, as well as the differences among the provinces, emphasizes the role of politics in determining public employment. On the one hand the Chretien government came into office pledging to get the fiscal house in order, and has used cutbacks of employment (including significant levels of outsourcing) as a major means of achieving that end. Thus, central government employment has been declining rapidly. On average, provincial government has also been declining in absolute numbers, but just not as rapidly as central government. Further, within the provincial sector there are marked differences in the rate of decline with Alberta, having a rather extreme right-wing government, leading the way. Again, this emphasizes the role that politics plays in shaping these employment decisions.

## DECENTRALIZING POLICY

In addition to the political reasons for decentralizing employment, there are some more strictly policy reasons. The most important of these reasons is that the policy areas that often have been the responsibility of this level of government, even before increasing devolution of powers, have been the ones that have been expanding most rapidly in terms of public employment. In particular, social policy, education, and policing have been areas of rapid expansion of expenditure and employment, and have also tended to be activities in which intermediate levels of government are heavily involved. Thus, without any particular intention to decentralize, this level of government might have naturally become a more important locus for public employment.

With the generalized interest in decentralizing, the movement of activities and programmes to this level of government might be prompted also by the desire of central governments to save themselves money and potential political exposure. For example, in Denmark there have been 16 major changes of the locus of service provision since 1970. Nine of those have involved movement of at least part of the function from the central state to the county – the intermediate level. Only two of those changes involved giving functions to the central state. Similarly, the Spanish state has been moving a number of activities out to the regions, whether autonomous or not. Even when the nominal locus of service delivery is not changed, as in the United States, the regional governments have been granted greater capacity to make decisions (Daguerre 2000). In the case of Sweden a new type of regional government is being created that combines several former

intermediate governments to attempt to provide more comprehensive services, especially for economic development, and to provide for greater economies of scale in others, for example health.

## POWER OVER PUBLIC EMPLOYMENT

Given that sub-national governments are responsible for delivering a number of public policies in all political systems, it is obvious that they must employ large numbers of people. These intermediate level governments do vary, however, in the degree of latitude that they have in establishing their own legal frameworks for employment and in making decisions about how many people to hire. There is variation even among the federal regimes, although these tend to have greater latitude than do the unitary regimes. For example, the German *Länder* must operate within a civil service law that governs employment in all levels of government, while in the United States and Canada the states and provinces can do pretty much as they wish in setting the legal requirements for employment.

The same latitude exists for setting the structure of sub-national governments in some federal systems, while in some others there are more constraints. Even in the United States with its rather unbridled federalism, however, the states must be cognizant of some constraints placed on them by the federal government. The most important constraint is the need to implement federal government programmes. State and local governments are the major implementors of federal social, health and transportation programmes, and assist in providing a number of other policy areas. The federal government tends to induce the states to participate through grants, and also may coerce through (what are called in US parlance) funded or unfunded mandates (Posner 1999).

These federal programmes therefore generate substantial employment in state and local governments, and may induce structures at the sub-national levels to match the programme structure of the central government.

Given the above discussion we will expect public employment to increase more rapidly at the intermediate level than at the central government level. Indeed, the most likely expectation is that employment at the intermediate level of government will increase while that of central government will decline or be stagnant. Again, we would expect this to be a function in part of the shifting of some activities to sub-national government and some a function of the expansion of other activities in which this level of government was already engaged. The particular composition of the changes will be a function of the politics of individual systems. So, for example, there have been almost no changes in the relative responsibilities of provincial



governments in Canada, in part because of the political balancing act around Quebec, while as noted above there have been major shifts in Denmark and in several countries.

One question about the role of institutional structure that emerges from the initial discussion of federal and non-federal governments is whether public employment does expand more rapidly in one category of state or the other. On the one hand we might expect intermediate governments in federal regimes to be less willing to expand employment (as well as expenditures) for programmes because they would have to bear the political costs of increasing that employment. While the intermediate governments in these regimes may have the opportunity to make more decisions of their own, that latitude is often restrained by the political realities of having to raise the revenue to pay for their policy choices. Likewise, many central governments in federal systems find it convenient to offload functions onto the intermediate level, often without providing the funding for the programmes in question – this a generalized version of the now familiar ‘unfunded mandates’ argument in the United States (Posner 1999).

On the other hand, in non-federal regimes intermediate governments will not have sufficient latitude to make as many autonomous choices about policy, but when any functions are devolved to them it is more likely that the resources will follow. Therefore, intermediate governments in unitary systems may not have their own budget constraints to worry about when implementing policy. They therefore may be more willing to add clients and to employ additional personnel needed to serve those clients than might governments that had to raise most or all of the funds for those programmes. Further, central governments in non-federal systems can offload functions more readily, given that the intermediate governments are very much the ‘creatures’ of the central government and do not have significant independent standing. We might therefore expect non-federal regimes to expand employment more readily when faced with expansion of old tasks or the addition of new tasks. Of course, as already noted, not all non-federal regimes are the same so that those in the Scandinavian countries may function more like federal regimes, given that they do have substantial autonomous powers for revenue raising (Sandford 2000).

The evidence presented in Table 4.1 demonstrates that the federal regimes have been much more likely to shift employment from central government level to the regional level. Indeed in all the federal regimes there has been movement away from the centre while in several of the unitary cases, most notably Sweden, the regional level has been losing employment relative to the other levels of government. The common pattern in all the regimes is for central government to lose employment while local governments gain employment. In most federal regimes there is also the shift

*Table 4.1 Regional government employment as a percentage of total public employment*

	Australia	Canada	France	Germany	Spain	Sweden	United States
Most recent	71.5	41.6	4.2	51.9	26.5	18.9	24.7
Earliest	62.9	50.8	4.1	34.6	24.8	22.8	16.4

toward the intermediate level. It would appear that the autonomous powers of the regional governments and their control of local governments mean that the shift toward local government is not as pronounced in federal as in non-federal regimes.

Another question emerging from the above discussion is whether more or less traditional functions of the intermediate level of government tend to expand more rapidly than do functions that either have been recently devolved to this level of government, or which have emerged from changes in the demands being placed upon government at all levels. Again, one can tell a reasonable story to justify either possibility. On the one hand, we might expect the traditional functions to expand more rapidly, given that there are already organized interests and bureaucracies that can pressure for the expansion of a service. On the other hand, the newer functions may expand simply because they are new and face a relative vacuum and because some of those activities may fulfill more or less newly identified social needs.

Providing adequate measures to test the above proposition is difficult, given that the fine level of measurement required for such an examination may not be available for most countries. Certainly the broad levels of employment in social policy and education policy are available, but there are difficulties in identifying the fine detail that might be needed to see either new activities being undertaken within a policy area, or to identify some of the newer and smaller policy areas that may have been moved to this level only recently. Still, there is some evidence that does help to identify the shift that we argue is occurring.

## LEVEL OF GOVERNMENT AND FUNCTIONS

Although we can identify the role of employment in certain policy areas in the shifting overall levels of employment at the intermediate level of government, we should also examine the distribution of employment across the different policy areas within this range of countries. We can, of course,

exclude consideration of employment in some policy areas such as defence that are the province of central governments, but the majority of public activities are carried out at all levels of government. Thus, the first question that arises is whether there are, in employment terms, some policy areas that are very much the province of the intermediate governments in this group of countries. The second question is whether there is any shift in this distribution of activities across time. Finally we will want to speculate about both the stability and the change in these distributions of employment.

There is a reasonable amount of data available to examine these questions in the federal states included in this 'sample', but very little from the non-federal regimes.

As expected, given the general array of functions assigned to the intermediate level of government in this set of countries, and indeed in virtually all industrialized democracies, the bulk of public employment is in the social activities of the state. For a variety of reasons the distribution of activities in the public sector tends to give policy areas such as personal social services and many aspects of education to intermediate governments. The one policy area that seems to be especially concentrated at the intermediate level is health care, with the major exception being the United Kingdom with health care provided through the National Health Service. Indeed, for the Scandinavian countries, health care is by far the dominant activity for the intermediate governments, in both employment and expenditure terms. Even in the United States that has an underdeveloped public involvement in health care, the states are major employers in health care, although the federal government tends to be the major source of funds for this policy area.

The second most important function for the intermediate level of government is education. This is also typically the principal major activity for local governments, but the intermediate level also provides a good deal of employment in this area. In many cases there is a differentiation between these levels, with the intermediate level having significant responsibility for more advanced levels of education (including higher education in some federal states) while lower levels of education may be assigned to the lowest level of government. With respect to this policy area, France is a major exception to the generalization, with almost all education being the responsibility of the central government. This is one of the clearest contrasts between the patterns found in federal states and that of this classical centralized government, although there are also several other cases (again unitary) in which central government takes responsibility for higher education, albeit providing this through 'hived-off' organizations.

Although intermediate governments are heavily involved in social policy activities, they are involved in providing other types of public services as

well. For example, sub-national governments have some role in providing economic services, although the bulk of the employment in nationalized industries and similar activities has been at the level of central government. Following the functional logic used above, the intermediate level of government may be considered the appropriate scale for providing a number of economic development services for the public. This economic role for intermediate governments may be more apparent in the federal regimes in which these entities are empowered to make more of their own decisions and where they may compete among themselves for economic development and the location of industries. That competition may not always be beneficial for the governments, given that they use tax forgiveness as the means of attracting industries. Local governments are often too small to provide this type of economic activity, and national governments may be insensitive to differences among regions and the demands for economic change within a regional context. The danger, as noted, is that these intermediate levels become competitive among themselves rather than in adopting optimal strategies for development that might be more possible in a unitary regime.

In addition to the general economic development function, intermediate governments also may be involved in providing major components of the economic infrastructure. For example, this level of government may be heavily involved in providing transportation, given that local governments are often too small to be appropriate catchment areas for transportation services. In most federal regimes, the intermediate level of government is the provider of most highway services, and may also have some role in providing transportation in large metropolitan areas. In some cases this level of government may also be involved in employment schemes and in fostering a range of public-private partnerships designed to promote development.

## VARIATIONS IN REGIONAL EMPLOYMENT

Regional government is a major employer in most of these political systems, and I already have shown that there is a good deal of variation in the average level of employment across systems. There is also a good deal of variation within individual countries. This variation is to some extent a function of a number of demographic and physical features. For example, the sparsely populated states of the American West tend, everything else being equal, to employ more people per capita than do more densely populated states. A similar pattern can be found among the Australian states and, with the exception of Île-de-France, also for total public employment

in unitary France. On the other hand, there are some pressures for managing complex urban areas that place some pressures on local and regional governments to provide more services and to hire more personnel, but much of that effect appears to be occurring at the local level.

The differences among intermediate level governments should be, everything else being equal, greater in federal regimes than in non-federal regimes. The obvious logic is that the intermediate level governments in the federal regimes have greater capacity to shape their own policy decisions, and to choose whether or not they will deliver services directly, than do governments in unitary regimes. The intermediate level in federal systems often plays the same game of mandating with respect to local governments that angers them so much when the central government does it. That having been said, even federal or quasi-federal systems operating within the continental European traditions appear to have substantially less variability than do systems operating within the Anglo-American or Scandinavian traditions. Indeed, the Scandinavian, nominally unitary, systems appear to have greater variability than does the German federal system.

These differences are important not only for the statistical differences among the countries but also for what they can demonstrate concerning the nature of governing within these countries. The requirements of federalism are that each government is vested to some extent with sovereignty and therefore must develop a structure for governing within their own territory. This requirement means that the state of Wyoming, with a population of about 300 000 people, must have most of the same political and administrative structures as California with approximately 30 million people. This in some ways is expensive but it also reflects the commitment of self-government and the political as well as largely administrative role for this level of government. Likewise, in the larger territories there are some economies of scale in the provision of services that are absent in the smaller units. Also, the extensive geographical dispersion of populations in some large systems imposes higher costs on government than in more concentrated locales.

## REPRESENTATIVENESS OF EMPLOYMENT

The intermediate level of government presents some interesting questions about representativeness of public employment. On the one hand these governments will have populations that are very close to half female, so there is little reason for them to be any more or less representative by gender than any other level of government. On the other hand there are often concentrations of minority populations in particular governments so they may

well overrepresent what are minorities at the national level. The obvious case is in Canada in which francophones are a minority at the national level but are the overwhelming majority in the province of Quebec. Less extreme cases would be the southern states in the United States which have very large non-white populations, or California in which no group really has a majority any longer. Likewise, the Northern Territory in Australia has a heavily Aboriginal population (see Gow and Sutherland in this volume).

The evidence on representativeness at this level of government is rather sparse but on the issue of gender it appears that for total employment these governments often overrepresent women, or at least provide about half of the jobs to women. This degree of representativeness is in large part a function of the concentration of health care and to some extent other social services at this level of government, and the large number of women who are employed in this policy area. These findings do not mean that women necessarily are being moved into the most important managerial and executive positions in these governments, and such evidence as there is does not point to this at all. Rather there are large numbers of women employed in service provision, as well as in clerical and secretarial positions. Further, a very large percentage of the women employed at this level are in part-time positions, again often in social services and health. Thus, many of the stereotypes of female employment appear to be preserved in these data.

The evidence on minority employment is even sparser than is that for female employment. Where such data do exist they demonstrate that except when a minority is highly concentrated geographically, these groups are not particularly well represented at the level of intermediate government. These governments do not appear to take the role of model employer as seriously as do central governments, and there are substantial differences in pay between members of the dominant communities working for government and minority group members in the few cases for which we have data. Also, intermediate governments do not have as many low-paid jobs in sanitation, street-cleaning, and the like that provide jobs, albeit not well-paid ones, for large numbers of minority group members.

## SUMMARY AND CONCLUSION

Governments function in space as well as in time, and the decision about where to locate particular policy activities in the complex, multitiered arrangements found in most contemporary governments involves an understanding of the political histories of these governments, as well as of the appropriate means of delivering services. Not only does an understanding of these phenomena depend upon balancing these considerations,

so too does the practical delivery of the services and management of governance. The general movement in the group of governments with which we are concerned is toward much more decentralized provision of services and greater political autonomy, especially in the federal regimes.

The logic of this decentralization movement is functional as well as political, and several public services appear to be playing a role in adding to employment at the intermediate level. Health care is the most obvious and important of these, but education is also playing a role. Also, this level of government appears to be taking an increasingly significant role in economic development, in part a function of the neo-liberalism that has dominated the thinking of central governments. Even here, however, the choice of this level of government as the most appropriate locus for delivering these services may be a function of history and tradition as much as it is of logical choices concerning the delivery of public services.

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## 5. Local government employment

**Jon Pierre**

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If central government and the senior civil service is the general staff of the state, local governments and their employees are clearly the army. This is where most of the public services are delivered, where the large number of public employees can be found and where most of the exchange between state and citizenry takes place. It is also at the local level, as we will come back to later, that citizens participate in political life and become trained in democracy. But local government is more than a set of implementing structures; professionalism in local government has increased considerably during the post-war period along with the increasing size of the public sector in many countries (Laffin 1986; Sharpe 1998; Ashford 1990). Indeed, in many national contexts it probably makes more sense to talk of a division of labour among different levels of government than of a hierarchy in which only the higher echelons of government are characterized by expertise, professionalism, research and policy planning. The increasing attention on 'multi-level governance' (Marks et al. 1996; Scharpf 1997; Pierre and Stoker 2000) as a feature of intergovernmental relationships in the EU is proof both of these developments and also the increasingly negotiated nature of relationships between institutions at different levels of the political system.

This chapter offers a preliminary analysis of employment in local government in selected western democracies. It reports primarily on employment in local government as a percentage of total public employment, a statistic which is a good indicator of the significance of local authorities in delivering public services. Furthermore, the chapter discusses which sectors dominate local governments in different countries although the data available only allow us to give examples rather than a more comprehensive and complete comparison.

Any assessment of local governments and their functions must depart from three features of local authorities. First of all, these structures are embedded in a national institutional and political framework which defines the formal and effective parameters of the local authorities. Even in federal countries like the United States, 'Dillon's Rule' almost a century ago defined local government as 'creatures of the state'. In the United



Kingdom, the *ultra vires* principle states that local governments are only allowed to do what Parliament explicitly tells them to do (Gurr and King 1987).

Second, states differ significantly, albeit perhaps less than sometimes expected, with regard to their commitments in terms of personnel in different public service sectors. The Scandinavian welfare states have higher (relative) levels of public employment than, say, the United States, but the differences are smaller than the casual observer might expect. There seems to be a critical 'lowest level' of public employment which defines the level below which a state cannot deliver services properly, or below which we should expect the public sector to deliver services in collaboration with other actors in society. This suggests that cross-national differences, which in and of themselves may be indicators of different political priorities, evolve as rather subtle differences instead of dramatic, huge differences. However, intra-national differences in the relative number of public sector employees at different levels of government may frequently change rather dramatically from one year to another as a result of decentralization or privatization reforms. We will return to this issue later in this chapter.

Third, even when different states share a similar commitment to extensive welfare programme services, differences in the institutional arrangements of the state means that different 'tiers' of the state become the main provider of these services. Welfare states can be federal or unitary, but their institutional set-up plays a great role in deciding which level of government will be the most labour-intensive. The main differences between these types of states should, we suggest, manifest themselves at the local level of government. The decentralization that has characterized intergovernmental relationships in most national contexts plays out differently in federal states compared to unitary states; there is some evidence that decentralization in federal states is a multistep process in which authority is first transferred from the federal to the state (or *Länder*) level and then from the regional to the local level (see Nelson in this volume). While there are several signs that the regional level in a large number of countries is becoming increasingly important, the local level remains critical in terms of service delivery.

## THE FUNCTIONS OF LOCAL GOVERNMENT

Local government and urban politics have historically been accorded several key values related to democratic government. 'Man creates Kingdoms and republics but townships seem to spring from the hand of God', wrote de Tocqueville (1962, p. 73), portraying the town meeting as

the epitome of participatory democracy where the community was not bigger than it allowed for its citizens to engage directly and actively in political debate. Similarly, John Stuart Mill saw local democracy as critical in fostering democratic values. In the American political analysis, state and local government have been referred to as 'laboratories of democracy'. The list of political philosophers who praise local politics can be made much longer; the basic point we wish to make here is that local government and urban politics have a very strong normative foundation, particularly with regard to fostering democratic and participatory values.

The problem which becomes obvious as we confront these ideals with the reality of contemporary local government is that over the past decade or so these governments have gone largely managerial. As will be discussed later in this chapter, local government plays two key roles in any democratic system; it is a forum for participation and democracy and it is a service provider. A quick glance at what has driven local political and institutional reform in most western democracies over the past decade or so suggests that managerialism has taken a clear lead over participatory values and objectives.

Another blow to the normative model of local government was delivered by scholars who could not detect any difference in urban political output between cities governed by parties with different ideological orientations (Sharpe and Newton 1984); an observation which raises serious questions about the extent to which local government is responsive to local demands and whether the institutions of local government have become sufficiently powerful and resilient to resist changes in the local political leadership.

Yet another attack against the purported democratic values of local government and politics was launched by a group of observers who argued that although local political institutions enjoyed considerable political autonomy they were subjected to powerful political pressures from markets and the local business community and that as a result 'city politics is limited politics' (Peterson 1981, p. 4; for an analysis of local government taxes and services in the same academic tradition, see Tiebout 1956). If we add the critique against 'machine politics' and 'party bosses' in the American context to the picture we arrive at an image of urban politics and local government more generally as a political and institutional arrangement which works great in theory but which frequently becomes perverted by economic and corporate pressures, or by power-seeking individuals, or by the mere fact that citizens are more interested in having public services delivered as efficiently and cheaply as possible than they are in engaging in political debate (Goldsmith 1990).

On a more general note, we can accord contemporary local government two overarching functions. One such role is to facilitate and promote local

democracy and to train citizens in democratic practice. By virtue of their close proximity to the citizens, local institutions are better geared than any other institutions to play this role (see Hill 1974, 1994). The other key role of local government is service provision; local authorities deliver a wide range of services, sometimes as the local arm of central government, sometimes as a self-governing body. These two different types of services rest on two different rationales. Having local authorities to deliver central government services is rational whenever these services require close contact with clients or when the managerial decisions on the delivery of services do not have to be made at the central level. Delivering locally decided services, on the other hand, is part of the logic of local autonomy to facilitate services which reflect local needs and priorities. That having been said, local governments in most of western Europe tend to devote more staff and resources on delivering central government programmes than services decided locally.

The issue of whether the managerial, public service delivery objective is inconsistent with the democratic, participatory role of local government should not be addressed here. However, the role of elected officials which recent administrative reform at the local level seems to prefer is a rather subtle role. The emphasis on efficiency and cost-awareness in public service production entails more autonomy for managers and less control for local politicians. This, in turn, could be seen as downplaying the role of politics in local government.

Another potentially important linkage between the democratic and managerial aspects of local government is that cutbacks in public expenditures become visible primarily at the local level. It is here that public service programmes develop supporting constituencies which are likely to oppose cutbacks (Pierson 1994). However, while this critique may be initially targeted at the local government, it is quite likely that it will also be aimed at central government if it is here that the decision to reduce public spending on a particular programme was made. Thus, much of the overall visibility of the public sector is primarily a local phenomenon.

## COMPARATIVE LOCAL GOVERNMENT

There have been (surprisingly) few publications on comparative local government. A couple of handbooks have been published (see, for instance, Norton 1994) but very few attempts at comparing local government or urban politics more systematically (but see, for instance, Keating 1992). We know even less about the types of services which local authorities in different jurisdictions deliver and at which institutional level these

programmes were designed. Local authorities implement policies and programmes designed by central or regional government, but they also design and implement policies and programmes of their own.

What does all this mean in terms of assessing public employment and local government functions in a comparative perspective? First of all, it reminds us yet again that the institutional framework within which local authorities operate needs to be assessed in some detail as it tells us a great deal about what local governments are supposed – and allowed – to do. Second, we need to have some general idea about the degree to which local governments enjoy autonomy from higher tiers of government in the formulation and implementation of public services.

During the 1980s, urbanists paid much attention to two developments which both tended to reduce the effective autonomy of local governments in most countries. One was the implementation of more or less extensive decentralization reforms across western Europe, with Britain as the most prominent exception to this pattern (Goldsmith and Newton 1984). The other development was challenges to local autonomy caused by structural changes in the economy which made the local authorities sensitive to political-economic pressures (King and Pierre 1990).

A comparative analysis of public employment at the local level of government should address three overarching questions. First, since institutions at these levels are historically speaking subordinate to central government, we should expect that the key determinants of long-term changes in employment are primarily exogenous to the institutions at the subnational levels. Certainly, regional and local institutions – with substantive variation – enjoy a great deal of autonomy vis-à-vis central government. But there seems to be a rather clear correlation between labour intensity and the degree to which central government controls subnational institutions. Thus, in policy areas like education, medical care, and social welfare – areas which today constitute the bulk of public expenditures in most of the advanced western democracies – central governments in many national contexts have used subnational government to implement policies while allowing very little discretion in that process. The research question coming out of this discussion is the degree to which changes in local government employment is an artefact of overall cutbacks in public employment or if it is driven by some other institutional logic.

Second, an overall reduction in public expenditure can relate to changes in the percentage of public employment at different levels of government in several different ways. One model of personnel reduction could be that such cutbacks were implemented across the board. Another, and probably more plausible pattern, is that changes in the relative shares of public employment at different levels of government occur to some extent as a result of

overall cutbacks. This means, for instance, that local government employment (both in headcount and percentages) may well increase at the same time as overall public employment decreases. Cutbacks and a changed division of labour within the public sector are probably related, but we need to investigate this relationship in some detail.

Third, changes in different aspects of local government employment (as a percentage of total public employment; employment in different policy sectors; or in total figures) sometimes happen rather abruptly as the result of the transfer of large parts of policy sectors. In many of the countries covered in this project, privatization of postal services or telecommunications manifests itself as significant overnight reductions in public employment. Similarly, transferring responsibilities of service sectors such as basic education – as happened in Sweden in 1989 – entails a discrete increase in local government employment. This is of course not to suggest that such changes are without interest but it does suggest that short-term, dramatic changes in local government employment frequently have institutional explanations.

Finally, we must not forget that local government enjoys considerable autonomy vis-à-vis central government in some policy sectors. While these sectors usually do not comprise the most labour-intensive sectors of the local authorities' services, it should certainly be kept in mind that a good part of local public services – the exact amount of which varies considerably among different national contexts – are designed and decided at the local level.

## PATTERNS IN LOCAL PUBLIC EMPLOYMENT

The embeddedness of local government in the national institutional framework comes out clearly in the data on local public employment. Furthermore, the cases also show clear traces of the type of administrative reform that has been typical to the individual cases. In the Scandinavian countries, the decentralization during the 1980s and 1990s has increased the already quite substantive relative share of local government employment and pushed it above 60 per cent of total public employment. The UK and French developments follow the same pattern, only New Zealand went the reverse way; here, the relative share of local public employment has dropped somewhat. In the federal countries, the picture is also varied; in Germany and Spain local employment has increased whereas the opposite pattern is displayed in Canada (see Table 5.1).

For countries like New Zealand and also to some extent Canada, where New Public Management-style reform has been implemented, labour-

Table 5.1 *Local government employment as a percentage of total public employment*

	Earliest	Latest	Difference
Denmark	49.0	62.0	+13.0
France	20.3	27.5	+7.2
Sweden	41.5	60.1	+18.6
United Kingdom	34.7	53.5	+18.8
Germany	23.3	36.1	+12.8
Canada	35.2	31.6	-3.6
New Zealand	20.0	16.4	-3.6
Spain	16.4	21.3	+4.9
United States	50.9	59.7	+8.8
Australia	8.9	9.6	+0.7

intensive public services have been contracted out or privatized. This should increase the relative size of central government. Also, in Canada the regional tier of government has been granted more authority. Both of these developments have probably contributed to the decrease of the local governments' share of public employment.

What makes the local government level somewhat special in terms of public employment is the significance of a gender aspect of local government employees (Heinemann in this volume). Local government staff is predominantly female. This pattern is likely to have consequences for wage development and the social status of employment on this level. While it is true that public service delivery on a large scale is a defining feature of local government, there is also much to suggest – as was outlined here – that local government plays critical functions in democratic training and practice. The 'managerial revolution' in the public sector has to some extent obscured these democratic functions in local political life.

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## 6. Women's employment and part-time employment in the public service

**Silke Heinemann**

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One of the most significant labour market developments common to industrialized countries in recent decades is the growth in female work force participation. Another is the erosion of the so-called 'standard pattern of employment' through an increase in 'atypical' forms of work, in particular, part-time employment. Part-time has become such a widespread 'atypical' form of work that 'atypical' is not the most appropriate adjective. This chapter gives an account of each of these trends in one part of the labour market: the public service.

The parallels in the emerging patterns of female and part-time employment are evident in the international quantitative comparisons set out below. Both are complex phenomena, depending on an interaction of different economic, social and political factors. The multiplicity of influences is indicated in Figure 6.1. The initial part of the analysis below focuses on the general trends and the policy differences evident in the legal frameworks established for female and part-time employment in the countries surveyed in this present study (Box 5 of Figure 6.1). Organizational constraints, however, do not provide the sole explanation for the new labour market developments. The latter part of the chapter discusses the impact of extra-public sector influences as identified in Boxes 1–4 of Figure 6.1.

### EMPLOYMENT OF WOMEN IN THE PUBLIC SERVICE

Despite legislation prohibiting unequal treatment and a mostly balanced gender composition at the macro-level, women are still under-represented in some areas of administration. The following quantitative analysis of women's employment identifies the general international trends as well as structural characteristics such as task areas, levels of government, status groups and position in the hierarchy. The occupational segregation and the under-representation of women in senior management have forced governments to an active promotion of women's careers.



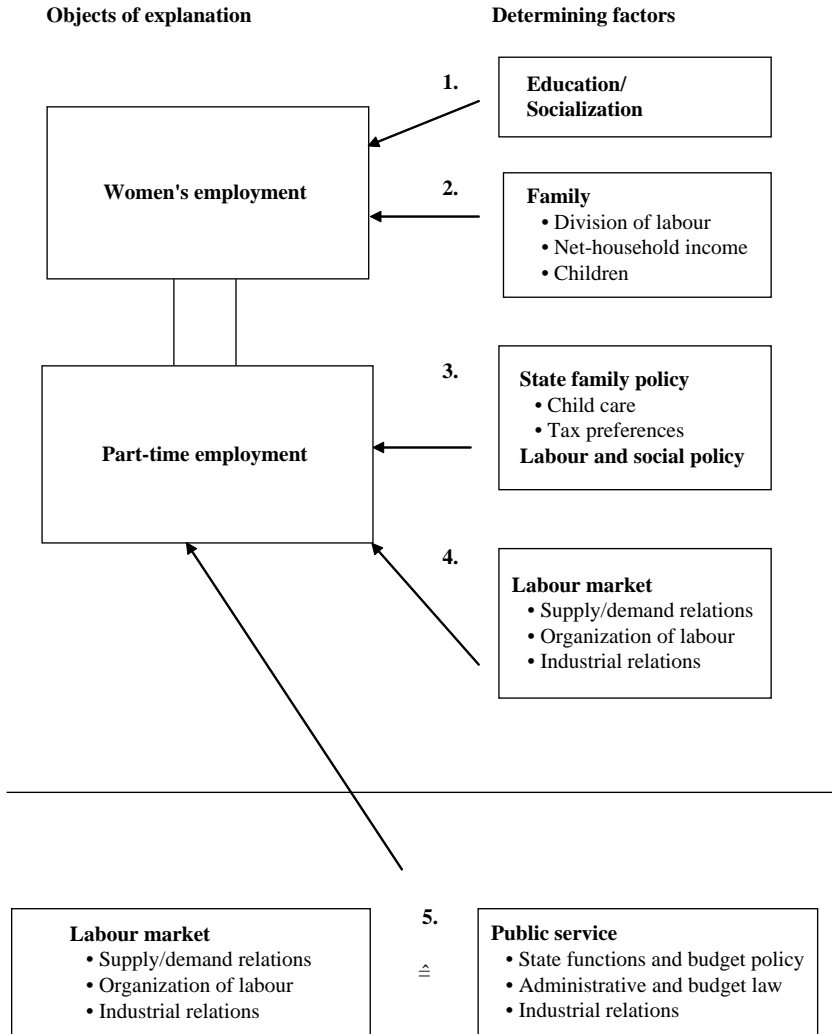


Figure 6.1 Factors determining women's and part-time employment

**Women's Participation in the Public Sector Workforce**

The proportion of women employed in the public service varies across countries (Table 6.1). In the Nordic countries, Denmark and Sweden, the female component of the public service workforce is over 60 per cent; in the UK it is just below that figure. It is around 50 per cent in Canada, France,

Germany, Spain, New Zealand and Australia, and below 50 per cent in the USA. In Denmark and Sweden, where the participation rate of women in the labour force as a whole approaches that of men, there are notably more women than men employed in the public service. In countries where women have a comparatively medium participation rate, the share of women and men in the public service tends to be equalized. A comparatively low participation rate of women in the labour market in Spain coincides with a similarly low proportion of women in the public service.

In so far as the data allow conclusions, the high participation rates for women in Denmark and Sweden show some stability, at least since the 1970s. In most other countries the proportion of women in public service employment has increased significantly since the 1980s. In Germany the share of women's employment doubled in the years since 1950. The major periods of growth occurred up to the mid-1970s and in the first half of the 1980s. There was a further substantial increase in women's employment in 1990–91 following German unification. In socialist countries such as the GDR, female labour force participation was significantly higher than in most Western European countries.

The across-the-board increase in the percentage of women employed in the public service arises only in part from an increase in the total number of women. Privatization and downsizing of traditional male domains have led to an overall decrease of men's employment in the public service in several countries. In the UK and Denmark, the absolute figures for women's employment are declining also. The reduction is the consequence of privatization in areas in which women are well represented. In Germany also, since 1991 the total number of women in public sector employment has declined. The reasons include the privatization of postal services in 1994, privatization of local hospitals and the general downsizing of state and local employment in the new *Länder* in order to reduce the over-staffed public service of the GDR. Along with the general policy of cutbacks in personnel expenditures, new jobs were created only in male-dominated policy areas such as police and legal services in the new *Länder*.

### **Task Areas and Levels of Government**

The employment of women is predominant in state welfare services including health, education and social services (Table 6.2). In contrast, the employment rate of women is low in the areas of defence, traffic, transport and railways. An equilibrium prevails in the general administration, legal services and cultural affairs areas. The professions in the social welfare sectors are traditionally dominated by women: nurses, teachers and clerks (OECD 1994). The expansion of the welfare state has expanded also the career opportunities for

*Table 6.1 Women's employment share (%) and part-time employment share (%) in the public service, selected OECD-countries*

Country (Year)	Australia	Canada	Denmark	France
Women's labour force participation	63.9 (1998) <sup>1</sup>	60.9 (1998) <sup>1</sup>	75.0 (1998) <sup>1</sup>	60.8 (1998) <sup>1</sup>
Women's employment in public service	50.6 (1996) <sup>5</sup>	52.1 (1999) <sup>5</sup>	65.0 (1995) <sup>5</sup>	54.7 (1993) <sup>5,2</sup>
	45.3 (1990) <sup>5</sup>			59.5 (1993) <sup>5,3</sup>
	39.9 (1986) <sup>5</sup>	26.9 (1967) <sup>5</sup>	60.0 (1960) <sup>5</sup>	45.6 (1969) <sup>5,2</sup>
				42.9 (1969) <sup>5,3</sup>
Part-time as percentage of total employment	25.9 (1998) <sup>1</sup>	18.7 (1998) <sup>1</sup>	21.5 (1996) <sup>6</sup>	16.4 (1996) <sup>6</sup>
Part-time employment as share of women's employment	40.7 (1998) <sup>1</sup>	28.6 (1998) <sup>1</sup>	34.5 (1996) <sup>6</sup>	29.5 (1996) <sup>6</sup>
Part-time as percentage of employment in public service	26.0 (1998) <sup>5</sup>		40.0 (1995) <sup>5</sup>	11.9 (1996) <sup>5,2</sup>
				30.3 (1993) <sup>5,3</sup>
	12.6 (1986) <sup>5</sup>		38.0 (1980) <sup>5</sup>	2.8 (1982) <sup>5,2</sup>
				26.4 (1982) <sup>5,3</sup>
Part-time employment as share of women's employment in public service	35.9 (1996) <sup>5</sup>		50.0 (1995) <sup>5</sup>	23.6 (1990) <sup>8</sup>
	24.3 (1986) <sup>5</sup>		49.0 (1980) <sup>5</sup>	

*Notes and Sources:* Unless stated otherwise, here and in other tables, data is drawn from the relevant country chapters in Volume 1 of this study.

<sup>1</sup> OECD Employment Outlook 1999. Part-time employment in this statistic refers to persons working less than 30 hours per week in their main job. Data include only persons declaring usual hours.

<sup>2</sup> On central level.

<sup>3</sup> On local level.

<sup>4</sup> On state and local level without 'education'.

<sup>5</sup> CPS (for the USA: Derlien and Peters 1998).

<sup>6</sup> European Commission 1996, *Employment in Europe 1996*, Brussels.

<sup>7</sup> State Services Commission. *Equal Employment Opportunities. Progress in the Public Service as at 30 June 1998*, New Zealand.

<sup>8</sup> Eurostat 1992. Luxembourg.

<sup>9</sup> Federal Statistical Office Germany FS 14/ 6, various volumes.

<sup>10</sup> Federal Statistical Office Germany, own calculations.

Germany	New Zealand	Spain	Sweden	UK	USA
60.9 (1998) <sup>1</sup>	67.1(1998) <sup>1</sup>	48.7 (1998) <sup>1</sup>	75.5 (1998) <sup>1</sup>	67.8 (1998) <sup>1</sup>	70.7 (1998) <sup>1</sup>
51.1 (1996) <sup>5</sup>	54.2 (1998) <sup>5</sup>	48.9 (1998) <sup>5</sup>	42.0 (1997) <sup>5,2</sup>	58.7 (1996) <sup>5</sup>	45.0 (1993) <sup>5,3</sup>
			79.0 (1997) <sup>5,3</sup>	49.6 (1986) <sup>5</sup>	34.0 (1973) <sup>5,3</sup>
37.3 (1980) <sup>9</sup>		32.9 (1989) <sup>5</sup>			
25.9 (1950) <sup>9</sup>	27.7 (1950) <sup>5</sup>		36.0 (1976) <sup>5,2</sup>		
			75.0 (1976) <sup>5,3</sup>		
17.1(1999) <sup>10</sup>	22.8 (1998) <sup>1</sup>	8.0 (1996) <sup>6</sup>	24.5 (1996) <sup>6</sup>	24.6 (1996) <sup>6</sup>	13.4 (1998) <sup>1</sup>
40.0 (1999) <sup>10</sup>	37.6 (1998) <sup>1</sup>	17.0 (1996) <sup>6</sup>	41.8 (1996) <sup>6</sup>	44.3 (1995) <sup>6</sup>	19.1 (1998) <sup>1</sup>
22.0 (1998) <sup>9</sup>	7.0 (1998) <sup>7</sup>	18.2(1990) <sup>8</sup>		33.0 (1996) <sup>5</sup>	16.4 (1991) <sup>5,2</sup>
14.2 (1980) <sup>9</sup>					32.6 (1993) <sup>5,4</sup>
2.9 (1950) <sup>9</sup>	33.0 (1960) <sup>5</sup>			21.0 (1978) <sup>5</sup>	21.3 (1950) <sup>5,2</sup>
					35.4 (1973) <sup>5,3</sup>
38.2 (1998) <sup>9</sup>	6.1 (1998) <sup>7</sup>	18.0 (1990) <sup>8</sup>	19.0 (1999) <sup>2,5</sup>	18.8 (1990) <sup>8</sup>	
			40.0 (1999) <sup>3,5</sup>		
17.3 (1960) <sup>9</sup>			36.0 (1987) <sup>2,5</sup>		
			49.0 (1987) <sup>3,5</sup>		

women in the public service, as Becker (1993) has shown for the education sector in Germany. While the expansion of service activities has improved the vocational choices for women, the extension of commercial and social occupations in the public sector is connected also with a reinforced segregation of women's jobs. In their examination of the labour markets in Sweden, Norway and Finland, Melkas and Anker (1997, p. 341) provide empirical evidence for the phenomenon that 'female' occupations reflect gender stereotyping: caring, manual dexterity and typical household-related work.

Women's representation is higher at sub-national rather than central government levels in most of the countries included in this survey. Table 6.3 shows the figures for Germany and Australia. In Germany, the percentage of women in the federal service was about 26 per cent in 1996, whereas the proportion was almost balanced in state-level administrations and women comprised the majority of personnel at local level (59 per cent in 1996). In Australia, women were under-represented at federal and local levels. During

*Table 6.2 Women's employment share (%) by policy area in Germany, Denmark (central and local level) and the United Kingdom*

	Germany (1997)	Denmark (1995)		United Kingdom (1996)
		Central level	Local level	
General administration	52.0	54.2	62.5	
Foreign service	45.0			
Defence (civil and military)	15.3	18.6		7.2
Police <sup>a</sup>	25.3	34.0		
Legal services	50.5			
Education	62.5	44.1	64.2	80.3 <sup>b</sup>
Social service <sup>c</sup>	68.6	63.9	85.4	
Health service <sup>d</sup>	67.9	63.5	80.7	78.6
Housing <sup>e</sup>	26.1	47.9	35.9	
Agriculture	41.2			
Energy/water	40.0			
Transport and communication	16.0	32.0	14.6	
Public enterprises	21.6			14.9
Railways	8.1			
Semi-state	59.1			
Local special-purpose associations	44.8			
Culture and church		48.3		
Utilities		41.1	20.4	
Trade and labour market		42.4		
Road construction and maintenance			6.9	
Libraries and museums			68.3	

*Notes:*

- a. In Denmark 'police' and 'legal services' together.
- b. Local.
- c. In Denmark at local level 'social' and 'health care services' together.
- d. In Denmark at local level only 'hospital services', in the UK including NHS Trusts.
- e. In Denmark including 'environment' at central and 'environment' and 'urban development' at local level.

*Sources:* Federal Statistical Office Germany FS 14/6, various volumes; CPS; own calculations.

the period 1986–96 both the number and the share of women's employment increased at the state and local levels, while at the federal level the actual number of women employed declined, although they increased as a proportion of the public workforce as a whole. In Denmark also, the proportion of women's employment is relatively small at central government level.

The difference is accounted for by the particular functions of state and

Table 6.3 Women's employment in Australia and Germany by level of government, 1986–96

		Women					
		Total (000s)		Number (000s)		Percentage share	
		Australia	Germany	Australia	Germany	Australia	Germany
<b>Federal level</b>	<b>1996</b>	354.7	453.4	148.8	116.8	42.0	25.8
	<b>1991</b>	410.4	1532.0	159.2	483.9	38.8	31.6
	<b>1986</b>	442.5	1147.9	154.0	285.3	34.8	24.9
	<b>1960</b>	–	110.9	–	186.8	–	16.8
<b>State level</b>	<b>1996</b>	1075.9	2429.9	594.6	1220.5	55.3	50.2
	<b>1991</b>	1160.1	2572.0	575.2	1243.9	49.6	48.4
	<b>1986</b>	1129.2	1921.7	495.2	809.7	43.9	42.1
	<b>1960</b>	–	995.6	–	306.8	–	30.8
<b>Local level</b>	<b>1996</b>	154.7	1739.3	58.6	1025.2	37.9	58.9
	<b>1991</b>	160.9	2051.4	49.7	1226.9	30.9	59.8
	<b>1986</b>	155.8	1303.5	40.1	661.2	25.7	50.7
	<b>1960</b>	–	719.3	–	237.4	–	33.0
<b>Total</b>	<b>1996</b>	1585.3	4622.9	802.0	2362.8	50.6	51.1
	<b>1991</b>	1731.4	6155.4	784.1	2954.7	45.3	48.0
	<b>1986</b>	1727.4	4373.1	689.2	1756.2	39.9	40.2
	<b>1960</b>	–	2824.5	–	731.9	–	25.9

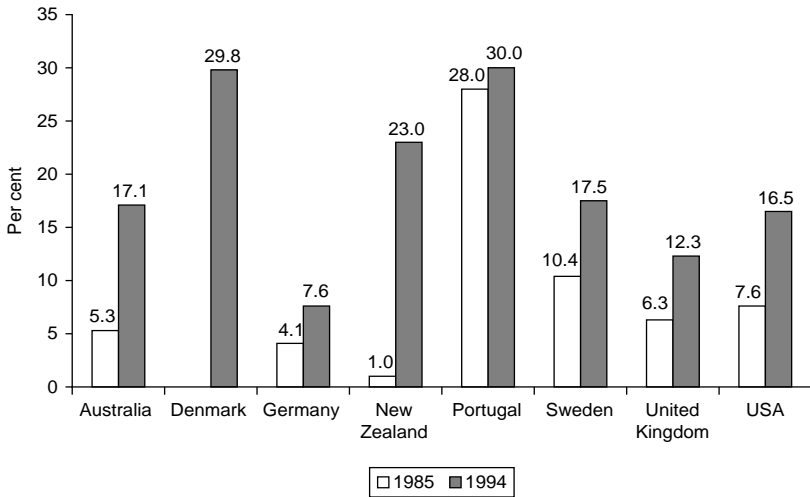
Sources: Federal Statistical Office Germany FS 14/6, various volumes; own calculations.

local governments. In Germany health, welfare and education services fall within the responsibility of the *Länder* and municipalities, whereas railways and defence are federal tasks. The decrease in the size of the female workforce at the federal level in Germany is due in large part to the privatization of federal postal services, the largest employer of women at that level.

In Denmark only the health care and hospital services areas show an over-representation of women at the central government level. The responsibility of central government for education in France and health in the UK similarly raise the proportion of women in central government employment in those countries (ILO 1988, p. 114).

### Status and Career Groups

As a general rule, the higher the responsibility level, the greater the gender imbalance. Senior positions remain male dominated. According to a PUMA study (1997), most countries reported a representation of women between 10



*Notes:*

Germany: 1987 and 1994.

Denmark: Data for 1985 not available.

*Source:* Extracts from PUMA 1997.

*Figure 6.2 Women in the senior public service*

and 20 per cent in the senior public service in 1994. Denmark, New Zealand and Portugal<sup>1</sup> had relatively high proportions. The representation of women at senior levels has nevertheless increased in almost all countries over time but there are large variations, as Figure 6.2 illustrates. In Denmark, the proportion of women in senior positions appears to have been higher at an earlier stage in comparison to other countries (Jensen 1997, p. 16. Jensen's study demonstrates also the problem of defining the 'senior civil service'. She used income level to identify senior civil service positions).

In the labour market as a whole, women are much more likely to be concentrated in the low-status occupations. Similarly, the distribution of women among career groups in the civil service shows a concentration at the lower levels. In countries with distinctive civil service status, the proportion of women is lower in the status group than in other ranks. In Germany, women are predominant among 'employees' with 68.1 per cent in 1996, whereas they comprise only 34.5 per cent among 'civil servants' (Federal Statistical Office Germany FS 14/6). The figures correspond with those for the main employment areas of women. In France, the proportion of women in 'A' category is high (53.1 per cent) because teachers are included. Women outnumber men among the 'non-career employees'. They

are mainly teachers and administrative staff. The majority of women can be found at the lower and intermediate levels of the hierarchy (Bodiguel 1999, p. 61). In Spain, 42 per cent of civil servants are women, but they are under-represented among the higher levels. In 1993 only 26 per cent of group 'A' civil servants were women (Valiente 1998, p. 462).

In the UK, total numbers as well as the share of women in senior positions have increased over time. The percentage of women rose from 29.0 per cent in 1984 to a nearly equal representation in 1998 at the lowest senior level of 'Executive Officer'. In the highest positions, 'Senior Civil Service', the share of women is much smaller (16.4 per cent in 1998). A greater representation of women in higher ranks can be found in Canada where a share of 26.9 per cent (1999) females in executive positions is reported (see Chapter 5 on Canada in Vol. I). The largest increases in recent years can be seen in New Zealand and Australia. In 1998 women made up 30 per cent of senior management personnel in New Zealand (State Services Commission 1998, p. 16). Despite this improvement, women are still under-represented in executive positions. The women's share in the higher positions at federal level in Australia increased impressively between 1988 and 1997, with the proportion of women in the Senior Executive Service increasing from 8.6 to 20.8 per cent and at the Senior Officer level, from 18.0 to 30.5 per cent.

In Germany, in 1998, women were assigned only 9.9 per cent of leadership positions in the federal ministries. In the highest positions – 'state secretary/director' – the numbers are too small to establish a trend. The Fourth Report of the Federal Government in 2000 (BMFSFJ 2000) concluded that the share of women in areas where they were under-represented had not increased significantly.

Comparisons are made difficult by different definitions of 'senior position', but there are strong indications that the women's share of senior civil service positions is lowest in Germany. The quota would probably increase were the *Länder* and local levels to be included in the analysis, but the relevant data do not allow a differentiation by responsibility level. The women's share of salary-group 'B' for the entire public service, which is likely to include most of the senior positions, was only 6.3 per cent in 1998 (Federal Statistical Office Germany 2000, p. 22). The almost well-balanced formal educational levels of young women and men seem to take more than one generation to benefit the women's proportion in senior level positions, even in the public service.

### **Equal Opportunity Policies for Women**

The so-called 'celibacy clauses', which allowed administrations to dismiss married female public servants, were introduced in a number of countries



*Table 6.4 Instruments of equal opportunity policies*

Instruments	Occupation	Remuneration	Working time
Equal rights legislation	Abolition of celibacy clause	Equal pay for equal work	Equal treatment of part-timers
Positive action	Preferential hiring of equally qualified women	Equal pay for work of comparable worth	Entitlement to paid parental leave or reduction of work hours
Incentives, infrastructure	Provision of public training centres	Wage subsidies for hiring women	Day care in public agencies

*Source:* OECD 1994, p. 149 (Table 5.5).

in the 1920s and were not removed until the 1950s (Germany 1953; the UK 1945, and for the diplomatic service 1955; Canada 1955) (Wurster 1991; Public Service Commission of Canada (<http://www.psc-cfp.gc.ca>) and even later in Australia (1967).

Since the 1970s, all governments surveyed here have formulated policies to promote gender equality regarding employment and occupation in the public service. Legislation guarding against sex discrimination and providing for equal pay and maternity protection has contributed to the abolition of discrimination in recruitment, pay and conditions. The elimination of discriminatory informal practices, however, continues to play an important role in equal opportunity policies.

Equal opportunity policy consists of a mix of four main instruments: equal rights legislation, positive action, incentives and infrastructure support (Table 6.4). The following discussion sets out examples of each and then gives a brief summary of other policy issues.

### **Legislation**

In the USA the Equal Employment Opportunity Act of 1972 brought federal employees and agencies under the equal employment provisions of the Civil Rights Act Title VII of 1964, which prohibits employment discrimination on the basis of race, colour, religion, sex or national origin and gave the Civil Service Commission additional enforcement powers to ensure that all personnel matters were free of discrimination. An Executive Leadership Program for women provides them with the knowledge and skills needed to compete for senior positions. Federal agencies carry out a variety of similarly-oriented activities (ILO 1988, pp. 33–36).

In Canada, the Office of Equal Opportunity for Women was established in 1971 to coordinate equal opportunity programmes for women in the

public service following the report, *Sex and the Public Service*, and the 1970 report of the Royal Commission on the Status of Women. The Women's Career Counselling and Referral Service was created in 1983 to provide career counselling to women with high potential (<http://www.psc-cfp.gc.ca>). In 1995, Canada introduced a new Employment Equity Act with the purpose '... to correct the conditions of disadvantage in employment experienced by women, aboriginal peoples, persons with disabilities and members of visible minorities' (OECD 1999a, p. 14).

The Swedish government also started comparatively early to promote the employment of women in the public service. The Equal Opportunities Ordinance (1976) requires national authorities to draw up annual plans for the promotion of equality. In 1978 a budget was established to fund equality projects in public authorities. In particular, women working in lower salary groups received training courses. In so-called 'break-projects', public authorities sought to recruit personnel from the under-represented sex (Sterner and Fürst Mellström 1985, p. 70). In addition, the Government Personnel Board is entrusted with responsibilities aimed at promoting equality of men and women. It presents an annual report to the authorities. Under the provisions of Sweden's Equal Opportunity Act, endorsed in 1992, employers must take measures to balance sex representation and to ease parenthood and paid work for men and women by improving compatibility of job demands and family situation (Melkas and Anker 1998, p. 31).

Since 1984 the British civil service has started several equal opportunity programmes (Cunningham 2000, p. 700). In Germany guidelines promoting equal opportunity for the federal administration were passed in 1986 and an equalization law came into being in 1994. Since 1989 all German *Länder* have enacted equal opportunity laws and local governments have established programmes for the promotion of women (Schiek 1996). The privatization of postal services and railways withdrew personnel from the scope of the law because equal opportunity laws do not extend to private businesses.

In New Zealand, EEO policies have been shaped by the introduction of the 'new public management' (NPM) reforms. Until 1988, the Public Service State Services Commission was responsible for EEO. The public service was then a highly centralized and unionized sector which favoured an interventionist approach. The commitment to EEO in the public service was formulated in 1984 in the 'Statement By Government Employing Authorities on Equal Employment Opportunities'. The enactment of the State Sector Act 1988 and the Employment Contracts Act in 1991, the repeal of the Employment Equity Act in 1990 and the passing of the Human Rights Act in 1993 signalled the new environment of NPM.

The chief executives of government departments were now employers of the staff in their organizations and played the key role in EEO. In common with the private sector, employment practices and policies in the public service became more market-driven and organization-specific.

The introduction of NPM presents new challenges for equal opportunity policies. Cunningham (2000, p. 699) sees the NPM challenge at three levels: values, power relations and organizational changes. Typically EO policy incentives come into conflict with the emphasis on efficiency, decentralization and downsizing. At the same time, where public managers are interested in EO instruments, 'there is now the "organisational space" and the managerial autonomy to do so' (ibid., p. 710). A case study of the impact of the deregulation of British Gas on women's employment has shown the need for re-regulation (Colling and Dickens 1998, p. 389). Women account for 27 per cent of the workforce of British Gas, which was privatized in 1986. Since 1986 the company has introduced different equality initiatives, but further restructuring, increasing competition and cost reductions have changed the organizational constraints of EO measures. The case study authors found that privatization of gender equality operates when managers 'see the promotion of equal opportunities as being in their interests in competing in the product market, improving organizational competitiveness and/or competing in the labour market, and various steps have been taken that have improved the position of (some) women' (ibid., p. 403). They dispute that the promotion of equality in private business will improve the general situation of women in the labour market. An evaluation of the impact of NPM on EEO measures has yet to be carried out (Cunningham 2000, p. 702).

### **Positive action**

'Positive action' refers in most cases to requirements for meeting a social quota, regardless of the principle of equal qualification (for its application to minority representation generally, see Gow and Sutherland in this volume). Such measures are implemented in order to overcome statistical discrimination. This refers to a discrimination of a person not for individual characteristics but for characteristics that are attributed to the social group to which she or he belongs. 'Positive action' can present legal and/or constitutional anomalies. In Germany, for instance, regulations for 'positive action' on behalf of women violate basic features of the traditional status of civil servants and Article 3 of the German Basic Law prohibiting discrimination for any reason. The Court of Justice of the European Community states that it is unacceptable to hold any man liable for past injustices against women. Therefore an individual examination of every decision relating to the privileged recruitment of women is necessary

(Kodré 1998). As a consequence, some German *Länder* have amended their equal opportunity laws concerning the preferential treatment of women. The central issue concerns the difficulty of establishing criteria for the term 'equal qualification'. Equal opportunity programmes in Germany must tread a fine line between the promotion of women and the prohibition of disadvantages for men.

'Affirmative action' has a long tradition in the USA and is seen generally as the most important EEO approach, second to the anti-discrimination legislation (von Wahl 1999, p. 129). But even in the USA 'affirmative action' is a controversial issue, to a lesser extent for the women question than for racial discrimination. It raises fears of reverse discrimination and stigmatization (Bednarz-Braun 2000, p. 45). Reverse discrimination 'is based on the argument that majority group members are being illegally disadvantaged in employment opportunities because of affirmative action programmes that are established to improve opportunities for traditionally underrepresented groups such as women and racial minorities . . . By far, the most common reason for affirmative action plans is remediation' (Gullett 2000, p. 107). As is the case in Germany, the public sector in the USA has to follow different standards, specifically those arising out of Title VII of the Civil Rights Act of 1964 and the equal protection provisions of the Constitution. Because of the different interpretation by the Supreme Court of the legal acceptability of voluntary affirmative action, Gullett recommends that 'any voluntary affirmative action plan should follow the more rigorous requirements of the Constitution. As a result, some affirmative action plans will have to be more carefully designed and meticulously justified if they are to avoid successful challenge' (Gullett 2000, p. 117).

In order to avoid the problems of reverse discrimination and the backlash against EEO associated with US-type quotas, New Zealand has adopted a system based on the assessment of numerical targets in terms of the representation and distribution of EEO groups within departments. Also, rather than adopt the Canadian monitoring processes of the 1980s and early 1990s, in which detailed numerical reporting tended to neglect qualitative measures of progress, the priority policy targets of EEO in New Zealand are individual workplace systems and practices, strategic human resource management and an emphasis on business benefits. According to the Public Service State Services Commission 'typical affirmative action strategies included: career development programmes for EEO group members, assertiveness training for women, mentoring programmes. Typical human resource strategies included: interview procedures, introducing part-time work options. Typical organisational culture strategies included: an anti-sexual harassment programme and the establishment of child-care centres'.

**Incentives**

Sweden has a long tradition in the development of incentives such as partial financial compensation for part-time employment and parental leave. Parents have the right to reduce their working time in order to raise children (Schmid 1992, p. 46). Germany also offers parental leave. The opportunity to reduce working time, initially available only to permanent civil servants, was extended in 1994 to employees and workers in collective agreements.

In the UK, in the 1980s, the local level became the precursor of equal employment policies concerning recruitment and promotion (Bednarz-Braun 2000, p. 90). The policy of New Labour for the family seems to represent a change for women at work. The Employment Relations Act introduced in 1999 extended part-time workers' rights, granted child care tax credit (Working Families Tax Credit replaced Family Credit in October 1999) and extended the periods for paid maternity leave and unpaid parental leave (Pascall 1999, p. 261).

**Equal pay**

An important area of equal opportunity policy is the question of 'comparable work and pay equity', that is, the question of whether work in female-dominated occupations and industries is undervalued in relation to comparable male-dominated occupations and industries. Although the issue has long been debated, particularly in the 1980s among the liberal feminist movement in the USA, it has had no impact on EEO legislation. In Germany pay equity is more or less unknown (von Wahl 1999, p. 205). Nevertheless a further step to tackle the subject has been made at state level in New South Wales (NSW) in Australia (Strachan and Jamieson 1999, p. 324). The Office of Equal Opportunity in Public Employment prepared a case study on pay equity as part of the pilot implementation of job evaluation in the NSW public sector. The work value and remuneration of two gender-dominated professions, librarians and geologists (20 typical librarian jobs and 20 typical geologist jobs), employed by two major NSW public service organizations, the State Library of NSW and the Department of Mineral Resources, were compared. The report demonstrated a significant pay gap. Women in female-dominated public sector jobs earned on average 85 per cent of the pay of comparable jobs in male-dominated occupations. The rates of pay for librarians were less than for geologists of equivalent work value as measured by job evaluation points scores. The work value was ascertained by an examination of qualifications, award structures, career paths and remuneration and award histories for the two professions and a comparison of public and private sector markets. While the pay gap was small for base grade positions, it increased for higher level jobs. The difference amounted to almost 20 per cent of Senior Librarians' pay as

compared to pay for Senior Geologists with similar levels of qualifications, experience and responsibility. The reasons why librarians and geoscientists received different remuneration for jobs of similar work value were explained by the pattern of award increases, the history of awards, market influences and whether sex discrimination had occurred in each profession (<http://www.eeo.nsw.gov.au/women/payequit.htm>).

As a result of the case study, on 30 June 2000, the NSW Industrial Relations Commission introduced a new 'Equal Remuneration and Other Conditions' principle. Unions are now able to diversify awards by establishing that the rates in the award are undervalued on a gender basis.

The possible impact of pay equity adjustments, more precisely of an increase in women's wages, on the labour market is likely to be complex. Some labour market economists take the view that such wage adjustments will have the consequence of capital substitution and higher unemployment of women. The service sector and the clothing industry, for example, are highly labour-intensive and discriminatory wages represent a sub-optimal allocation of resources, thereby reflecting an inefficient resource allocation in the economy (<http://www.dir.nsw.gov.au/action/policy/equity/report/impact/index.html>).

### **Part-time work**

The promotion of part-time work is seen as a major instrument to improve the labour market participation of women. Reductions of working-time should help women with children to reconcile the double burden of work and family responsibilities. In Australia, Denmark, Sweden and Germany a significant percentage of all women in the public service work part-time (Table 6.1), although, strangely, the part-time quota of women's employment in the Swedish civil service at central level has decreased considerably, from 36 per cent in 1987 to 19 per cent in 1999. In Spain and the UK, part-time work for women's employment is relatively low. France holds a middle position. In Germany there was a decline in the percentage of women's part-time employment in 1991, explained by the low extent of part-time work for women in the GDR. Mothers with young children used to work full-time. Child care was a public policy priority. Whereas women's part-time employment is still growing in Germany, it is declining in Denmark where women's full-time employment is growing faster than part-time employment in the areas of education, police services and general administration (see further below).

### **Monitoring EEO policies**

Different institutional solutions have been found for achieving the realization of equality measures. Controlling provisions include the installation of

review groups, the appointment of women's representatives and regular staff reporting. In Sweden, a steering group has been set up to coordinate the promotion of equal opportunity in the national administration. In Germany, at federal level, a women's representative must be nominated in every agency with a staff of more than 200 persons. The women's representative operates independent of agency dictates and has no formal powers. She has no vote in decisions and only informative, participatory and initiative rights. She provides staff counselling services. Generally she is not elected by the female staff but is appointed by the public body she is expected to monitor. The UK has established a Joint Review Group to examine developments in the field of employment opportunities for women in the civil service. New Zealand appointed an Equal Employment Opportunity Co-ordinator for women in 1987. In the USA the Congress created the Equal Employment Opportunity Commission (EEOC) in 1964 as an independent federal agency. EEOC monitors compliance with anti-discrimination laws. It is authorized to lodge a claim against discriminating treatment by both private and public employers. Because infringement fines can amount to millions of dollars, the impact of equality policies is regarded as high (Bednarz-Braun 2000, p. 173). According to its own report the 'EEOC conducts thousands of hearings every year for federal employees who have filed discrimination complaints. . . . In fiscal year 1998, the EEOC received 12,218 requests for administrative hearings and resolved 7,494 appeals' (<http://www.eeoc.gov/>). The EEOC pursues a policy of mediation as an alternative in order to avoid lengthy investigations and the possibility of unnecessary litigation. In 1980, Sweden established a so-called equalization-ombudsman (Jämställldhetsombudsman) to monitor EEO legislation. By law the body must be headed by a woman. The underlying policy of this institution is based on voluntarism and consensus (Kurpjoweit 1997, p. 228).

At European level, the European Court of Justice has evolved to be an important actor in case law in the field of equal pay. The Treaty of Amsterdam (1999), Article 141, paragraph 4 complies with previous case law by providing that member states can apply positive action in favour of the underrepresented sex (Kalanke C-450/93; Marschall C-409/95).

The direct impact of equality measures is difficult to evaluate because of the diverse conditions of women's employment. The quantitative rise of women's involvement in public administration is not a sufficient criterion. Reporting on the results of positive actions in the US public service, the Washington State National Organization for Women found that white women had been the main beneficiaries (Bednarz-Braun 2000, p. 54).

The European Commission has adopted a new approach to equal opportunity policy called 'gender mainstreaming'. Gender mainstreaming came to

prominence with the UN World Conference on Women in Beijing in 1995 and the Amsterdam Treaty. The strategy combines 'the integration of gender perspective into all of the European Community policies and programmes with specific actions in favour of women, as now expressed in the Amsterdam Treaty' (Commission of the EC 2000, p. 5). The Treaty of Amsterdam Article 3 includes the provision that 'the Community shall aim to eliminate inequalities, and to promote equality, between men and women'. The concept of gender mainstreaming is seen as being supplementary to existing EEO measures. In many Member States, however, the process of implementing gender mainstreaming appears to be only beginning (*ibid.*).

## PART-TIME EMPLOYMENT

The statistics regarding part-time employment indicate considerable differences between countries (Table 6.1). Part-time work as a proportion of total state employment is highest in the UK and Denmark and lowest in New Zealand. In Australia, Denmark, Germany, Spain, the UK and the USA, part-time work is more prevalent in the public service than in the economy as a whole. In France and New Zealand, the percentage of part-time work in the public service appears to be less than that of part-time work in the general economy. No mainstream trend in the development of the part-time quota can be identified. In the public services the proportion of part-time work is increasing in all countries other than New Zealand and the USA, both of which show substantial decreases. The increase in Denmark is relatively minor (Table 6.1).

### **Definition and International Comparability**

The International Labour Organization (ILO) defines part-time work as 'regular wage employment with hours of work substantially shorter than normal in the establishment concerned' (ILO 1989, p. 3). Cases of short-term work for temporary economic or technical reasons are excluded. Generally, part-time work arises in the form of reduced hours per day, per week or per month. Part-time work is defined in relation to full-time work, with reference to the number of hours worked for the type of job in a certain industry or occupation. The number of working hours in full-time jobs varies from activity to activity and also from country to country.

The comparison across countries is complicated further by the different methods of data collection. The two basic methods for defining part-time work are self-assessment and the application of cut-offs (30 or 35 hours) to usual hours of work. Certain countries, such as Germany, Spain and the



UK, combine the two criteria to classify jobs as full-time or part-time (OECD 1997). Household surveys conducted in a specific reference week may produce misleading results if there are inconsistencies between the number of hours usually worked and those worked during the reference week (OECD 1994, p. 74). The range of methods used in countries to define full-time or part-time work raises the issue of the international comparability of different concepts.

### **Development of Part-time Work in the Public Service**

Towards the end of the 1960s, some industrialized countries started to make wider use of part-time work in the public sector. The objective was to encourage women with children to stay in, or to re-enter, the public service. A primary reason for the adoption of part-time work was the necessity to deal with labour shortages in the economy as a whole and in particular in public service policy areas with a high demand for public servants and a high degree of women's employment (for instance in Germany, France, the UK and Sweden). In Germany the education and health sectors were affected most, whereas the postal services were able to employ guest workers.

In the early 1980s the trend towards part-time employment gained impetus for two main reasons: first, female employees sought increasingly to reconcile the requirements of a career with the demands of private life, particularly family responsibilities. Second, rising unemployment in the 1970s and 1980s stimulated the creation of part-time employment as a component of labour market policy. Part-time work in the public as well as in the private sector could be used to combat unemployment. By the end of the 1980s, the growth in part-time work had become so significant that it exceeded full-time job creation in the public service in some countries.

In the 1990s, two opposing trends emerged: first, the continued growth of part-time employment across the entire economy in countries with a relatively low and medium part-time quota, such as in Spain, France, Germany and New Zealand, and second, a decrease in the part-time quota, as occurred in Sweden and the USA (OECD 1999b). Similarities can be observed in the public sectors. Denmark and Sweden had a high proportion of part-time employment both at the end of the 1970s and in the mid-1980s. Since then the proportion has decreased dramatically in Sweden. Both full-time and part-time employment is declining in Denmark, at a slightly faster rate for women than for men. The part-time quota in the New Zealand public service has also decreased substantially.

Australia and the UK faced major increases in part-time employment, from a medium to a high level. In France the increase was also high, albeit starting from a low level at the end of the 1970s. In France, part-time

employment grew rapidly in the early 1980s. Germany and the USA had a medium level of part-time employment at the end of the 1970s and moderate increases during the 1980s (OECD 1994, p. 77). In Germany, the percentage is still increasing, despite a slump of 9 per cent in the total number of part-time public servants in the period 1994–95 (in the same period state-level part-time employment was reduced by over 60 per cent). In the UK, Denmark and Germany the rise of part-time work in the 1990s was associated with reductions in full-time employment. In Southern Europe the proportion of part-time employment is the lowest among industrialized countries. In Spain only 18.2 per cent (1990) of state employees worked part-time (Table 6.1).

### **Task Areas and Levels of Government**

The development of part-time employment is caused in part by changes in state organization and policy agendas. In the UK in the period under review, the armed forces decreased in size and a number of full-time male-dominated industries (coal, steel, railways) were privatized while the education and health sectors, which employ a large number of women on a part-time basis, prospered. In Australia, part-time employment increased while full-time employment declined, particularly for men at state level where the labour-intensive services such as education, health and transport are located. The interim decrease of part-time work in Germany, as in France, is ascribed to the privatization of the postal services and hospitals.

The part-time employment quota varies between task areas. In international comparisons, part-time employment tends to be concentrated in the areas of 'education', 'social services', 'health care' and 'hospital services'. Denmark shows a relatively high percentage of part-time employment across a number of task areas (Table 6.5). The spread of part-time work is clearly related to the expansion of public employment, especially in the welfare services areas. In the UK, women working part-time were employed mainly in hospitals as a flexible workforce, as the example of Coventry (UK) shows (Beechey and Perkins 1987, p. 77). But not all women working part-time in the education sector are well-educated teachers. The study by Beechey and Perkins in Coventry, for instance, found that female part-time employees and workers were also clerical assistants and engaged in catering and cleaning jobs (*ibid.*, p. 92).

Part-time work is more prevalent at the state and local government levels. This is not surprising, since education, health and social services generally fall within the competence of state and local authorities. It is noteworthy that a structural change has occurred in part-time employment. In Germany in the 1960s and 1970s, the vast proportion of part-timers worked

*Table 6.5 Part-time employment percentage share by policy area in Germany, United Kingdom, Denmark, USA and France*

	Denmark (1995)		Germany	France	USA	United
	Central	Local	(1997) <sup>a</sup>	(1996) <sup>b</sup>	(1998) <sup>c</sup>	Kingdom (1996) <sup>d</sup>
General administration	25.5	23.0	17.5		6.2	
Defence (civil and military)	4.7		3.5		2.7	
Police <sup>e</sup>			6.6		2.7	
Foreign service			4.2			
Legal services	12.6 <sup>e</sup>		12.7		3.4	12.1
Education	45.5	40.4	34.2	55.2 <sup>f</sup>	3.2	6.5
Social services <sup>g</sup>	27.6 <sup>g</sup>	60.6 <sup>g</sup>	24.6		5.4	22.7
Health service <sup>h</sup>	33.6 <sup>h</sup>	38.2 <sup>h</sup>	29.9	44.5 <sup>j</sup>	15.9	
Housing <sup>k</sup>	14.4 <sup>k</sup>	29.6 <sup>k</sup>	12.6		5.2	8.4
Transport and communication	19.9	13.7	5.3		1.5	
Public enterprises			9.9	5.1		
Semi-state			15.8			
Post					23.8	
Culture and church	39.2					10.0
Utilities	41.1	16.9				
Trade and labour market	41.7					
Road construction and maintenance		6.8				
Libraries and museums		63.7			7.1	
Agriculture			15.3			11.1
Energy/water			16.0			
Railways			2.6			
Local special-purpose associations			24.6			
Economics/finance/ interior						16.5

*Notes:*

- a. Source: Federal Statistical Office Germany FS 14/6 1998; own calculations.
- b. Central Level, Source: Ministère de la Fonction publique 1997/1998; own calculations.
- c. Only federal level, civil personnel, Source: <http://www.census.gov/govs/apes/98fedfun.txt>, 23.05.2003
- d. Source: Employment Information Branch 1997: Table B, in: Hogwood, Brian W. 1998: Table 5.1.
- e. In Denmark, 'police' and 'legal services' are counted together.
- f. Local authority.
- g. In Denmark at local level 'social' and 'health care services' are counted together.
- h. In Denmark at local level only 'hospital services'.
- j. NHS.
- k. In Denmark including 'environment' at central and 'environment' and 'urban development' at local level.

for postal services. Nevertheless, some years after the privatization of postal services, the part-time quota has increased. Nowadays the biggest employer for part-time jobs is the education sector. It is probable therefore that the formal educational level, status and career groups of part-time employees have changed over time.

### **Status and Career Groups**

There are notable internal variations in part-time quotas in countries that ascribe a special status to permanent civil servants. There are considerable gaps, for instance, in the part-time quota between career and non-career employees in France and between civil servants, employees and workers in Germany. The percentage of part-time work for non-career staff (38.9 per cent) is considerably higher than for career staff (8.7 per cent) in France (Bodiguel 1999, p. 62). Again, for labourers, employees and civil servants in Germany, the proportions are 25.8, 27.9 and 12.2 per cent respectively. Comparing both countries, the part-time quota of civil servants seems to be significantly higher in Germany than in France in 1997 (Federal Statistical Office Germany FS 14/6 2000; Ministère de la Fonction publique 1997/1998). Part-time employment for civil servants in Germany was almost non-existent until the mid-1970s but began growing in the 1980s. For civil servants and employees, part-time employment is still increasing whereas for labourers the share is increasing while the actual numbers are decreasing. Since the 1980s the number of part-time employees is higher than for part-time labourers. Again, it appears that an educational upgrading of part-time employees has taken place.

Part-time employment in higher ranks is also an exception in the UK. The conditions for part-time employment at the upper responsibility levels however clearly improved after 1984. In 1998 between 13.3 and 18.4 per cent of the three highest ranked levels of the civil service worked part-time. Fourteen years earlier, in 1984, only 2.4 to 6.1 per cent did so (Cabinet Office 1998).

### **Women in Part-time Employment**

Part-time employment is predominantly a phenomenon of women's employment. The women's share in public sector part-time employment is higher than 70 per cent in all countries, with the exception of central government in Denmark. At the same time in most of the countries, women account for significantly less than 50 per cent of full-time employment, the exception being France where women are not underrepresented in full-time employment (see the chapter on France in Vol. I).

Table 6.6 *Women's share of part-time employment in the public service: Germany, Denmark, United Kingdom, France, 1960–97*

	Germany <sup>a</sup>		Denmark <sup>b</sup>				United Kingdom <sup>c</sup>		France <sup>d</sup>		Canada <sup>e</sup>
	Total	%	Central level		Local level		Total	%	Total	%	%
			Total	%	Total	%					
1997	881 700	87.7	65 400	53.0	206 500	85.0	54 433	93.9	133 400	94.3	83.0
1991	909 200	88.3	72 700	58.1	195 800	83.8					
1990	727 900	86.8	75 300	59.2	193 500	84.0					
1987	656 900	85.7	79 100	45.9	256 600	82.1	19 801	94.0			
1980	407 400	93.5	72 800	54.0	204 300	81.8					
1969	196 100	88.2	–	–	–	–					
1960	126 500	81.0	–	–	–	–					

*Notes:*

- Core public service, 1960–87 without part-time employees and labourers with less than half of the regular working-time, source: Federal Statistical Office Germany FS 14/6, various volumes; own calculations.
- For 1987: 1984; for 1997: 1998; source: (CPS).
- For 1997: 1996; source: (CPS).
- For 1997: 1999; source: Gow and Sutherland 2000.

Part-time work is significant for women's employment, whereas men's part-time employment accounts for a relatively low percentage of total male employment. The share of part-time work for men's employment was only 5.6 per cent in Germany (1998), 12 per cent in Sweden (1999), but 22 per cent in Denmark (1995). Male part-timers are mostly young labour market entrants and older men approaching retirement.

The decrease in women's share of part-time employment in Germany since 1980 matches evidence of a growth in male part-time employment. In Denmark, the proportion of part-time positions fluctuates at central level and is increasing at local level. In comparison to Germany, the UK and France, women's share of part-time employment is slightly lower in Denmark and Canada (Table 6.6).

Women's share of part-time employment varies according to task area. The high proportion of part-timers in local government can be explained by the responsibility at that level for 'health' and 'social services'. In Germany in 1997, the proportion of women part-timers in the 'education' sector was only 84.6 per cent (at the *Länder* level it was 80.0 per cent),

whereas in 'health' and 'social services' it was 91.0 and 93.7 per cent respectively (Federal Statistical Office Germany FS 14/6 1998). In Denmark, the proportion in the education sector in 1995 was 45.5 per cent at central level and 73.8 per cent at local level.

Comparison of part-time employment for female civil servants in France and Germany indicates the relevance of reduced working hours for women in the German public service. Among the upper career group, every third female civil servant works part-time in Germany. In particular, the part-time rate in the elevated service is about 40 per cent. Notably, the women's quota of part-time senior civil servant positions in federal ministries has fallen from 73.7 per cent in 1996 to 41.9 per cent in 1998. The increased overall part-time quota at this level is caused mainly by a relatively dramatic increase in male part-time employment among heads of sections (BMFSFJ 2000, Table 21).

In both Germany and France, it is only in the lower career groups that the part-time quota is close to the average for the public service as a whole. This striking phenomenon is explained in the main by the high incidence of part-time work in the education sector. Part-time employment is widespread among teachers. It helps explain also the educational upgrading of part-time public servants. Blue collar employment is declining not only in the part-time sector. Privatization and contracting out have reduced the size of the labourers group in the public service overall.

### **Regulation of Part-time Employment**

Working part-time is permitted in most countries. For permanent civil servants in countries like Germany, employment is deemed legally to be full-time although a public servant may apply subsequently for part-time employment (Derlien 1999). In some countries employment in a job additional to a part-time position in the public service is not permitted due to the potential conflict of interest arising from the performance of public and private duties. Most countries such as Australia, France (1970), Germany (1985), New Zealand, the UK (1972) and the USA have introduced measures to encourage part-time work by amending legislation or regulations with respect to better conditions of employment and equal treatment of part-time and full-time employment (ILO 1975, p. 71). Initiatives to extend the protection of part-time workers have increased further the acceptance of part-time work by employees. Guaranteed access to part-time work has been introduced for some target groups, such as the right to work part-time during parental leave. Some programmes which promote part-time work compensate workers for loss of income and provide financial incentives.

There is some evidence that job protection in the public service has been diminished with the introduction of NPM reforms (ILO 1994: p. 15). As far as I can ascertain, this has not affected part-time employment.

### **Legal Regulations**

The active promotion of part-time work is common in the civil service. In cases where access to part-time work is possible through legal provisions, the return to full-time work occurs automatically (in Germany by law for civil servants) or part-timers get preferential access to full-time jobs (in Germany by collective agreement for employees and labourers). In France full national insurance was required for part-time workers until the mid-1970s. A part-time regulation was enacted in 1980 in order to allow for all public employees to work on a part-time basis. From 1981 the French part-time law regulated the equal or proportional treatment of part-time and full-time workers for almost all labour rights including wages, social contributions, leave, protection against unlawful dismissal and the obligation to complete a written labour contract. Since 1982, public employers have been required to hire new staff to fill the remaining shares of positions from jobs which have been transformed into part-time places. Public servants are assured of access to part-time work for a certain period. All state employees have the right to reduce working hours for at least six months with a guaranteed return to full-time employment (BeitrAB 1987, p. 302).

In accordance with the policy of deregulation, in 1985 the German government passed an Employment Opportunities Act for the economy as a whole. It included the first legal definition of part-time work and specified equal treatment for part-time and full-time employment unless there were objective reasons to justify different treatment. By allowing for the social partners to agree upon different conditions for part-time workers, it challenged the principle of equal treatment as provided for in the Constitution and under labour law. Case law ensured the access of part-time workers to social benefits, including in the public sector. In 2001 the right for employees to work part-time was introduced.

There have never been legal restrictions on part-time work for state employees and labourers in the German public service because their labour contracts are based on private law. Permanent civil service status hindered the development of part-time work for civil servants. Exceptions were made until finally working time was liberalized. For public servants, part-time employment was initially only possible in order to raise a child (since 1969, and only for women). In 1980, part-time employment was introduced for those areas in which there was deemed to be an urgent need for persons

trained in occupations that were mainly specific to the public service. Part-time employment was allowed only for a short fixed period in compliance with the traditional principles of a permanent civil service. The pressure of growing unemployment rates in 1984, 1990 and 1994 prompted an extension to the number of years in which part-time work could be undertaken. Despite a decision of the Federal Court of Administration (Bundesverwaltungsgericht), which declared the offering of exclusively part-time contracts for job seekers of the permanent civil service unconstitutional, this employment policy was tolerated for a number of years. Where it applied, part-time employment was likely to be involuntary and only an alternative to unemployment. Mostly it affected young teachers.<sup>2</sup> Since the civil service reforms of 1997, the opportunity for part-time work has been liberalized for civil servants. They are allowed to work less than half of the regular work time for a limited period for family reasons. Some *Länder* make use of an opening clause which permits them to employ civil servants on a part-time contract from the outset. A long-term part-time career is not intended for the moment.

In Denmark, part-time work is extensively covered by collective agreements (Maier 1992, p. 63). Denmark has granted part-time employees who work more than 15 hours per week the right to earn full seniority relative to full-time staff with respect to pay, sickness benefits and dismissal under all collective agreements in the state sector (ILO 1994). But as is the case in Germany, in Denmark only a particular range of public service jobs can be worked on a part-time basis. In the UK since April 1990, part-time personnel working less than 15 hours a week are entitled to the same terms and conditions of service as part-time workers with longer work hours. In order to fulfil the EU-Directive 97/81/EC concerning part-time work, the Employment Relations Act (1999) included provisions that prohibit discrimination against part-time workers. A code of practice which covers the entire labour market is planned by the UK government. Whereas in Germany and elsewhere the EU Directives were criticized as being regressive in terms of ensuring equal treatment for part- and full-time workers, in Spain, the Directive 97/81/EC led to improvements for part-time workers. The Royal Decree 15/1998 was the outcome of an agreement between government and the two major unions but was rejected by employers. The legislation extended social protection for part-time workers and established the right to interchange between full-time and part-time contracts. Part-time workers in Spain have now a proportional right to holiday leave and a corrective coefficient of 1.5 has been introduced to compensate for reductions in retirement and permanent disability benefits. Working time and the distribution of hours must be defined in contracts (*Equality Quarterly News* 1/1999, p. 43).



Part-time work in the USA was encouraged through enactment of the Federal Employees Part-time Career Act 1978. Federal agencies established formal programmes to expand opportunities for part-time employment. In Australia, the Public Service Act regulates permanent part-time work at federal level. Some industrial awards contain quotas limiting the number of staff who may work part-time, the quotas varying between 3 and 20 per cent of the total workforce for the occupational group concerned.

Some thresholds for social security coverage (public health benefits, old-age pension benefits, unemployment benefits) exist in almost all countries, excluding New Zealand and Spain. In the USA, coverage varies according to state laws (OECD 1998, p. 172). Benefits provided by employers are based on collective agreements which often exclude part-time workers generally or those working less than a certain threshold number of hours (Maier 1994, p. 166).

### **Part-time Work for Social Reasons**

Part-time work for reasons of childcare is very common. Parental part-time work provisions apply in both the public and private sectors. They are intended to promote equality on the labour market, but in practice these programmes are used mainly by women. Sweden is one example where provision is made for some form of compensation for the loss of income (ILO 1989, p. 18).

In order to increase equality of opportunity for women in the civil service, many countries now actively encourage part-time work and job-sharing. Sweden, Germany and France have introduced the right to undertake part-time work during parental leave. A reduction in work hours for reasons of childcare is permitted in France and in Germany, where it was introduced for civil servants in 1969 and for employees and labourers in 1994. In the public service, the duration of the so-called 'family' part-time is much longer than is legislated for in the economy as a whole. There is also right of return or a preference to a full-time job for those seeking it.

The impact on women's employment is ambiguous as part-time jobs are offered most frequently in support and clerical positions. Part-time work poses problems for promotion and career development because of the assumption that it means less work commitment and because the work in top positions cannot always be easily divided. Therefore part-time work can limit women's careers and perpetuate their traditional role. On the other hand part-time employment can be a bridge that facilitates the integration of women into the labour market.

Partial retirement is increasingly popular as a way of combining the personal preferences of employees and employment promotion, such as in solidarity contracts in France or part-time job release schemes in the UK (BeitrAB 1987, p. 454). In Germany, part-time employment for older personnel is regulated by law and by collective agreements. Most programmes offer incentives to continue in work by partially compensating the loss of income and offering special measures to avoid disadvantage with regard to pensions. The initial regulations for partial retirement discriminated against part-time employers because an application for partial retirement implied previous full-time employment. The discriminatory regulations were revised in 2000.

### **Part-time Work and Employment Policy**

A primary purpose behind the promotion of part-time work is employment creation. The effectiveness of part-time work as a means to combat unemployment is controversial. Financial incentives for employers introducing part-time work have rarely been sufficient for the private sector. Many employers who took advantage of subsidies would have introduced part-time work even without them (ILO 1989, p. 19). The situation in the public service differs. The state as employer is committed to socio-political targets such as providing new jobs. The partition of full-time work in order to create new part-time jobs is possible only in highly regulated segments of the labour market.

In the UK, there is no special programme for the public service (Maier 1992, p. 60), but rather a 'Community Programme' with the main focus on the public sector. The aim is to provide jobs for the long-term unemployed. The programme has evolved over the years into a de facto part-time employment programme. Part-time schemes for young workers aim at promoting entry into working life by providing part-time jobs and income in combination with training (BMJFFG 1989). Similarly, French public job creation measures ('Travaux d'Utilité Collective' – TUC) for young people provide only part-time work-places (BMJFFG 1989, p. 94). Unemployed young people are employed for 20 hours per week in public or non-profit organizations. Schemes aimed at creating jobs on a part-time basis also exist in Germany and Sweden for certain groups including unemployed youth (Maier 1992, p. 62). Places are created mostly in social services at the local level. Such programmes have been criticized on the grounds that they could replace regular jobs. In the new *Länder* in Germany, in order to prevent personnel shortages, the collective agreement for white-collar workers (BAT) provides for the possibility of a reduction in working time of up to 30 hours without the requirement of compensation for loss of income.

Table 6.7 *Reasons for part-time employment (entire economy) in Denmark, Germany, France, Spain, Sweden and UK (in %), 1996*

	Denmark		Germany		France		Spain		Sweden		UK	
	m	w	m	w	m	w	m	w	m	w	m	w
Education and training	58.9	24.9	27.7	3.4	–	–	10.4	3.1	21.3	7.9	34.2	9.1
Work in capacity	6.0	1.4	7.0	2.3	–	–	5.6	0.7	18.0	7.5	2.7	1.1
Couldn't find full-time employment	12.4	15.4	15.5	11.3	52.1	36.9	21.7	22.8	29.2	29.6	25.5	9.8
Didn't want full-time employment	22.5	58.3	41.0	80.2	47.5	63.0	1.9	3.7	30.8	54.4	37.1	79.6
Miscellaneous	–	–	–	–	–	–	58.5	68.0	–	–	–	–
No answer	–	–	8.9	2.8	–	0.1	1.9	1.7	–	0.6	0.5	0.5
<b>Total</b>	100	100	100	100	100	100	100	100	100	100	100	100

Source: Labour force survey 1996, Eurostat. Luxembourg 1997, Table 059.

## Explanations

### Reasons for working part-time

Different reasons are given for working part-time (Table 6.7). Involuntary part-time employment ('Couldn't find full-time employment') is lowest in Denmark and Germany and highest in France. In Germany, France and the UK, men give this reason more frequently than women. The most important reason stated by male part-time workers in Denmark is education and training. In Germany and the UK, most part-time workers state they do not wish to work full-time. In Sweden roughly equal numbers of respondents cited voluntary and involuntary reasons. In Spain the second largest group of men and women work part-time because they could not find a full-time job. Women part-timers were predominantly voluntary in all countries except Spain. In Germany, Sweden and the UK, education and training was to a greater extent a reason to work part-time for men than for women. This indicates that part-time employment is for women mostly a possibility to reconcile work and family while men usually work part-time involuntarily or for their professional development. Women refer most commonly to the family situation. In all countries, working mothers prefer part-time jobs,

but to a varying extent. In Germany, the UK and Sweden the part-time workforce comprises mainly women with children (Schulze Buschoff and Rückert 1998, p. 58). From this it appears that the increase in part-time work can be explained by the increase in women with families entering the labour market and to a lesser extent by preferences of workers for more leisure and the increased interest of employers in flexible working time arrangements.

Husbands' incomes influence the labour market participation of married women. High male wage levels in Germany mean that more women than in some other countries can afford to look after their children themselves while the family can still maintain a relatively high living standard (Ellingsæter 1992, p. 12; Erler 1988, p. 235).

There are two approaches to explaining part-time work: labour market processes and the 'gender system' (Fagan and O'Reilly 1998). The first poses the question of the use of labour and emphasizes the demand for labour which leads to a segmentation of the labour market. The second concentrates on the living and working conditions of women and is supply-side oriented. Recent research combines both approaches. One conclusion from the quantitative comparisons is that in some countries the rise in women's employment is clearly related to the development of part-time employment. Increasing female labour force participation is one of the explanatory factors for the increase in part-time work.

### **Women in public service**

The increasing female labour participation can be explained in large part by the stronger orientation of married women towards non-domestic work. The rising education levels of women heighten their aspirations and access to the better-paid professional jobs. Family work becomes unattractive (Becker 1991). Besides this economic explanation, emancipation leads to the development of values for a professional life comparable to those of men: to get ahead, to earn a high income, ego-boost and gain influence. Highly qualified women maintain a continuous labour market involvement and part-time work is usually for only a short period in their life course following childbirth (Quack 1993).

As the qualification structure in the public service is generally higher than in private business, highly qualified women are attracted to public service (Becker 1993).<sup>3</sup> The welfare state restructuring stimulated an expansion in female labour market participation, particularly in state employment. Women have a preference for clerical and social occupations, not because of a special female work ability but because they seek a better quality of life. With the rise of the service sector, the demand for jobs occupied predominantly by women has increased because the service sector is

now the most important employer for women. Occupational segregation by sex supports a high proportion of women in the public sector.

### **Women and career paths**

Explanations for a lack of women's representation in senior positions focus on socialization and organizational obstacles. Women frequently have a different career path from men because their family responsibilities more often entail career breaks. Career breaks can impede the career paths of women especially in those systems in which advancement is based on seniority. Even part-time employment has a negative impact on women's career paths due to the stigmatization of part-time workers. In Sweden and Germany, the average age of women working part-time has been found to be higher than that of women working full-time. They were also more likely to have children at school rather than at pre-school age (Sterner and Fürst Mellström 1985, p. 50; Quack 1993).

Several studies indicate that women in top positions are mostly childless. Bearing children appears to be an obstacle to career advancement (Dienel 1996). Factors related to the organization are said to have a greater influence on their career. The gradual success of equal opportunity programmes is credited as a determining factor for those countries which have a high percentage of women in the senior civil service (Figure 6.2). In countries where public employees enter the public service very early in their career and are set on a career path (in Germany: *Laufbahn*), changes may take a longer time to run through up to the senior levels than in public services with more flexible recruitment (PUMA 1997). The development of career aspirations is related to perceived promotion prospects in organizations.

Organizational cultures do matter. One important element in combating the so-called 'glass ceiling' seems to be the necessity for women to belong to the appropriate networks (Burton 1997, p. 12). Also, recruitment procedures can have a selective character, like the ENA in France (Dienel 1996, p. 39). Despite the existence of anti-discrimination laws, when interviewed about their career paths women in top positions continue to report discrimination by superiors, clients and colleagues (*ibid.*, p. 94).

The so-called 'traditional principles of civil servants' in the German public service mean the full dedication of the manpower to the state and were designed at a time when women were not needed as manpower resources or were only tolerated in areas such as postal and clerical services or as nurses or teachers. The typical 'male' career pattern of public servants is not necessarily due to the bureaucratic organization but to the combination of certain recruitment procedures and a traditional family model. The protracted process leading to the acceptance of part-time work demonstrates this understanding. The growing involvement of women in the

public service, in particular their acquisition of civil service status, challenges the traditional understanding of civil service.

### **Family policy/day care**

The growth in female labour market participation raises the question of childcare. School schedules in West Germany generally cover only the morning hours and no lunch is provided. If a place in kindergarten is available, the opening hours are disadvantageous even for part-time working parents. In West Germany, mother-centred childcare is regarded as most important for the well-being of children, whereas East Germany had the highest quota of full-time working mothers with young children in Europe. Denmark has managed to disconnect motherhood and part-time work (Ellingsæter 1992, p. 25). The Danish state takes direct responsibility for children by providing public childcare facilities, thus influencing the decision of women with children to enter the workforce. In France, too, high rates of women's employment also see a relatively low level of part-time work. Childcare provisions, including centres open until 6 p.m., allow French women to continue to work on a full-time basis while their children are young. In the USA, day care is seen as a private matter. There is a lack of childcare provisions, although the existence of all-day school gives some support to occupational activity by women.

Differences in the female labour supply are shaped by social policy. Esping-Andersen (1990) links the theoretical debate with a comparative analysis of welfare states. In short: welfare states have developed different arrangements between state, market and the family. Thereby, women's labour supply is closely tied to the welfare state's social services, transfers and tax systems. Esping-Andersen classifies Denmark and Sweden as belonging to the same social democratic welfare cluster, characterized by high-quality social security systems and welfare provisions. The serious commitment to provide childcare services allows women to work and creates a large labour market for women. The UK and the USA are categorized as 'liberal welfare states'. Such states are characterized as lacking in the provision of state support for working mothers. Women with young children work mainly part-time. Germany is seen as an exception (Ellingsæter 1992, p. 25). In Germany part-time is the main type of work for working mothers, even though there are more provisions for working parents than in the UK (and fewer than in Scandinavian states such as Denmark). One explanation could be the already mentioned traditional breadwinner family model which promotes the desirability of part-time employment in Germany (as well as in the Netherlands), whereas in more egalitarian models<sup>4</sup> full-time employment is more the norm (Ellingsæter 1992, p. 28; Pfau-Effinger 1998, p. 177).

**Part-time as an employment strategy**

The universal trends in part-time work have coincided with a period of industrial restructuring. The need for flexibility is relatively higher in the service sector. Part-time employment has more potential for flexibility compared to full-time employment. The extended overtime option covers irregular and temporary changes in the demand for labour (Smith et al. 1998, p. 44). These requirements are often to be found at the lower occupational levels. A large service sector seems to be an essential condition for the development of high levels of part-time work. Occupations that are typical for women show a higher part-time quota in the public service, too. Public administration benefits from part-time work because, as an employer on the demand side of the labour market, it provides management with flexibility in meeting work requirements. At the same time, women who work part-time normally are not able to change the amount and timing of hours worked per day to suit the employer because their family responsibilities do not necessarily give them time-flexibility.

**Employment policy**

Job partition is an important employment instrument in France and Denmark (Commission of the EC 1996, pp. 50–3). An objective behind provisions promoting part-time work is to achieve an increase in voluntary work-time reductions and the consequent creation of new jobs, albeit part-time. In this scenario, involuntary part-time work becomes relevant only for outsiders. Entrants are coerced to work part-time. In Germany, the education sector is most affected by involuntary part-time work. Collective work-time reductions with income compensation can be found only in the new *Länder*, where they apply mainly to teachers. They mostly do not belong to the status group of ‘civil servants’ because of the different personnel policies of the new *Länder* compared to the ‘Old *Länder*’. This involuntary form of part-time employment has probably increased the supply of men for part-time work. In Germany, in the education sector, the women’s proportion of part-time work is lower than in other task areas that have a majority of women’s employment.

**Industrial relations**

Industrial relations need to be taken into consideration when explaining working conditions. A number of trade unions have regarded part-time work as contradicting the goal of reduced working hours at full pay (ILO 1989, 24). In the UK and Germany, trade unions have had reservations about the growth in part-time work. In most collective agreements part-time employees were excluded and even now part-time workers with low working hours are not covered by collective benefits. There is a tendency for

unions to concentrate their attention on defending the rights of those in standard jobs and to be reluctant to fight for more or at least pro rata rights for part-time workers (Delsen 1995; p. 90). In the past, strong trade unions seem to have been an obstacle for an accelerated growth of part-time employment. Within the unions, departments concerned with policies affecting women have a more favourable attitude towards part-time work. Nonetheless unions have recognized that different working conditions distort economic competition. A notable development is the contract of the social partners at EU-level which claimed better working conditions for part-timers in compliance with national concerns (see EU-Directive 97/81/EC).

## CONCLUSION

The rise in all countries in the percentage of women employed in the public service results partly from an increase in the total number of employed women. Privatization and downsizing of traditional male domains has led to an overall decrease of men's employment in the public service in several countries (Australia, Denmark, France and the UK). At the same time, in the UK and Denmark, the absolute figures for women's employment are also in decline. The reduction could be the consequence of privatization of areas in which women are well represented.

Women's employment and part-time employment are predominantly in the state welfare services areas such as health, education and social services. In countries with civil service status, women are less well represented in the status group than in others. The distribution of women among career groups shows a concentration in the lower levels. Despite improvement in women's representation, senior positions are still male dominated. Comparison is difficult, but there are strong indications that the women's share in senior civil service positions is lowest in Germany.

Regarding the impact of NPM on women's employment, there is no consistent answer. Some writers highlight the negative constraints imposed by the business approach of NPM and the relative freedom from regulation. For the same reasons, others see positive opportunities.

Widespread acceptance of part-time employment in the public sector emerged in the late 1960s. A primary reason for the adoption of part-time work was the necessity to deal with labour shortages and to encourage women to enter the labour market. In the European countries, part-time employment is still predominantly a phenomenon of working mothers with school-age children. The high proportion of part-time employment in Denmark and Sweden from the late 1970s to the mid-1980s has since decreased, including



in the public service. The New Zealand public service also shows a substantial decrease in its part-time quota. Part-time employment is still growing in Germany and in France. Australia and the UK have experienced major increases in part-time employment, from a medium to a high level.

In the public services, the structure of part-time employment is similar to that of women's employment. The higher the career group, the lower the part-time quota. Part-time employment in higher ranks is an exception. An educational upgrading of part-time employees can however be observed for public servants in Germany. This striking phenomenon has been brought about mainly by the high proportion of part-time work in the education sector. Part-time employment is widespread among teachers. Comparison of the part-time employment of female civil servants in France and Germany gives an indication of the impact on women of provisions allowing reduced working hours in the German public service. Even in the upper career group, every third female civil servant works part-time in Germany.

Women's and part-time employment are influenced by diverse factors. The state as an employer is able to act as a forerunner in the development of both trends, but, as shown above, countries take different approaches to fulfilling this role. The Nordic countries represent the cutting edges in the promotion of equal opportunities for women and part-time work. Germany, France and Spain are in some ways the stragglers. In the promotion of minority groups in the public service, the example of New Zealand demonstrates that stragglers might be able to learn from the experiences of other countries.

## NOTES

1. Although Portugal is not included in this present survey, it is mentioned here because of the high quota of women in its senior civil service.
2. In other countries with a special status for permanent public servants a similar practice has been reported. In Belgium, all newcomers to the public service are initially employed for one year on an 80 per cent basis of the standard working hours. In the Netherlands, young entrants are often offered only a part-time job.
3. This has been shown for Germany.
4. The often used example is Finland.

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## 7. Minority representation: language, race and ethnicity

**James Iain Gow and Sharon L. Sutherland**

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Modernity as applied to government meant the emergence of the modern bureaucratic state with its legal rationality, its separation of church and state and its universal egalitarianism. As very few states have homogenous populations, however, at length a number of minorities complained that majority government and bureaucratic administration neglected their needs and even threatened their existence. One of their first aims was for a greater presence in public sector employment.

This chapter is concerned with only two of the aspects that generally provide the motivation to introduce special programmes designed to change the composition of public sector employment, that is, language and minority racial and ethnic status. Ethnicity, according to *Le Petit Robert* dictionary concerns ‘a certain number of characteristics of civilization, particularly a community of language and culture’, whereas race depends on physical characteristics. Although our concern is with linguistic, ethnic and racial presence in the public service, note in passing the variety of groups that may be included in anti-discrimination policies. To ethnic and racial groups, including aboriginals, most policies add sex, and many include disabilities or handicaps. The most elaborate collection appears to be that of New Zealand, adopted in its Human Rights Act of 1993, which makes it unlawful to ‘discriminate unfairly’ on the grounds of sex, age, marital status, religious belief, ethical belief, colour, race, ethnic or national origin, disability (including illness), political opinion, employment status, family status and sex orientation.

While discrimination on the grounds of sex is dealt with in another chapter in this volume, our concern is only with people who are distinct from the majority by reason of language (and with it culture) or racial or ethnic origin.

## THE ORIGINS AND EXTENT OF EQUAL EMPLOYMENT OPPORTUNITY POLICIES

Tummala (1989) finds two kinds of values at the origin of equal employment opportunity (EEO) policies. First, there is a demand for equity, which involves both compensation for past injustices and a current sharing of social benefits. Second, there are arguments in favour of representativeness, in terms of the potential contributions of all groups to government service and of the responsiveness of public services to diverse groups in the community.

Much of what we are dealing with in these redistributive programmes comes because of direct political pressure by groups that have felt cheated. Examples are the civil rights movement in the United States, the rise of French Canadian nationalism and, more specifically, of an independence movement in Quebec, both in the 1960s, and strained race relations in the United Kingdom, with race riots in south London in 1981. There are several other practical sources of policy on minority inclusion, however. The actions of several countries (the UK, France and Germany, in general, Canada for language) can be traced to constitutional provisions or the way constitutions have been understood. Some policy derives from Human Rights Acts (the USA, New Zealand and Canada), some from international human rights obligations, in particular, the United Nations Universal Declaration of Human Rights of 1948 (New Zealand, Canada) and others from International Labour Organization conventions on discrimination in the workplace (Australia and New Zealand). Still others find their origins in treaty obligations between governments and aboriginal populations (New Zealand, Canada).

Another very contemporary policy driver is whether the state governs a society of immigration in the sense that its population policy is built on significant amounts of ongoing immigration (and citizenship is conferred quickly). Australia and Canada are perhaps the most dramatic examples. Canada's immigration and refugee programmes bring in about 200 000 people annually, with the largest proportions of arrivals coming from Hong Kong, India, China, the Philippines, Taiwan and Pakistan (Canada, Citizenship and Immigration 1999, p. 7). Unofficial arrivals also occur, and provide further significant numbers. These numbers become significant in Canada's population of about 30 million: the 1996 Census shows almost one in five respondents reporting as first-generation immigrants, and 11 per cent as visible minorities.

What are the goals of equal employment policies? In general, as indicated, they are some approximation to proportional representation. For example, the US Civil Service Reform Act of 1978 declared that the federal workforce should reflect 'the nation's diversity'. This may be measured in

terms of the presence of the target group in the general population, but most often it is their presence in the labour force (or the population of working age, or available for work) that is used (Rosenbloom 1984). The measurement base may vary depending on whether accountability for recruiting or hiring is involved. For some reporting purposes, for example, the USA and Canada narrow the comparison group to those present in neighbouring civil service categories of employment, or the 'qualified workforce', thus bringing the measure closer to the pool in which recruiting takes place. Canadian language policy and New South Wales policy on aboriginal employment (New South Wales ODEOPE 2000) also indicate as goals better and more accessible service delivery.

Again, New Zealand State Services Commission (1997) has spelled out most clearly its goals. It wants employment of EEO groups at all levels of the administration, procedural fairness and organization cultures that are 'inclusive, respectful and responsive'. The attempt to give EEO an inspirational character is apparent in a Canadian document (Canada Treasury Board 2000b): 'Canadians are well-served by a public service that is results-driven, values-based, representative, learning and the best in the world'.

Where diversity goals are not spelled out, however, the reasons for not doing so can be discerned with more or less accuracy from the legal and cultural environment of a state. Citizenship is a near-universal requirement for most public sector employment, thus how easily this is achieved is a key variable in allowing a lack of minority representation to become visible. Other aspects of public law are of utmost importance in both France and Germany. As Luc Rouban indicates in Volume I, in regard to France, two-centuries old public law forecloses social differentiation on attributes, and representation by attributes, by formally preventing distinctions between persons on the basis of sex, ethnicity or belief. In Germany, citizenship is difficult for minorities to obtain. And, as indicated by Derlien in the previous volume, public law in Germany since 1949 prevents explicit social differentiation on the basis of attributes. Overall, as suggested by Jon Pierre in his chapter on Sweden, failing all else, one can look to the way states officially report their employment data to confirm whether they can express formal goals for achieving minority presence in public employment.

## LANGUAGE REGULATION IN THE PUBLIC SERVICE

In one sense, language policy is very different from other forms of anti-discrimination policies, because, in principle, anyone can acquire languages. But linguistic representation has two distinct dimensions, one concerning the language of service and of work, the other concerning the presence of

linguistic minorities holding group rights to shares in the public service. To be clear, we do not agree with those who argue that linguistic representation in Canada is a 'conscious distortion of the merit principle' akin to veteran's preference (Best 1987, p. 74). Such a position is tenable only if one exempts from job qualifications – from merit – the ability to serve or work with a given language group in its language. We view the ability to work and serve in the target language as an unambiguous 'condition of merit', a skill that permits those possessing it to compete. Even so, language is a central carrier of culture and a component of ethnicity, and hence representation of linguistic groups is usually part of policies aimed at promoting or protecting a language. Further, sometimes the two dimensions of linguistic representation become intertwined, as when state statistics report numbers of first-language speakers of official languages (in Canada anglophones, francophones and 'allophones' or everyone else) as surrogates for ethnicity.

In countries where the population is concentrated in distinct areas of language specialization, the general rule is the territorial principle. For instance, in both Switzerland and Belgium the language of public services is that of the canton or region in which citizens or organizations operate (Beaudoin and Masse 1973; McRae 1983, p. 122). An individual may write to the federal Swiss government in the official language of his or her choice (German, French or Italian), but if there is a conflict with the principle of territoriality, the answer will most likely come in the language of the canton in which the person lives (Meynaud 1968, p. 72; Beaudoin and Masse 1973). This principle has a nice simplicity about it, and people know that if they move, for example, into a German-speaking canton, they must expect to receive public services (including education and health) in German. Even so, there is the question of language at the capital and at the highest levels of the public service. Both Swiss and Belgian public servants at the capital are bilingual, and attempts are made to maintain proportional representation of the various language groups. Each public servant is free to use the language of his or her choice in internal communications, and, consequently, senior officials are expected to be bilingual.

In Spain the territorial principle applies by means of the autonomous regions. The Spanish constitution (article 3) provides that Castilian, or standard Spanish, is the official language of the state, but adds that other languages may be official according to the status of the various Autonomous Communities. At the present time, four Autonomous Communities have adopted other languages as their official languages: the Basque region for the Basque language (Euskara), Catalonia for Catalan, Galicia for Gallego, and Levante for Valenciano. The most aggressive and best known of these are the Basque region and Catalonia. Both of the local languages suffered greatly from having been banned for a very long time



before the constitution of 1979, with the result that their imposition as official languages has been hampered by limited knowledge of them among their respective populations. In 2001 only about 27 per cent of the people in the Basque region speak Euskara (Paquin 2001). In Catalonia almost 75 per cent understood Catalan in 1975, but only 14.5 per cent could read it. By 1986 90 per cent could understand it and 30 per cent could read it (Boyer 1991, p. 238).

The control of education and of community and local institutions is the key to this revival. While the constitution provided that Catalan was to be the official language of Catalonia, it specified that this was a second official language alongside Castilian, 'official language of the entire Spanish state'. However, the Normalization Law adopted by Catalonia in 1983 goes further: Catalan is the official language of Catalonia and no one is obliged to know Castilian. The institutions of the Autonomous Community (Catalonia) and local institutions must have Catalan as the unique language of written or oral expression, which excludes publication in two languages. The right of citizens to be served in the language of their choice is affirmed, however (Boyer 1991, p. 229). As is the case in Canada, the greater difficulty in applying these principles comes in concrete situations of daily use (*ibid.*, p. 243).

In Canada, while most French-speaking people live in Quebec, where they form the majority, there are considerable numbers in the territories contiguous to Quebec, in eastern Ontario and in New Brunswick. Richard Joy (1972) gave the name 'bilingual belt' to a corridor that runs from Moncton, in New Brunswick, through the Quebec city of Montreal to Ottawa (the national capital, on the boundary of Quebec and Ontario) and into northeast Ontario. Since the early 1960s, a number of nationalist leaders in Quebec have come to the conclusion that the cause of all francophones outside Quebec is lost. Thus, several small movements promoting independence for Quebec appeared; the breakthrough came when a popular former minister of the Liberal Party of Quebec, René Lévesque, founded in 1968 the movement that was to become the Parti Québécois. In 1976, at only its third election, this party won the majority of the legislature and formed a government aimed at holding a 'national' (within Quebec) referendum on what it called sovereignty-association, or independence alongside some form of political and economic partnership with the rest of Canada.

While the two Quebec-wide referendums held by this party failed (the latter in 1995, by less than 1 per cent), the federal government had not waited for the election of the Parti Québécois government before it moved on reform. Following the report of the Royal Commission on Bilingualism and Biculturalism (1963–1970), the Liberal government of Pierre Trudeau

introduced the Official Languages Act, adopted by parliament in 1969. This law made French and English Canada's two official languages for governmental, legislative, judicial and administrative purposes. It was most important in public administration, since the official character of the French language was earlier recognized in the other areas, but not here. Henceforth, French as well as English was to be a language of service and of work. In matters of service, a kind of territorial principle applied, because apart from headquarters, minority language services would be provided where numbers warranted it.

For civil servants, the consequence of this law was that positions would henceforth be designated according to language requirements. Hence, outside the national capital region, most jobs in the provinces require only one of the two official languages. The exceptions are New Brunswick, in the heart of the 'bilingual belt', where 41 per cent of federal public service jobs are bilingual, and Quebec, where the figure is 52 per cent. In the national capital region 60 per cent of positions are bilingual (Canada, Treasury Board 2000b). The operating policy has been to allow the people who were otherwise the best qualified for a senior job a very generous opportunity – half a year of full-time language training, with personal tutors to maintain and extend capacity – to acquire proficiency in the other language if they did not have it when they won the post. (After translation services, the biggest cost of this policy has been for language training.) In 1999, 85 per cent of incumbents were said to meet the language requirements of their positions, as opposed to 70 per cent 20 years earlier.

To oversee these and other aspects of the law, Canada has a language ombudsman, the Commissioner of Official Languages, who reports each year to parliament on adherence to the law.

Overall, this policy has been a success in diluting the dominance of anglophones and creating an environment in which French could establish a cultural presence. The presence of French Canadians in the federal public service has almost tripled from the early 1960s to 1999, representing 30 per cent in 1999, and 27 per cent of the top group, the Management Category. The presence of French Canadians in the Canadian population at large has been gradually declining to a point where it is under 25 per cent today. As a rule, middle-class French Canadians are bilingual, but the impression is that the federal language law has been of special advantage to Franco-Ontarians and New Brunswick's Acadian French population seeking employment in the public service, rather than advantaging francophones from Quebec. Many of the latter are attracted to the Quebec public sector.

The real test of this policy has not been the formal designation of each position nor the statistics of group presence in the public service, but whether federal employees could use their preferred official language at work, and

whether citizens could in fact receive services in the official language of their choice. The commissioner has stressed recently that budgetary cuts, contracting out and use of the Internet have led to increasing problems for citizens in obtaining service in French. She writes also that a number of employees in bilingual areas are not able to exercise the right to use their preferred language (Canada, Commissioner of Official Languages 2000, p. 86). She calls for new government leadership in restoring respect of the Act.

Under Canadian provincial governments, the situation is more varied. Only one province, New Brunswick, has an official two-language policy, embodied in a law very similar to that of the federal government. In much the same way as the United States has offered Spanish (Ricento 1998), Ontario has proceeded in a pragmatic manner to offer French services where the demand arose, but has been hesitant to create institutions such as school boards until forced to do so by changes in the Canadian constitution in 1982 (Cartwright 1998). The present government of Ontario is not a defender of the rights of francophones; Premier Mike Harris has removed programmes for employment equity from the Ontario public service generally, has refused to legislate bilingual status for the capital, Ottawa, and has stated that the preservation of the French language is the responsibility of families, not of the government.

The most striking case of language legislation in a Canadian province is that of the French Language Charter, adopted under the first Parti Québécois government in 1977. Although its purpose is to make French the language of work, business and service throughout Quebec, the law does respect a version of a territorial principle in that it recognizes the right of decentralized institutions (municipalities, school boards and health and higher education institutions) to function in both languages where there is a local majority of the other language. Concerning the Quebec government, however, while individual citizens may communicate with it in English, all public servants must be proficient in French to be hired. Anglophones make up less than 1 per cent of the Quebec public service, although they comprise about 10 per cent of the population.

Aboriginal languages have raised a whole new problem for governments in Australia, New Zealand and Canada. In general, the number of languages is too high, and the number of speakers of each too small, for comprehensive language policies such as those supporting French in Canada, or even Spanish in the United States.<sup>1</sup> Australia developed its Clerks in Aboriginal Services programme in 1978, by which it recruited individuals with required language skills and then trained them for the job (Pratt 1989). In Canada, most movement has occurred in the northern territories, or in the wake of new treaties giving Aboriginal peoples truly significant local autonomy in British Columbia.

The North West Territories have formally offered services in seven aboriginal languages since 1988. However, the availability of these services was not well known to citizens, and the prevalence of the oral tradition meant that demand for them was low, and thus budgets were not used (Fettes 1998, p. 131). The new territory of Nunavut, in existence since the spring of 1999, will be the more interesting case, since it has a high concentration of one language group; 85 per cent of the population is Inuit and their language, Inuktitut, is an official language (White 2000). In British Columbia, following a new treaty between the Nisga'a people (5000 people) of the north west and the federal and provincial governments, a new local government began work in May 2000, which will have more powers than a province, since it controls even citizenship. This government will use its own native language and English. Although outsiders will be able to live and work there, as they long have in the North West Territories, they will not be citizens and will not have the right to vote (Malboeuf 2000).

Language policy can be just as contentious as other forms of minority representation, but the example of Switzerland at least, if not that of Canada, suggests that if the rules are clearly established, they may bring peace for a relatively long time. A major factor underlying language regulation in public sectors is whether the state has taken the route of recognizing group rights, either in public law or by tradition. While Australia, Canada and Spain (like Switzerland and Belgium) have adopted approaches based on collective or group rights, in the United States, group language rights are not officially recognized. It is only when individual rights protected by the constitution are threatened by a lack of language rights that remedies apply. And these remedies are, in the words of one expert, 'a temporary adjunct to encourage structural assimilation' (Williams 1998, p. 27).

In countries that do adopt a group rights approach to languages, some form of territorial principle may work for the provision of many public services. However, for public servants, the question of language competency will always arise in bilingual regions or at the capital. Whatever rights are granted to individual employees, much adaptation occurs on an unwritten, practical basis, and competency in another official language is expected among managers and senior officials.

## MINORITY REPRESENTATION IN PUBLIC SERVICES

Ethnic and racial minority representation in public services raises difficult problems that have political, legal and sociological dimensions to them. A useful typology of policies was provided by Rosenbloom (1984). First,

there are policies aimed at ending or preventing discrimination. Second, there are policies aimed at equalizing opportunity by recruitment, training and career development policies and practices. These two kinds of policies are included in what is called in the United States, equal employment opportunity (EEO).<sup>2</sup> A third and distinct group of policies aims at the outcome of a public service workforce that is aligned to the significant attributed and cultural characteristics of the population. This approach corresponds to what is called positive or affirmative action (AA).

The difference between equal opportunity and affirmative action policies lies in where action takes place and also in what outcome one is looking for. The first is based on equality before the law; it directs attention to procedures leading up to hiring and promotion decisions. The second is more concerned with equality of results (Beaudry 1992). Affirmative action is also of course much more controversial.

We argue, nevertheless, that some form of AA underlies EEO, and that satisfactory results usually occur when outcomes have been at least considered. Clearly some form of results-based thinking is at the origin of EEO and AA policies. Minority groups looked at the results of existing recruitment and selection policies and saw that they were disadvantaged. The suspicion arose that selection procedures were somehow biased in favour of the dominant group already in the public service, and that such bias should and could be corrected. The controversies that AA policies provoked tended to revolve around two closely linked criteria. First, many felt that any alteration to the existing merit systems would weaken the quality of the public service. Second, it was considered that all shifts in standards amounted to reverse discrimination, the dilution of merit, and were thus infringements of equality of citizens. This type of thinking has meant that countries like France and Germany have no policies or programmes aimed at promoting minority access to the public service.<sup>3</sup> In the case of Britain, formal equality is the main obstacle to AA policies, but it has not prevented the adoption of many EEO measures (Crow and Robinson 1989).

### **Legal Frameworks: Eliminating Discrimination**

In countries where equality before the law is the only basis for intervention, the question is generally left to the courts. In others the human rights commission may have this mandate of overseeing enforcement (Australia and Canada). Canada is the only country whose constitutional Charter of Rights and Freedoms specifically allows for corrective discrimination (Article 15).

The most remarkable case is the United States where the Equal Employment Opportunity Commission (EEOC) has an enormous mandate

to enforce such anti-discrimination in both the public and private sectors. US efforts in the equality area have a much longer history than those in any other country. They go back to an Executive Order in force from 1941–46 requiring non-discrimination in defence industries. This was followed by the creation in 1948 of a Fair Employment Practices Board within the US Civil Service commission aimed at preventing racial discrimination within the federal service.

The EEOC was created by the Civil Rights Act of 1964. It administers title VII of that Act and a number of other anti-discrimination laws as well. Although it originally covered only the private sector, amendments in 1972 brought under its surveillance public sector employees at all levels of government, federal, state and local. These also gave the EEOC the right to bring litigation against those it found at fault. Since that time, the EEOC's mandate has been twofold: to promote equal opportunity through administrative and judicial enforcement of federal civil rights laws and to promote equality through education and technical assistance (USEEOC 2000). It also provides funds in support of state and local Fair Employment Practice Agencies. We will deal with the commission's promotional activities in the next section.

In its enforcement role, the EEOC receives between 75–80 000 complaints per year from individuals claiming to be victims of discrimination on the job. Each complaint is first the object of conciliation efforts with the employer involved. If conciliation is successful, this step leads to a voluntary resolution. If not, the commission may sue the employer in federal court, or issue to the person bringing the complaint a 'notice of right to sue'. It also acts as the appeal body for the final decisions of federal agencies, over 12 000 in 1998. This activity yields important results: in 1998, US\$169 million were awarded to complainants before litigation and nearly \$90 million through the courts. It is a massive undertaking. Until recently the commission had a backlog of cases, one that had reached a peak of 111 345 in 1995. A new policy placing greater stress on mediation and conciliation, plus contracting cases to state Fair Employment Practice Agencies has cut the backlog in half, in spite of cutbacks in EEOC personnel during the anti-deficit campaign.

The first Employment Equity Act for the Canadian federal public service was introduced in 1986. It applied also to federally-regulated employers with 100 or more employees. The Act established benchmarks for four designated groups: women, Aboriginal peoples, persons with disabilities and visible minorities. This Act was revised in 1996 to require more active measures, including workforce surveys and departmental equity plans. The Canadian Human Rights Commission was given the authority to conduct on-site 'audits' of compliance. The scope of the original Act was also

extended to cover more private sector companies and confirm coverage of public corporations and the expanding set of agencies as departmental organizational forms divested activities. Federal contractors were henceforth required to have equity plans. Practical incentives such as bureaucratic rewards and funding are also important in the Canadian strategy (Canada, Treasury Board 2000b, pp. 77–91). Nevertheless, the Task Force on Visible Minorities – a task force of officials – made a number of revolutionary recommendations that have since been accepted by the minister who acts as the ‘employer’ in the federal government, the President of the Treasury Board. Accompanying more incremental resources for managers who measurably attempt to meet targets, the President has lent his authority to the benchmark that one in five entrants to public service shall be visible minorities by 2003.

Despite the extensive nature of its activities, Canadian EEO has generally not been controversial to date. However, a huge pay equity award of \$3.5 billion made by the Human Rights Commission, appealed, and confirmed by the Supreme Court in 1999 (paid preponderantly but not exclusively to current and departed federal women public servants), raised some passionate discussion.

### **Promoting Equal Employment Opportunity**

Under this heading come a variety of activities designed to make the public sector employment chances of various minority groups more equitable when compared with those of the majority. Without derogating from selection and promotion on the basis of merit, they aim to give disadvantaged groups extra help in qualifying and competing. The New Zealand government specifically states that such policies and activities are not preferential treatment, while in the United States they form the less controversial and legally less vulnerable part of minority promotion. While they are quickly summarized, they represent the bulk of EEO activity in the states of developed countries.

The principal forms of EEO activity are:

- Collection of statistics and surveys of minority population already in public services. They usually show under-representation overall, or at the higher level, better paid positions;
- Exchange of information, a practice that has worked well among local governments in the UK (Crow and Robinson 1989);
- Recruitment and other forms of information campaigns targeting minority groups. This activity goes back in the USA to the President’s Committee on Government Employment Policy, created in 1955;

- Training: most of these activities precede competitions, but in Australia and Canada otherwise competent people have been allowed to acquire language proficiency after appointment;
- Summer employment, used, among others, with Canadian native peoples;
- Temporary assignment, which allows people to qualify for competitions at a higher level;
- Information, training and other activities aimed at changing organization culture to be more sensitive to minority points of view. This is the ultimate step in New Zealand EEO activities. In federal Canada, the employer is charged with the duty of providing a 'welcoming environment'. Persuasion and acculturation have been used in police forces of large cities like Montreal and Toronto.

These activities generally allow members of groups that studies have shown to be disadvantaged by prevailing selection and promotion procedures to be better prepared for them. We turn now to what happens during those procedures.

### **Affirmative Action**

Most of the controversy surrounding minority representation in the public service comes from attempts to go beyond creating equal opportunity by altering competitive procedures of selection and promotion in some way, with the goal of changing outcomes. What is sought is some form of equality of result. The variety of approaches that may be observed is testimony to the inventiveness of human resource agencies under pressure.

But what some see as an attempt to redress past injustice, others see as reverse discrimination. Even under AA, there are few cases of absolute advantage being given to minorities during selection or promotion procedures. By way of example, in the late 1980s, the Quebec government organized two closed competitions, restricted only to handicapped people, but the Quebec Public Service Commission considered these to be an infringement of the merit system and refused to recognize them. The Quebec Human Rights Commission in 2001 refused to approve restricted competitions, as they prejudice unfairly the rights of other possible candidates. At the Canadian federal level, recruiters can bring in visible minorities from outside the public service (self-identified on their application form, then registered on a special visible minorities inventory) without a competition, after which compensatory training can be funded, and accelerated development encouraged.



What happens most often is some form of relative advantage. Some of these are compatible with merit selection, some not. Many jurisdictions have recognized that the end result of a competition is not so perfect as to eliminate all choice by the recruiting agency. The US federal government has long used the 'rule of three', that allowed appointing authorities to choose among the top three candidates on an eligibility list. The Supreme Court ruled that the city of Santa Clara had not violated the rights of the man with a leading score in a promotion competition when it chose a woman with a slightly lower score. It found that anyone among the eligible candidates could have been chosen and that no permanent harm was done to the man's career (Schafritz et al. 1992, p. 205). A version of this practice is used in Canada – where applicants are assessed and judged competent for both specific positions and for job levels – and by several other jurisdictions. It amounts to saying 'other things being equal', the minority candidate can be chosen. A form of comparative advantage that has now been ruled illegal was the boosting of test scores of disadvantaged minorities in some US competitions (Greenlaw and Jensen 1996). The boosting was based on the observation that some forms of tests had discriminatory effects.<sup>4</sup>

The most explosive notion, and one that has produced a rich and sometimes contradictory jurisprudence in the United States, is that of specific racial or ethnic minority quotas. Note, to begin with, that such quotas are commonly used elsewhere in the world.<sup>5</sup> Quotas become a problem because of the widespread obligation to hire and promote by competitions that ensure equality to all candidates. Serious difficulties arise in the US for two reasons: first, the requirement under the 14th amendment of the Constitution to ensure equal protection under the law (Ricucci and Rosenbloom 1989); and second, the nature of the American classification scheme which links positions directly to certain tasks. The broader types of competitive examinations that qualify persons for particular levels of responsibility do not provoke the same kinds of legal challenges.

The first cases over quotas came in the private sector (*Gregg v. Duke Power* 1971 and *Steelworkers v. Weber* 1979) and the education sector (*Regents of the University of California v. Bakke* 1978). These cases, and the Johnson case in Santa Clara (1987) seemed to have provided that some form of discriminatory hiring or promoting is acceptable provided that: first, it is 'narrowly tailored' to correct a manifest imbalance in the composition of the workforce; second, voluntarily developed; third, not the sole basis for hiring or firing; fourth, does not create an unnecessary or absolute bar to the advancement of other groups; and, fifth, is of temporary duration (Schafritz et al. 1992, p. 206). The judgment of the Supreme Court in the *Adarand* case of 1995 (Rice and Mongkuo 1998) has tightened further

the range of available practices. The decision said that preferential hiring or promotion practices had to meet two tests, first, was a compelling need being met, and second, was the programme or policy 'narrowly tailored' to meet its objectives? As a result of this decision, President Clinton issued an order that federal employment policies were not to include quotas or preferences or reverse discrimination, nor were they to last too long. According to Rice and Mongkuo (1998, p. 85), nearly two dozen states, in the wake of Adarand, had introduced bills or motions in their legislatures to substantially limit or ban preferential policies.

Other jurisdictions have struggled with the same dilemmas, but without such abundant, and often bewildering jurisprudence. Australia and New Zealand declare that merit is the cornerstone of their personnel policy and that no EEO practice is to contradict it. In Canada, representativity is now considered to be part of merit; also the Charter of Rights and Freedoms expressly allows for corrective temporary discrimination. Within the narrow range of 'other things being equal', it does seem quite possible to combine merit and representativity.<sup>6</sup> The Canadian government has set a target of 20 per cent for the number of minority group members to be found in new hires, while the Quebec Human Rights Commission decided in 2001 that as many as 50 per cent could be reserved to them, on a temporary basis.

### **Institutional Arrangements**

In countries with active equal opportunity policies, some kind of autonomous agency has the role of monitoring and enforcement. In the United States it is the EEOC, in Australia, the Public Service Merit Protection Commission, in Canada it is the Human Rights Commission for racial and ethnic minorities and the Official Language Commissioner for language. In European countries this role is left to the courts.

The more interesting question is the degree of centralization or decentralization in EEO policy matters. Usually the central personnel agency is responsible for formulating the overall policy: the Office of Personnel Administration in the USA, the States Services Commission in New Zealand, the Treasury Board and the Public Service Commission in Canada. (Despite the centrality of Treasury Board as employer, in Canada no fewer than six other ministers also bear responsibility for various equity issues.) Without central commitment, one may doubt that departments and agencies would devote important energies to this question. However, the spirit of the times, in the guise of public management doctrines, is in favour of the greatest decentralization possible of operations. It is argued that central policies must be adapted to the particular conditions existing

in each line department and agency (OECD 1998). The result is that a curious diplomatic language has emerged. In Australia and the UK, departments were 'asked' to create EEO offices. In Canada and New Zealand, official texts speak of 'partnerships' between central agencies and operating departments, including cost-sharing. The formula used in basic New Zealand government texts is, 'chief executives recognize that they must . . .'. Decentralization creates barriers to evaluation of results; in New Zealand, departments developed their own monitoring systems and the quality of central statistics is uncertain (New Zealand State Services Commission 1998, p. 6); in Australia, minority status is self-reported, leaving a large number of undetermined cases (about one quarter in 2000).

The picture in 'state' (or sub-national regional governments) and local governments is varied. Local control of public employment has meant that active EEO and AA policies have been applied for native peoples in Canada's North West and Nunavut Territories (White 2000a). In Australia, New South Wales, South Australia and Victoria have been leaders in minority representation (Pratt 1989). In the UK the most advanced governments are local authorities with high presence of ethnic and racial communities (Crow and Robinson 1989) and this is probably true in the USA (Kellough 1990). On the other hand, decentralization means that governments hostile to these policies may dismantle them. In the USA, both Texas and California have ended any form of AA for higher education. Right-wing provincial governments in Canada have either ended employment equity programmes (Ontario, White 2000b) or left them inactive (Alberta, Lesage 2000; and Manitoba, Rasmussen 2000).

The increased accent on results rather than on procedural correctness has in many democracies led to greater emphasis on managerial autonomy for the accomplishment of tasks thought to be more or less purely operational. This has led to the dismantling of many departmental organizational forms in Britain, Australia and Canada to form autonomous agencies. A freer hand in personnel recruitment, compensation and promotion is one of the driving *raison d'être* of such reorganization. Yet, governments, under political, legal and treaty obligations, need to act in a consistent way. Some form of central control is thus necessary. As with decentralization in favour of agencies, decentralization to local governments increases the likelihood of varying interpretations of a central policy like EEO or AA. One study found that local government managers in the USA had widely differing understandings of what the federal EEO policy was, a fact that the authors attributed to the confusion arising from repeated and sometimes contradictory Supreme Court decisions (Pace and Smith 1995).

## EVALUATION

When trying to evaluate the results of EEO and AA policies, we need to remind ourselves that whatever results have been achieved may be in part for reasons other than these policies (Rosenbloom 1984, New Zealand State Services Commission 2000, pp. 5–6). Kellough (1990, p. 564) concluded that ‘As much as 50 per cent or more of the variation in the employment of women and minorities [in the USA] is apparently explained by contextual variables’ not dependent upon EEO activities. Even so, we may infer that without these policies some of the observed changes would not have occurred. Certainly there was not much change before the policies took effect.

In a general way, we may say that progress has occurred. In Australia, at 2.3 per cent, aboriginals are better represented in the public service than in the labour force, at 1.3 per cent (Australia PSMPC 2000c). In New Zealand, all target groups are present in the national public service in proportionately greater numbers than in the labour force (New Zealand State Services Commission 1998, p. 10). In Canada, French Canadians are over-represented in comparison to their presence in the national population (30 per cent to 25 per cent). Aboriginal persons are better represented in the Canadian federal service than they are in the active workforce, or in the recruitment pools, but visible minorities are apparently under-represented in 1999, with 5.9 per cent of the federal service, as opposed to a presence of 8.7 per cent of the labour force (Canada, Treasury Board 2006). The 1999 Task Force on Visible Minorities predicted that if the current rate of recruitment (one in 15) continued, it would take 25 years for visible minorities to close the gap with labour market availability. Hence, the new benchmark for recruitment is one in five by 2003. In the United States, Blacks and Asians are better represented in the federal civil service than in the population (Schafritz et al. 1992; Kim and Lewis 1994), but the under-representation of Latinos, and particularly of Latinas, is a continuing cause for concern (Sisneros 1993). To be female and Hispanic is a double disadvantage: in 1997 Hispanic women with college degrees earned less (in the public and private sectors) than white men without college diplomas (USEEOC 2000).

British national government performance in the area of ethnic minorities, who self-report as in Australia and Canada, appears comparatively good. In the decade from 1989 to 1999 ethnic minority representation was increased to 5.6 per cent from 4.2 per cent, from an economically active population proportion of 5.5 per cent. In the same period gains were also made in the Executive Officer level, from just below 3 per cent to just below 5 per cent. However, the distribution is not so closely proportionate across all regions, and the grade structure maldistribution means that salaries for

most minorities are considerably lower than for white staff. In 1999 nearly 9 per cent of new entrants were from ethnic minorities (British Government Statistical Service 1999, pp. 17–31).

This general success needs to be qualified by reference to the level of employment. Almost everywhere, minorities are less adequately represented as one moves up the hierarchy. Among visible minorities, Asians seem to do relatively well in several countries, although they suffer some disadvantage at the highest levels of the US public service (Kim and Lewis 1994). Of course, Asians are better educated in the United States than any of the other groups, including non-Hispanic whites. This phenomenon is an example of what George Frederickson calls 'segmented equality' (Frederickson 1990, cited in Wise 1990, p. 569).

Attention also has to be paid to the stability of positions occupied by minority groups. Are they permanent career positions, seasonal, temporary or part-time? Thus, in the case of Canada, it is encouraging to see that seven of ten 'new hires' among aboriginals entered through the Administrative Support or the Administrative and Foreign Service categories, but somewhat less positive to see that 82 per cent were hired for specific terms. Term, temporary and part-time positions, are the 'precarious jobs' that are much discussed these days. We know that women and young people are over-represented in them (Gow and Simard 1999), and that public service cuts in Canada have to a considerable extent divested women in support positions, but we do not have systematic information about ethnic and racial minorities.

The New Zealand State Services Commission (SSC) considers that its objectives in terms of minority presence have been achieved in the public service at large, and that it is now time to target individual departments that are lagging behind (New Zealand State Services Commission 1998). Its other priorities are to develop responsive organization cultures and to integrate EEO activities into departmental plans and business goals. In a review of its activities for the period 1984–94, the SSC identified the most successful practices: codes of required organizational behaviour, clear procedural guidelines and interventions aimed at EEO group members, such as career development or assertiveness training (New Zealand State Services Commission 1997a).

The stress placed by New Zealand on the poorly performing departments raises the question of determinants of EEO behaviour. The New Zealand SSC found that the large service departments had the poorest records, while the best came from smaller policy organizations (New Zealand State Services Commission 1998, p. 6). In the USA, Kellough (1990) also found that the larger the organization the poorer the progress in EEO and AA. He also found that several other suspected determinants

were either not significant or refuted, most notably the rate of new hiring, and the rate of unionization (the latter apparently a significant factor at the local level). Large service departments had concentrations of Hispanics in areas where there were significant Latino populations. Di Prete (1987) cites one more factor. He sees EEO as opposing the increasing professionalization of the workforce and hypothesized that promotions of minority groups would occur more in administrative than in professional positions. In a study of significant or 'status' promotions in the US federal administration, he found that the hypothesis held and attributed the result to the possibility of giving in-house training to minority groups to prepare them for administrative positions. This result also appears to hold for Canada, where funding of administrative or managerial training for target group entrants is one measure to increase representativity.

Generally, if we combine the US and NZ results and dare to generalize them, we would look to find more minority advancement in administrative positions in smaller policy departments or in service units located in minority areas.

## CONCLUSION

In this chapter we have been concerned with the representation of linguistic, ethnic and racial minority groups on the public service. We found that language requirements for public services and public servants usually follow some form of territorial principle. In national public services, linguistic representation may be added to merit requirements without distorting them, but they solve neither the question of ethnic representation nor that of a hospitable organization culture for minority groups.

With respect to EEO and AA, three types of policy were identified: anti-discrimination; equal opportunity, which means helping minority groups to compete; and affirmative action, which means requiring some form of equality of result through various preferential schemes. After anti-discrimination, equal opportunity schemes are the most popular. AA policies have been most advanced in the USA, but there has been a clear pull-back in recent years from reverse discrimination. Today most reliance is placed on EEO helping activities, but managers in the USA, New Zealand and Canada have targets to meet and when other conditions are equal, some form of preference is still tolerated.

Many authors stress that progress has been slow, but that progress there has been. In a longer view, the progress has been remarkable. These EEO and AA policies have been trying to change practices of long standing, with results that remain in the system for years by virtue of the career service and

the seniority principle. Without planned intervention, the kind of mobility that is being sought here has been achieved in France for social class, but there it has been a matter of generations, not 20 or 25 years (Kesler 1980, pp. 46–63).

In the end, while these policies cannot be demonstrated to be the causal agent in the modest advancement of ethnic and racial minorities, not much progress was occurring without them. A more difficult problem to solve is the fact that the public service, like most employers, needs highly educated people, at least for its scientific, professional and executive positions. As Di Prete (1987) pointed out, an organization can train promising people for management and administrative duties, but it cannot produce accountants, scientists and information specialists. These must flow through the education system in proportions representing the groups. Using SAT scores, Thernstorm and Thernstorm (1997) argue that even at universities, AA cannot compensate for poor prior education. As we know, AA has been eliminated at a number of American universities, most notably in Texas and California. Such reasoning leads one to believe that the problem of minority under-representation in public sector employment can only partly be overcome by in-service training for minority groups.<sup>7</sup>

Patricia Ingraham (1995, pp. 2–3) has noted that merit systems are political, as are other forms of civil service systems. Preferential treatment of veterans is proof of this. Merit through competitive examination is always culturally conditioned to at least some extent. Two great policy challenges are raised by linguistic, ethnic and racial representation. The first is what kind of assistance is needed to redress observed imbalances in the composition of the public service. The trend here is towards equality of opportunity rather than of outcome. The second challenge is how to find the right combination of central control and management autonomy in operating units. While the impulse of contemporary public management doctrine is to maximize managerial autonomy, some central control is inevitable if the employment equity goal is to be kept in the attention of managers. Other challenges are more social, moral-ethical and technical, such as how to improve equality of access to education, instill values such as inclusiveness, and devise tests of merit and competency that are less and less biased culturally.

Other questions remain. One concerns identification of ethnic and racial minorities. Visible minorities in Australian and Canadian federal employment are self-designated. There is a widespread belief – voiced by members of visible minorities and mainstream employees alike – that many federal employees who share colour or ethnicity attributes of targeted visible minorities nevertheless refuse to self-identify for employment purposes because they perceive a personal stigma in identifying as disadvantaged, or

because they do not feel disadvantaged and would prefer to 'leave room' for persons who do. On the other hand, there may be cases where non-minority individuals try to claim this status in order to improve their chances of selection or promotion (Diesenhouse 1988).

What limits are there to the number of groups in need of EEO protection? In the first Canadian Employee Survey of 1999, a definition of stunning bureaucratic completeness is provided for visible minorities: Black, Chinese, Filipino, Japanese, Korean, South Asian/East Indian, Southeast Indian, Non-White West Asian, North African or Arab, Non-White Latin American, person of mixed origin – with one parent in one of the visible minority groups in this list – *or other* visible minority group (Canada, Treasury Board 1999, p. 18, emphasis added). Aside from the fracturing of the political community that such a list reflects, it draws attention to mulatto or metis individuals. Combined with self-identification as the modality, the anything-goes list has troubling implications. However, almost any more restrictive kind of bureaucratic test of racial or ethnic identity would clearly be worse.

Finally, representation may be passive or active. In its passive form, it only refers to a representative presence of target groups, whereas active representation involves access to leadership positions in order to influence democratic outcomes (Wise 1990, p. 568). In its active form, the idea of representative bureaucracy has engendered some principled resistance due to its derivation from the political theory of 'microscopic representation' (Judge 1999, pp. 30–5). It is not clear that public service responsiveness depends in important ways on the social attributes of public servants – that outcomes of decision-making or direct service to the public will differ depending on their personal characteristics. While common sense suggests that the characteristics of the official one encounters will affect one's transactions, the idea has destructive potential. It may delegitimize transactions between citizens and officials where the parties are deemed imperfectly matched in their attributes. More important, by admitting the idea that policy delivery may depend on identity, it compromises the idea that policy is made by elected politicians and carried out impartially by public servants (Dion 1993, p. 263). Thus there has been a move towards 'presence' justifications for representativity – as for representative politics – that invoke inclusion and equal respect for persons (Phillips 1995). Perhaps one can only hope that once disadvantaged groups have reached a proportional presence in positions at all levels, the individuals identifying with those groups will feel respected and included by the conglomerate society and any remaining majority. A corollary wish would be that society would not continually generate new forms of atavistic social disadvantage based on visual attributes.



## NOTES

1. Fettes (1998) cites 18 native languages of importance in Canada, of which the largest populations are: Cree (72 000), Ojibway (27 000) and Inuit or Eskimo (21 000).
2. In Australia, since 1998, EEO is called 'workplace diversity'.
3. In France and Germany the main anti-discrimination problem has been seen to concern women. See the chapter in this volume by Heinemann.
4. The conviction that the Professional and Administrative Career Examination (PACE) was discriminatory led to its voluntary abandonment in 1981 under the Luevano Decree after a case was brought against it. Moreover, Schafritz and colleagues (1992, p. 187) tell how a culturally specific Black Intelligence Test of Cultural Homogeneity (BITCH) was designed that gave Blacks consistently higher scores than Whites, with no overlap between the groups.
5. The collection of essays in Tummala (1989) shows that India, Pakistan, Malaysia and Bangladesh all used some form of quota or reserved posts system.
6. According to Pace and Smith (1995), this is not the US Labor Department's definition of AA, but it seems a reasonable inference from Supreme Court decisions and executive interpretation. Almost half (48 per cent) of municipal officials surveyed by them believed this to be the correct definition of AA, whereas a smaller group (44 per cent) gave the Labor Department's definition, which only requires that protected groups are notified of position openings.
7. As White (2000b, p. 133) noted, in the new Inuit Territory of Nunavut there were almost no Inuit qualified to compete for positions in finance, systems analysis, human resource administration or engineering.

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## 8. Societal links and social differentiation of the public service

**Hans-Ulrich Derlien and Luc Rouban**

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### INTRODUCTION

This chapter deals with the public service as a social system. It pulls together information from the country reports regarding the internal specialization and stratification of public services. This internal focus on the public services is complemented by two macro-sociological perspectives, one concerning the prestige of and trust in the public service and the other relating to the administrative elite and their interaction with the political and the economic environment.

The next section deals with the social standing of public services in the various national societies. It refers to the ongoing political debate about the boundaries between the public and private sectors as well as to subjective social perceptions and evaluations of the public service and trust in institutions in general. The following two sections turn to the internal social differentiation of what appears to be a largely opaque public service by comparing the various national service systems according to their internal legal (civil servants vs. contractual public employees and labourers) and social (qualification and rank) differentiations. Like any social system, the public service in all OECD countries is internally differentiated, both functionally and in terms of social stratification. Of special interest here are the differences between countries with a system of administrative corps and those without. Then we turn to the public service as a social system within the broader society by looking at elite recruitment and training, the implications of the growing phenomenon of cross-over careers between the public and private sectors and the marked national differences with respect to the separation or integration of administrative and political careers.

At an abstract level, throughout the four sections, we are following the neo-institutionalist assumption that the social standing of a national public service has become a function of its history. Where bureaucracy preceded democracy, as in most continental and Scandinavian societies, the public

service tends to be perceived as distinct from other sectors of the labour market, not least because of its foundation in a separate body of public law. This special status is ideologically supported in societies with a strong tradition of state philosophy (Dyson 1980), but not in Anglo-Saxon countries with their priority of civil society (and democracy developing before bureaucracy as in the USA). Nevertheless, the international (globalizing) discourse of New Public Management is intruding into 'state societies' and threatening the legitimacy of their public services.

## THE SOCIAL STANDING OF THE PUBLIC SERVICE

Although there is a tendency in most of the countries under consideration to doubt or to dilute the specificity of public services, they are still the biggest employer in the national economies and still, to varying degrees, have distinct boundaries with the surrounding general public, society at large, the economy and the realm of politics. To speak of the public service as a social system is an analytical device emphasizing the roles played by citizens in the public service. The same citizens and consumers are, of course, also voters and they are frequently surveyed in opinion polls, including those polls concerning the public service itself. Despite ideologically and fiscally motivated attacks on these boundaries, the delineation of the public service as a social system is still largely clear in both legal and public opinion poll terms.

The 'public service', however, does not raise the same political and social questions in the various countries as it does not denote the same reality. The concept 'public service' may cover a whole array of professional situations. What is 'public' and what is a 'service'? While fiscal, justice and defence activities, as core elements of state power, are at the heart of the public service in all countries, health or educational activities may be largely divided between the public and private sectors. Further, even after privatization, the new private law corporations providing, for instance, local transport may remain under public fiscal control; the same holds for functions 'contracted out'. Moreover, the 'public' dimension of these occupations can be equally connected with the notion of State (with a capital 'S' meaning central government in France) or with the notion of local authorities. For instance, teachers are managed by local boards in the UK and by local governments in the USA, while they are hired, trained and paid by the national education ministry in France and the *Länder* ministries in Germany although they are working in local schools. Even the police, representing the sacred public order, are currently managed by local bodies in some countries while being centrally or regionally controlled in others. The

growth of public activities between the 1970s and 2000s does not mean the growth of the central state apparatus. In some cases, public funds and public agents have been transferred to regional or local authorities. This is significantly the case in Belgium, France and Spain as a consequence of decentralization policies (and has always been the case in federations). The delineation problems are dealt with by Grønnegaard, Christensen and Pallesen in their chapter; here it suffices to state that legal definitions are generally not sufficient for the perception of the public to determine what 'the public service' signifies and entails.

Also, 'public service' does not define the same social groups in the various countries. In Denmark or in the UK there is a clear distinction between the civil service, where one can find public agents benefiting from a specific statute, and the broader public service, including all the agents working for public authorities. In other countries, there are also legal frontiers between the civil servants and the contractual agents, but in the common language, the 'public service' designates all the public agents. This is the case in France (*fonction publique*), in Germany (*öffentlicher Dienst*) and in Italy (*servizi pubblici*).

Another striking point from a comparative perspective is the fact that even in countries where there is a strong state tradition and state-centred culture, some occupational activities which for various economic and social reasons had seemed eternally integrated within the state apparatus have been easily privatized in the 1990s. One might cite the telecommunication sector, which in the past has been a matter of political concern for the various European governments (state control over the private exchange of mail was a common practice in the 18th century). As a result of EU deregulation policies, public monopolies everywhere have been privatized and the telecom firms have become the stars of the European stock exchanges. It is now assumed by governments as well as customers that the telecommunication world is no longer naturally 'public'. This point exemplifies one lesson to be drawn from the whole CPS project: governments as well as societies are able to change the pace of growth as well as the range of the public sector. Theoretically, it seems possible that every public occupation, apart from the judiciary, could be privatized. One may imagine perfectly well a libertarian society, as did Robert Nozick (1979), where any public duty would be handled through contractual arrangements under the scrutiny only of elected representatives and judicial bodies. Needless to say, the main obstacle to this utopia comes from the simple fact that the public service is more than an economic tool or an indifferent 'service'. Absolute privatization of the public service would mean the disappearance of public policy and services and ultimately 'the State'.

## Public Opinion and Public Service

The fact that the public service as an institution is rooted in the social and political history of each country partly explains why the degree of criticism it is confronted with may vary considerably. The first question to be asked is whether criticism is coming from the elected leaders or from public opinion.

Clearly, the leaders of NPM reforms might frequently be found in narrow elite circles: this is especially the case in Canada, the UK (Mrs Thatcher and Lord Rayner) or New Zealand, where the new *Kulturträger* (Max Weber: for bearers of culture) emerged from the Treasury ranks and from business circles. It is also the case in the USA where conservative think tanks played a major role in elaborating Reaganomics. Most of these administrative reforms have been initiated with no popular debate and have been legitimized by economic or financial criteria with respect to the global budget (tax load, public debts) and proclaimed welfare curtailment. Even if NPM theoreticians explained afterwards that it was a crucial necessity to treat the citizen as a customer, there is no substantial evidence of a causal link between these elitist reforms and popular dissatisfaction with the public service and nor is there any kind of scientific demonstration that citizens want to be treated as customers. Paradoxically, European countries with a serious degree of dissatisfaction vis-à-vis the public service, for example Greece (Spanou 1999), Italy and to a lesser extent Spain, are precisely those where reforms did not follow the managerial mood and where the citizens are asking for more Weberian bureaucratic integrity.

Another point is the scope of criticism: is it aimed at the global budget share of the public service or is it directed at its organizational, internal efficiency? Most critics target the range and intensity of public policies and services and only indirectly the public service itself; they are critical of its size but not necessarily its structure and the institution as such. Criticisms of global costs of the public service are generally based upon market-oriented political reasoning and values – not without some troubling contradictions: for instance, in France, the members of the liberal professions, who are traditionally market-oriented and voters of the political right, show up to 80 per cent support for the notion of '*service public*'. This attitude may be cynical, for the social security system covers their health care costs by reimbursing private consultations. However, the positive attitude of market-oriented voters may also be related to the fact that the notion of '*service public*' is one of the key elements in French political culture.

Data from the World Value Surveys 1981 and 1990 (Table 8.1) show that in most of the countries surveyed in 1981, 45–50 per cent of the population had 'a great deal' or 'quite a lot' of confidence in the civil service. Only Italy



Table 8.1 Confidence in institutions, 1981–1990 (Entries are the percentage saying ‘a great deal’ or ‘quite a lot’)

	Civil service		The police		The legal system		The education system		Parliament		Major companies		N	
	1981	1990	1981	1990	1981	1990	1981	1990	1981	1990	1981	1990	1981	1990
	West Germany	33	39	70	70	67	65	43	54	52	51	34	38	1292
Denmark	47	51	85	89	80	79	65	81	–	42	34	38	853	97
Norway <sup>a</sup>	58	44	89	88	84	75	80	79	78	59	45	53	1035	122
Sweden	46	44	80	74	73	56	62	70	47	47	42	53	1115	94
Finland	53	–	88	–	84	–	83	–	65	–	45	–	983	–
Iceland <sup>a</sup>	48	46	74	85	69	67	69	80	56	53	34	40	910	67
Belgium	47	42	64	51	58	45	79	74	39	43	44	50	972	274
Ireland	55	59	86	86	58	47	68	73	53	50	50	52	1190	99
Netherlands	45	46	73	73	65	63	73	65	45	54	35	49	1173	99
United Kingdom	48	44	86	77	66	54	60	47	40	46	50	48	1173	143
France	53	49	64	67	57	58	57	66	56	48	49	67	1031	90
Italy	27	27	65	67	43	32	54	49	30	32	33	62	1348	200
Spain	40	37	64	58	50	45	52	62	49	43	39	49	2216	256
Portugal	–	32	–	44	–	41	–	51	–	34	–	45	–	114
Europe <sup>b</sup>	45	44	75	74	64	57	64	67	50	48	41	50	–	–
<b>Difference</b>		–1		–1		–7		+3		–2		+9		

Notes: Based on the following question: ‘Please look at this card and tell me, for each item listed, how much confidence you have in them, is it a great deal, quite a lot, not very much, or not at all?’

a. The data for Norway were collected in 1982 and for Iceland in 1984.

b. The countries are given equal weights. Finland and Portugal are excluded since they are measured at only one point in time. Denmark is excluded in the computation of confidence in parliament.

Source: Ola Listhaug/Matti Wiberg, ‘Confidence in political and private institutions’, unpublished manuscript 1993.

(27 per cent) and Germany (33 per cent) were less positive, while in France, Ireland, Finland and Norway more than 50 per cent had at least quite a lot of trust in the civil service.<sup>1</sup> By 1990, though, confidence had gone down in some countries like Norway and France, while the German public had slightly increased its trust in 'public administration'.

The police, in all countries part of the public service, are positively perceived almost everywhere and were trusted by 75 per cent of the Europeans in 1981 and by 74 per cent in 1990. Further, the police is considerably more trusted by the Europeans not only than the civil service (45 to 44 per cent) but also more than the legal system, in which 7 per cent of the Europeans lost confidence within the ten years under consideration. Parliament remained fairly constant with about a 50 per cent level of confidence. The education system moved up to second position behind the police with 67 per cent confidence in 1990. Compared to these public institutions, major private companies scored quite well with 41 (1981) and 50 per cent (1990) of the population expressing confidence.

Denmark was in almost all respects on top of the list. When comparing the changes in confidence in the various public institutions in one country, overall confidence decreased in the UK, Norway, Belgium, and Spain. In other countries confidence varied across institutions; often the educational system was more positively evaluated while other sectors were viewed more critically. In fact, confidence in the education system in 1981 correlated negatively with confidence in the legal and the police systems ( $r = -.28$  and  $-.30$ ). This relationship, however, almost disappeared by 1990.

In Germany until 1990 the Federal Constitutional Court, justice in general and the police were the most trusted public institutions, while control institutions and input institutions like the media and trade unions were relatively negatively assessed. The Bundestag and the federal government as well as the churches occupied middle ranks. Thus, the majority of institutions between 1984 and 1990 were – within this rank structure – positively evaluated. In both parts of the country trust in most institutions decreased after 1991. In western Germany, though, only the political parties were overtly mistrusted, while eastern Germans in 1992 and 1993 mistrusted five institutions. The Federal Constitutional Court, justice apparatus and police were constantly positively evaluated in the old Federal Republic, while trust oscillated in the east. In all of Germany, though, the judicial institutions were well trusted. By early 1995, trust in institutions had assimilated and was only marginally higher in western than in eastern Germany. Eastern Germans now too gave the judiciary the highest marks; police and *Länder* governments as well as local governments now occupied medium ranks. Even the new labour administration was positively evaluated, although unemployment was still at the 15 per cent mark. The agency

for the protection of Stasi files, though, was ranking lowest of all public institutions, however far better than employer associations and big business. That, after initial mistrust, eastern Germans are now evaluating the new institutions, in particular the judiciary and public administration, rather positively can be attributed to the massive elite transfer from western Germany (Derlien and Löwenhaupt 1997).

More recent survey data are presented in Table 8.2 for EU member states. The pattern is similar to that found in the world value survey. On average across the 15 EU member states, executive institutions including the civil service (42 per cent) and the judiciary (45 per cent) are shown more trusted than political parties (18 per cent), government (40 per cent) and parliament (41 per cent). Again, the police (62 per cent) – and the army (63 per cent) – are apparently most trustworthy. Although between 1997 and 1999, citizens slightly increased their trust, it is reasonable to assume a certain volatility of trust in institutions, for the long-term trend in most OECD countries shows a negative development associated not necessarily with objectively bad institutional performance but with increasing education levels and post-materialist attitudes (see for this complex phenomenon Norris 1999).

As in Table 8.1, Danish citizens displayed the strongest trust in their national institutions and slightly below average trust in European Union institutions. Nevertheless, trust in parties, parliament and government went down in Denmark – contrary to the European trend.

In 1999, the army appears to have been the most strongly trusted national institution in some countries (UK, Portugal, Greece), while in others it was the police (Germany, Denmark, Sweden, Luxembourg, Netherlands, Austria), or both were equally strongly trusted (Spain, France, Belgium, Finland, Ireland, Italy). On average, army and police were trusted by 61–63 per cent of the citizenry.

The civil service (that is, those wearing no uniform, for policemen are in most countries civil servants too) were trusted by 20 per cent fewer (42 per cent in 1999). In 1999 particularly high levels of trust were observed in Austria (65 per cent), Ireland (61 per cent), the Netherlands (57 per cent) and Luxembourg (51 per cent), and less than 40 per cent were trusting the civil service in Spain (39 per cent), Belgium (37 per cent) and Italy (27 per cent).

Global measures of confidence in public institutions are basically measuring diffuse system support (Easton 1975), generalized from experience with specific outputs of the politico-administrative system. However, asked for their personal experience with specific agencies or services, respondents are often more positive. On the other hand, specific questions concerning critical points tend to produce critical answers. In the USA, for instance, opinion polls show that most citizens are much more sceptical about the public service or the usefulness of public administration, regarding them as

Table 8.2 Trust in institutions in the European Union (% indicating trust), 1997, 1999

	France		Germany				UK		Spain		Denmark		Sweden		EU 15		
			West		East												
	1997	1999	1997	1999	1997	1999	1997	1999	1997	1999	1997	1999	1997	1999	1997	1999	
Government	37	36	39	45	29	43	28	35	46	38	41	47	54	41	36	33	40
Parliament	38	37	36	47	35	45	34	36	46	36	45	45	61	54	48	42	40
Political parties	12	11	13	19	13	18	12	13	18	16	20	19	31	27	16	17	18
Civil service	47	44	37	44	37	43	35	39	46	44	37	39	58	50	50	45	40
Police	51	55	67	66	66	65	59	61	69	67	60	56	60	85	66	63	62
Army	54	56	60	63	60	61	57	56	74	74	56	57	56	73	64	57	63
Justice/legal system	36	35	54	54	50	52	37	42	48	48	39	40	39	70	48	53	45
UN	43	46	38	41	38	39	36	34	48	49	54	57	69	68	71	61	47
Church	36	37	49	47	47	43	39	26	54	56	49	47	49	69	56	48	50
Trade unions	36	33	38	34	39	35	40	37	36	37	36	32	36	50	38	34	35
NGO	46	42	33	34	33	34	36	35	31	30	65	66	31	32	40	35	40
Charities	43	65	45	48	47	49	52	50	67	66	66	70	59	63	44	48	60
Big companies	44	38	26	30	25	29	21	26	32	27	39	36	56	46	41	32	35
Press	51	60	44	50	42	48	37	42	15	24	50	62	45	56	41	53	49
Radio	62	68	63	69	62	67	57	58	67	66	68	72	78	78	76	77	66
Television	46	58	59	71	59	68	56	59	65	71	49	66	68	72	69	72	67
European Union	43		29		28		26		23		51		36		19		37
European Parliament	54		43		43		41		32		59		48		38		50
European Commission	44		29		29		25		25		51		23		23		40

Table 8.2 (continued)

	France		Germany				UK		Spain		Denmark		Sweden		EU 15	
			West		East											
	1997	1999	1997	1999	1997	1999	1997	1999	1997	1999	1997	1999	1997	1999	1997	1999
Council of Ministers	39	32	31	28	15	15	45	39	28	36	36	28	28	36	36	36
Court of Justice	39	50	50	50	30	30	38	64	45	44	44	45	45	44	44	44
European Ombudsman	24	16	15	11	19	19	39	28	14	24	24	14	14	24	24	24
European Central Bank	41	50	50	48	22	22	37	43	37	42	42	37	37	42	42	42
European Court of Auditors	36	38	39	41	11	11	32	17	14	32	32	14	14	32	32	32
Committee of the Regions	23	19	19	20	8	8	33	15	10	22	22	10	10	22	22	22
Social and Economic Committee	26	21	21	23	11	11	33	23	12	24	24	12	12	24	24	24

Source: Eurobarometer.

Table 8.3 Do people in government waste tax money? – USA 1958–96 (%)

	A lot	Some	Not very much	Don't know
1958	43	42	10	4
1960	–	–	–	–
1962	–	–	–	–
1964	47	44	7	2
1966	–	–	–	–
1968	59	34	4	3
1970	69	26	4	1
1972	66	30	2	2
1974	74	22	1	2
1976	74	20	3	3
1978	77	19	2	2
1980	78	18	2	2
1982	66	29	2	3
1984	65	29	4	2
1986	–	–	–	–
1988	63	33	2	2
1990	67	30	2	1
1992	67	30	2	1
1994	70	27	2	1
1996	59	39	1	0

Source: *The National Election Studies*. <http://www.umich.edu/~nes/nesguide/nesguide.htm>.

lands of waste and fraud, whatever the political changes. Table 8.3 shows that there has not been much change on this point between 1958 and 1996.

It is necessary to highlight the relative disconnection between criticism about the way the public service is managed and criticism about the public service as a social entity. For instance, in France, one can observe that the Socialist party voters, who actively support the public service, equally favour up to 60 per cent the privatization of former nationalized industries (Rouban 1998a). Thus, principles are now distinguished from means, and it seems that ideological attitudes have left room for more technical considerations about the way the public sector is managed. For instance, public service size is evaluated in moderate terms: only 26 per cent of the French citizens think that there are too many civil servants, and only 12 per cent would be 'very favourable' to a quantitative decrease. A systematic analysis shows that only those who are close to extremist parties think in quantitative terms, that is support a reduction in force (this is the case for the National Front voters of whom 26 per cent are very favourable to this reduction) or are strongly against downsizing (this is the case of the

Communist party voters whose 46 per cent are 'very unfavourable' to a reduction).

Criticism of bureaucratic laziness and inertia are more diffuse and can be found in most western countries. Opinion polls, when available, show that the perception may differ between one sector of the public service and another. This is very clear in France (Rouban 1998b): when asked, people say that the civil servants are useful (91 per cent), honest (73 per cent) and even efficient (54 per cent). As a whole, up to 73 per cent of French citizens have a good image/representation of the civil service. It is politicians, rather than civil servants, who are supposed to be the main factors of society's conservatism (74 per cent against 64 per cent). But data differ sensibly when sectoral discrimination is applied: teachers, postal service and public hospital agents get the highest scores while Internal Revenue service agents get the lowest.

In Canada, several polls prove that civil servants do not enjoy a high reputation, although it is always higher than that of politicians. Two important polls in 1998 showed that nurses, doctors, police officers and teachers had the highest ratings of occupations. Businessmen came in the middle range.<sup>2</sup> In general though, trust in government is down in Canada; according to the data from the World Values Survey, Canada is between the United States and Europe in the decline of confidence in government institutions. Those giving a 'high' response in 1981 and 1990 were respectively: for Europe 31.8 per cent and 24.6; for the USA, 49.6 and 31.8; for Canada, 36.9 and 29.4 (the smallest decline) (Nevitte 1996). From 1969 to 1986, in 11 polls, Canadians were asked which would be the biggest threat to Canada in the years to come, big business, big labour or big government. Big business was never the most chosen, big labour was chosen seven times and big government four times (all after 1979). Possibly the media in Canada, as in the USA, have created a generally anti-union and anti-government attitude.

In an Ekos survey published on 10 September 1999, the answers to a question: 'How much confidence you have in . . .' were (numbers rounded):

	Little (%)	Some (%)	Strong (%)
Government	42	29	28
Religious organizations	31	29	38
Private enterprise	23	30	46
Schools	19	28	52
Non-profit and charitable organizations	11	23	68

In Canada too, several polls have shown that people have a worse impression of government services generally than they have of specific services. A study done by Erin Research in 1998 for the CCMD shows that more recent and specific services were rated higher than government service in general. Also, municipal services were rated better than provincial or federal.

In the UK, in December 1992, the Gallup Political and Economic Index published a survey (Report 388) on 'confidence in institutions'. The civil service scored 4 per cent for 'a great deal' of confidence, 30 per cent for 'quite a lot', 45 per cent for 'not very much' and 22 per cent for 'none at all'. This compares with 8, 36, 41 and 14 in 1985. In the top two categories, the civil service fares better than Parliament, trade unions and the press, while it does less well than the church, the armed forces, the education system, the legal system, the police and major companies. From 1983–87 *British Social Attitudes* (1992 cumulative sourcebook) enquired about beliefs in the efficiency of institutions. In both 1983 and 1987 more respondents felt that the civil service was badly run than well run. The 14th report of *British Social Attitudes* asks about trust in institutions, with the question on whether or not top civil servants can be trusted 'just about always' or 'most of the time' to 'stand firm against a minister who wants to provide false information to Parliament'. In 1987 they scored 46 per cent, dropping to 28 per cent in 1996. Civil servants though fare better than politicians and local councillors but less well than judges and the police.

The same report included a question about whether or not the system of governing Britain could be improved. In 1973 approximately the same number of respondents thought it 'could not be improved'/'could be improved in small ways' as thought it could be improved 'quite a lot'/'a great deal'. By 1995 this had shifted to about three-quarters favouring the latter response (falling in 1996 to two-thirds).

Contrary to the long-term general decline of trust in public institutions throughout OECD countries, Denmark comes out a special case, not only in Eurobarometer (Table 8.2) but also in the expert judgements:

During the 1970s when the Progress Party entered the political scene with its anti-tax and anti-red-tape program there were surveys showing a lowering of the esteem of politicians and public servants. Also, today young people seem more drawn toward a private sector career than a career in the public sector. Still, when it comes to the civil service it has not – to our knowledge – experienced any recruitment problems. And as teachers are one of the main providers of recruits to government service, neither of us thinks that there will be problems. We are surrounded by hundreds of more than willing, career-minded Beamten-Aspiranten. (Communication by J. Grønnegaard Christensen)

Thus, public opinion in general tends to be critical about the public service – except the army, the police and the judiciary, the historical pillars



of the state. Negative responses are most likely if surveys employ collective catchwords like ‘the bureaucracy’ and do not ask for personal experience in specific contacts. In general, the perception of social distance to public administration is a function of personal competence in administrative matters and basic positive or negative attitudes towards ‘bureaucracy’ or ‘the state’. In Germany, it is customary to contrast the type of helpless subject (*Untertan*, incompetent but compliant) with the competent system critic (or the passionate voluntary bureaucrat and so on). Also it was shown that the conduct of officials is not impersonal in that it remains unaffected by the image one has of a client. Administrators, police officers and teachers are very conscious of what is expected of them today and try to help – instead of rule over – subjects.

### **Social Cohesion: ‘*Esprit de Corps*’?**

Although in increasingly more countries the public service is regarded by the population as a normal segment of the labour market, public servants themselves may nevertheless display an ‘*esprit de corps*’ (or a ‘corporate identity’ in newspeak). However, as will be shown in the following sections, public service systems are far from being socially homogeneous. Of course, there are everywhere differentiations due to hierarchical rank and responsibilities or differentiations between those who are in permanent contact with the political circles and those who are only professionals devoted to technical and specific tasks. In federal systems the territorial dimensions provide another dividing line of the service. Thus the question arises whether there is, despite differentiation, something like a common *esprit de corps* in the public service; this question is the more interesting vis-à-vis a hostile environment. *Esprit de corps* is most likely to be found in elite positions at the national centre of the public service, more exactly in the civil service group in these positions. Further, these elite members tend to be generalists.

In France, the *esprit de corps* is obviously concentrated in corps (from which the notion in international language derives). That might be a universal prerequisite for the formation of something like a common spirit: homogenous training of some sort and a career path crowded by peers who are running the administration of a certain policy area.

In Germany it is questionable whether the public service is still held together by a strong *esprit de corps* as it allegedly was in pre-democratic times; it is definitely no longer an estate (*Berufsstand*) as it was perceived in Max Weber’s days. A peculiar subjective role understanding might though be found in the highest ranks of the service among those civil servants who are responsible for personnel policy and have encounters with the union-dominated councils of their agencies. ‘Class consciousness’ as documented

in trade union membership varies along status group lines (Ellwein 1980). But it is their function rather than their legal status that influences traditional orientations. While in the French case this coincides with belonging to one of the *grand corps*, in Germany it is rather the bond of juridical training that keeps together the 'abstract elite' of higher civil servants.

In most other countries too, the *esprit de corps* concerns primarily the members of the higher civil service, as was reported from Canada, Denmark and Sweden. In the UK, it was stressed (but might hold true for other countries too) that there is obviously a public service ethos based on a common set of values which differentiates the civil servants from the political world, political neutrality in office implying an undivided allegiance to the state (or rather the crown) at all times and a dedication to the user's service based on quality, equity and personal honesty. Of course, NPM reforms have somewhat eroded these values; this seems to be the case in New Zealand where one can hardly distinguish any kind of *esprit de corps*.

### Public Service Unions

Another approach to public service cohesion is by analysing public service unions. There are dramatic differences in the degree of fragmentation of the public service union system. On the one hand there is the specialized but rather homogeneous German unions (ÖTV – catchall public sector labourers and employees, and since 2001 Verdi including private sector employment, GdP – police, GEW – teachers and so on) integrated under the roof of the German federation of trade unions (Deutscher Gewerkschaftsbund); the French public service unions are also relatively fragmented as 'national federations' including unions specialized on a professional basis; but the British public service union system might be most strongly fragmented.

Also, the degree of unionization is rather dissimilar. Paradoxically one may observe higher rates of unionization in those countries which have embarked on NPM reforms: about 60 per cent in the UK public administration (with 53 per cent in education and 46 per cent in health),<sup>3</sup> 90 per cent in the New Zealand public service, about 100 per cent in Denmark. In contrast, the unionization rate is about 12 per cent in France (against 6 per cent in the private sector), a country where public sector labour unions are regarded as real political forces. In Germany, union membership is about 50 per cent. It increased considerably after national unification. In particular the teachers' union GEW grew and was virtually taken over by eastern Germans, for teachers in the East are mostly kept in employee status as opposed to civil service status in the West. On the other hand, unions lost members after the privatization of railways and the postal service in 1994.

In order to strengthen bargaining power, in 2000 public service unions merged with other unions to form 'ver.di'. Furthermore, there are considerable differences in 'class consciousness'. Civil servants tend to be organized in special associations and not in unions proper, for they must not strike; the Deutsche Beamtenbund (German civil servants' association) assembles mostly members of general administration. While the unions negotiate centrally with the association of public employers (*Länder*, local governments, federal government), who are traditionally led by the federal minister of the interior, civil servants' associations just have a hearing right during annual federal salary legislation.

The membership rate is not enough to appreciate fully the weight and force of public sector unions. The number of unions and their professional and/or political backgrounds are important too. In Canada as in France there are many unions organized in federations but these federations are basically professional in Canada while they have a clear political colour in France: the CGT confederation is close to the Communist Party and the CFDT close to the Socialist Party. In the UK and in New Zealand, public unions are very fragmented and play quite another role as there is no central collective bargaining; fragmented negotiation of individual employment contracts prevails in New Zealand and the tradition of political neutrality which prevents civil servants from engaging in a political fight with government representatives weakens the unions in the UK. As a result, there are few strikes in these countries, as is also the case in all the countries where individual negotiations and decentralized labour relations have been emphasized because 'the government' is no longer a collective employer. In such cases, individual interests do not converge necessarily and may oppose each other. When added, the number of working days lost in the UK in the various sectors of the public service decreased from 201 800 in 1995 to 71 800 in 1999; the respective number in France (without the health and local public services) has increased from 226 000 in 1994 to 683 584 in 1998 (Mouriaux 2000).

Furthermore, the degree of unionization varies considerably with the rank of the civil servants. Higher civil servants are generally members of professional associations which defend collective interests while paying due attention to the individual freedom of 'high flyers'. It seems that most higher civil servants resemble professional managers; they are most likely to join an association defending their collective interests. This is the case in the UK where the fastest growing section of the First Division Association (one of the major senior civil service unions) has been that of the NHS managers. In contrast, members of the French *grands corps*, like German civil servants, belong to professional associations which have no real bargaining power but a central function in protecting the careers of their

members and the collective identity of the *corps* (this is especially true when governments attempt to remove former cabinet members in these *corps*).

These alternatives of collective interest organization point at the social mechanism underlying the formation of *esprit de corps*: one's own social group becomes the reference group for professional orientation and self-esteem. Self-esteem, in turn, is a function of external appreciation received. Therefore, the *esprit de corps* may vary, depending on the social context. If the entire public service is under political attack, it may, despite internal differentiation, develop some 'class consciousness'. The administrative elite may show an *esprit de corps* if put under pressure from less important strata of the public service and their unions. Local administrators may unite against national administrators or teachers if compared to nurses.

## THE FORMAL DIFFERENTIATION OF THE PUBLIC SERVICE

At the outset we stated that the public service as a social system is naturally internally differentiated. First of all, we can distinguish a differentiation by the legal basis of employment: in most countries there is a core of civil servants enjoying a particular legal status separating them from the rank and file members or peripheral groups of public employees. Second, there is a professional differentiation related to educational training and policy area of employment. Third, in all systems there is a hierarchical differentiation of positions in and between offices and a concomitant vertical social stratification which is likely to overlap with the legal basis of employment and the professional differentiation: civil servants proper and (partly) generalists tend to occupy top positions in the administrative elite, in some cases with a special legal basis such as in the Senior Executive Services (USA, Australia, UK, Canada). Contrarily, public workers and employees are most likely to be found at the bottom of the hierarchy and thus in service rather than management positions. Finally, we may employ a broader definition of social differentiation applying more to the societal scope of the public service: is there any specific – explicit or implicit – meaning connected with the fact that you are a civil servant? This is particularly the case in Germany and France; in France, when you say 'I am a civil servant' you may be answered 'Oh! I see . . .'. This means that there is a whole set of social representations beyond legal boundaries. In Germany, despite 30 years of research into the relative costs of civil servants and employee status (with ambiguous results), to be a '*Beamter*' signifies a special status and is associated with public expectations derived from entry requirements of the civil service (physical fitness, no debts – therefore

favourable insurance and credit conditions) and the special disciplinary code to which civil servants are subject.

We guess that there is an historical background to the question in each country due to political culture, traditions and social strategies: does the civil service offer real opportunity for an improved social status?

### **Public Employment by Legal Status**

At a first glance, this way of differentiating the public service systems appears only meaningful where a distinction between public and private law exists, that is in continental European and Scandinavian countries. Here, special public employees are contracted under public law with access to administrative courts of justice in the case of labour conflicts. This criterion is sharp but – unfortunately – narrow, leaving out public private law and/or publicly financed private corporations and enterprises (see Grønnegaard Christensen and Pallesen on this problem). Further, public law status entails some curtailment of basic rights (for example to strike or to join a political party), which in turn is compensated by lifelong tenure. Last but not least, the core of the civil service status is regulated for the entire country, even in federal European states, notwithstanding modifications by sub-governments. This implies that codifications exist, be they a parliamentary law (in Germany, for rights and duties as well as for salaries), or by executive regulations as in the UK, the USA and France.

While in France these civil servants have, since 1980, made up more than 80 per cent of the national government public labour force, in Germany they have shrunk to under 40 per cent since 1990.

All the other public employees' status is regulated under general labour law, modified by treaties between unions and employers. Often a further distinction is made between employees and labourers, resulting in Spain and in Germany in a 'system of three status groups'.

In the United States the legal status of public employees is substantially more complex than in most other countries, for it belongs to the case-law countries of the Anglo-Saxon world and is a federation. In the first place there are almost as many personnel systems as there are governments. There may be some substantial similarities among personnel systems in local governments within a single state, but even within a state there are often differences in the categories and procedures used to hire and fire people. At the federal level, there are several important categories that differentiate public employees. First, we can break down the federal civil service into categories that are not dissimilar to those used in other countries. The three categories used at the federal level are executives, white-collar (general schedule) and blue-collar (wage system) employees. These

categories are derived from the way in which employees are paid, but are also highly indicative of their relative status in the organizations. There are also several other pay systems, for example that of the Central Intelligence Agency, that do not fit neatly into these three categories. As in continental Europe, those outside the executive class are classified, albeit not in legal terms, as white-collar and blue-collar employees.

However, in the Anglo-Saxon world, although not hampered by public law, legal differentiation is found too: for instance, with respect to level of government. This is most prominent in the UK where the civil service resides in Whitehall (even when working in dislocated agencies) and is not found in local governments. Second, senior executive service systems in national government bureaucracies (or Senior Civil Servants in the UK or the Executive Group in Canada) convey a special status, nowadays often related to individual contracts as in the UK, New Zealand and Australia. Furthermore, the status of the senior civil service in the UK is regulated by the government under crown prerogative. Continental top civil servants, although often hardly legally distinguishable from rank and file civil servants, are functionally comparable to these senior executive services (SES). For a full comparison with the SES, one has to turn to a second dimension in countries like France and Germany: the vertical professional differentiation according to educational certificates. Then the highest ranks of the French *grand corps* (public law status) match the SES, and in the German case the peak of the higher civil service (the French group A civil servants) might be equivalent too; this is particularly true for the two top ranks, the so-called political civil servants. Thus in all countries, the elite of the public service enjoys some special legal status, whether public or in another form of distinction, and they are all university trained, be it as an explicit rule or de facto.

Civil service status may not only extend to central government or higher positions but also or primarily to task areas: in Germany and France, authoritative interventions with implications for citizens' basic rights are preserved for civil servants like police, tax collectors and general administrators.<sup>4</sup> As the higher civil service, in particular in the ministries, is in charge of controlling these operations, they are attributed public law status too. Often this goes along with the existence of a special 'general administration' category like that in Germany, Spain and France (with the interministerial corps of the *administrateurs civils*). Ultimately this is a reflection of the basics of public law philosophy: since pre-democratic times, citizens in continental Europe started to limit absolutist state powers by regulating their application by law; thus those authorized by law to collect taxes or to put you in jail had to have special public law status. Consequently, public law and civil servant status is related to the legal

boundaries of the state, as is the case in France and Germany: those sectors and policy areas that are defined as authoritative are populated by public law agencies and their employees are consequently contracted on a public law basis. In the German case, Article 33 Section 4 of the constitution requires authoritative state acts to be executed by civil servants. There are national differences as to the task areas defined as public law spheres: in Germany and France, civil service status extends to the education sector<sup>5</sup> – a notion utterly strange to US or UK citizens, where schools and universities, to a larger extent than on the continent, are private and university professors may not even be regarded as public employees (UK).

Given these distinctions, uniform codification especially of the public law type (as opposed to negotiated contracts with employees) tend to install also uniform career requirements, whatever the level of government one is recruited for or the task area employed in. For example, since German unification, the civil service has been only the second largest of the three status groups (40 per cent), while employees have constituted the largest share of the public service (45 per cent). The change of proportions in particular between employees and civil servants is not due to the long-term growth of health and social service areas, but German unification tipped the balance as the eastern German public service mostly did not meet civil service requirements.

As to the personnel profiles of the levels of government in Germany (1996), in the federal bureaucracy, of those in full-time positions most were civil servants proper (67 per cent). The personnel structure of the *Länder* is also heavy with civil servants: police and teachers (51 per cent) but these are almost matched by the employees (41 per cent). Third, local government personnel are overwhelming of employees (61 per cent) and labourers (29 per cent) status, indicating the specific activity profile of local governments – provision of physical facilities and supplies as well as personal social services.

To conclude, we might generalize that:

- All countries know a legal differentiation between a core civil service group and a second group of employees and/or labourers;
- Civil servants are most likely to be found in authoritative state sectors, in particular in government ministries where their elite may even form a particular legal subgroup of SES or SCS or political appointees or political civil servants;
- Third, service functions to clients/the public are most often operated by non-civil servants, that is the employee/labourer group; thus this group is predominantly employed at the level of local government, in field offices of central government or in private law public corporations.

### **Declining Blue-collar Employment and Upgrading in the Civil Service**

The decline of unqualified and blue-collar employment within the public sector seems to be a common trend in western countries. Privatization (especially of rail and mail services which have always used a lot of blue-collar agents) and contracting out have oriented the public service towards staff management, as service delivery is more and more handled through private firms or associations under contractual control. This is not a hollow state but a state by proxy.

The first aspect of this transformation is the quantitative disappearance of labourers in Germany or state workers in France. In Germany the population of labourers has suffered a decline of 48 per cent between 1991 and 1998, their proportion in the public service having decreased from 26 per cent of the whole public service to 15 per cent. In France the number of state workers (whose legal definition is not what it is in Germany as they are almost exclusively found in defence industrial plants) has decreased by 29 per cent between 1988 and 1994 and their proportion in the whole state public service is now about 3 per cent (compared to 4.4 per cent in 1988). In Spain the proportion of employees and labourers in public companies declined from 20.3 per cent to 14.6 per cent between 1986 and 1996. The same phenomenon occurred in the USA, where the blue-collar category decreased by 22 per cent between 1988 and 1993, being in 1993 approximately 60 per cent of what it was in 1970. The United States though did not have the nationalized railways of France or Germany but did have a number of blue-collar activities, for example janitorial services and gardening around federal buildings that are now contracted out to private firms.

A second aspect is the trend toward 'top-heaviness' of public services. For instance, the A category in France has increased from 32 per cent to 42.5 per cent between 1982 and 1999 (but from 8 per cent to 9 per cent when teachers and professors are excluded from the calculus). The same can be said of rather different systems as the Australian public service, where the upper levels of the federal government permanent staff increased from 7.1 per cent to 11.9 per cent between 1988 and 1997. In Germany the former pyramidal shape of public service career groups has turned into an onion shape after the lowest career group has virtually disappeared, owing to 'structural improvements' negotiated by the public service unions. While in 1960 only every third (34 per cent) public servant belonged to the two highest career groups (higher and 'elevated' public service), in 1998 51 per cent were members of these career groups. This increase in absolute numbers is the more dramatic as the group of public labourers has shrunk to 15 per cent. Thus, although social differences are increasing between



workers at the bottom of the stratified system and lower civil service grades on the one hand and higher civil servants on the other hand, the difference among the lower strata is becoming irrelevant.

### **The End of the Civil Servant?**

Given today's pervasiveness of NPM, one implication is that civil servants are supposed to act like private sector wage earners, that is in an economically efficient manner, putting the consumer of public services at the centre of their professional world, with due respect to what they are told by political leaders. Furthermore, it seems that public service agents themselves would share increasingly often the values of their private sector counterparts. The last section will show that, in terms of inter-sectoral mobility, the two sectors are coming ever closer. The problem though is that there are not only two sectors, but at least three: the civil service, the other categories of public agents and the private sector wage-earners.

In each western country one finds public agents who are not civil servants. This is the case of public employees and public workers in Germany and of contractual agents in France and Portugal, who are hired on the basis of public law contracts and who are to be distinguished from those hired on the basis of common law contracts, especially in local government. With the exception of Greece, France, Spain and Italy (at least until the 1993 decree on 'privatization' of the civil service), all the other public services in Europe are quantitatively dominated by public agents who are not civil servants. In Denmark, the civil servants constitute only a minority within the public service, as the great majority of public agents are hired through common law contracts, even if they benefit from very protective social laws.

What seems more important is the progressive erosion of the social and professional specificity attached to the status of civil servant proper. Job flexibility is becoming more widespread, implying more part-time work and more unorthodox employment in the public sector.<sup>6</sup> In some cases, at equal level, agents with quite different professional status may work together within the same ministry or the same public authority. This is the case in the UK, where the agency managers may come from the public service or the private sector; in France about 130 000 specific five-year contractual jobs have been created in the public sector, national and local, for unemployed youngsters. As a matter of fact, these temporary agents work like statutory civil servants do, especially in the social sector, but just for the minimum wage and without any promise of future integration within the ranks of the professional civil service. The privatization or the public administration 'marketization' processes have fostered, of course, this

decreasing differentiation between the public service and the private sector. On the one hand, former public entities have had to face the market productivity requirements, implying more flexibility but also better remuneration for higher managers, as was the case in New Zealand or in the UK in order to attract people working in the private sector. On the other hand, private firms contracting with local authorities have progressively adopted the policies of their public partners in order to promote minorities or to develop their role in the local economy, as has been the case for many years in the USA.

Another element of de-differentiation of the civil service is due to the use of contractual provisional assignments for upper level managers. This is already the case in Australia and the UK, and the practice has been developing in Germany since 1997 as well as in Italy since 1998, where members of the *dirigenza* are hired in top positions on the basis of two- to seven-year contracts. Of course, this practice is not very new, as most political positions have always been occupied under precarious conditions, but this evolution indicates that even members of the administrative elite can now be put under scrutiny for their professional results.

### **Professional Differentiation**

The very notion of profession, in some of the countries under consideration, is a product of 19th century state bureaucracy; working for the state became a profession or estate (*Berufsstand*, see Max Weber) with special selection and (university) training requirements, and the bureaucracy, in turn, began to regulate standards for other professions (medical doctors, engineers), partly because there was a need for their qualification in the broadening state sector. In 'stateless' societies like the USA, things are different, for example, professional schools maintain a special position in the (largely private) education system, and professionals (lawyers, medical doctors, engineers) are typically found in the private sectors. However, as specialization of training, on the one hand, increased (teachers, nurses, computer specialists) and public sector tasks expanded (education, health care), on the other, the kinds of professions employed in the public sector grew in continental Europe too. Professional differentiation, in all countries, is related to the education system; where public sector demand for qualifications is met by a supply from specialized training institutions, training translates into professional stratification of the public service. Otherwise, the public sector has to rely on training on the job and internal training schools.

Horizontal differentiation by training is linked to special branches and agencies of the public sector; those with the same background tend to form

associations or unions and are likely to develop a special, professional role understanding as teachers, as nurses or as environmental engineers. Some of these specializations are reflected in the official public service statistics by function or policy area.

The French and the Spanish call these specializations ‘corps’ to designate social groups trained for special branches of public administration and fitted into special hierarchical positions. There are equivalents in many countries: ‘career’ (*Laufbahn*) in Germany, for example as policemen, technicians, teachers, medical doctors – and general administrators. There are approximately 900 corps within the French public service (but 95 per cent of the whole civil service is managed by 100 corps), producing a very fragmented structure which restricts horizontal staff mobility. It may be assumed that these hundreds of corps include an element of vertical stratification. Carried on ad infinitum, one would end up with counting jobs and not careers. On the other hand, it is the price to be paid for keeping an equilibrium between a Weberian structure and old civil societies which have been heavily fragmented for centuries.

### **Career Staffing vs. Job Staffing**

Uniform codification seems to be related to the distinction between career public service systems or systems of job staffing. Job staffing is also typical for (ad hoc) contractual arrangements. The civil service proper tends to have a career system, employees and labourers are often hired for specific jobs. This does not imply that they are in temporary employment, it only means that they are not supposed to move through a patterned succession of jobs but rather to stay in the same position.

Career staffing, at least for the core service personnel who are employed under public law, is most prominent in continental European countries like France, Germany and Denmark. In Westminster systems, career staffing was the rule too, but in New Zealand job-staffing has largely replaced career staffing since the NZ state sector reforms of the late 1980s and early 1990s. These reforms abolished the unified state services career structure that had been centrally administered since 1912. Canada too, basically has job staffing, although elements of career staffing were introduced into the Quebec public service in the late 1960s. This is why mid-career training is so important. Sweden has turned to a system of mixed staffing. Overall, recruitment has become more short-term; people are employed (or recruited from tenured posts elsewhere in the civil service) to work in ‘projects’ which are assignments with their own budgets devoted to a particular problem or issue. Another general pattern seems to be a gradual shift from generalist towards specialist recruitment.

However, when inspecting top positions in the civil service, career staffing still seems to be paramount. Take for instance the United Kingdom. Theakston (1995, pp. 38–9) argues that post-war Permanent Secretaries tend to be ‘lifers’ with, on average, 30 years of experience in government. The majority entered the civil service straight from university and are specialists in government rather than particular policy areas. Indeed, 30 per cent of the Permanent Secretaries in posts in 1993 were promoted to Permanent Secretary in a department with which they had no previous experience (42.9 per cent in 1945). Interdepartmental mobility, low or high, though is not a precondition of career staffing. British ‘high flyers’ tend to be moved around departments, gaining experience in government rather than specific policy areas, although Drewry and Butcher (1991, p. 98) argue that ‘the great majority of civil servants, once recruited to a department, spend the rest of their working lives there’.

German top civil servants, although career civil servants, are increasingly not spending their entire professional life in the public service; although between 1949 and 1983 53 per cent were pure career servants, 18 per cent show a retarded entry into the service and 30 per cent had gone through mixed careers with more than four years outside the public service.

### **Generalist vs. Specialist Training**

The eroding but nevertheless slightly dominant pattern of career staffing in most of the countries under consideration here almost presupposes some sort of generalist training in order to allow for multiple job assignments in a career. In Denmark, 90 per cent of government department personnel are generalists and in the UK there are at least significantly more generalists than specialists. In France and Germany, too, the majority of people at least at the top can be regarded generalists. Only Canada – and probably to a larger extent the USA – show a mixed system of staffing with larger proportions of job staffing and specialists than in the other countries.

That career patterns are slowly changing in a number of countries is also reflected in New Zealand; by and large the NZ state services had a tradition of generalist recruitment prior to the state sector reforms of the 1980s. The reforms have tended to place a much stronger emphasis on the recruitment of top executives with what are seen to be generic management skills and qualifications, rather than on the recruitment of specialists, except in certain areas such as public health (see, for example, Easton 1995).

However, the content of training for generalists varies from country to country. It might be maintained that law training constituted the classical, almost Weberian equipment for career civil servants in continental Europe

including Scandinavia, up to the Second World War. Jurists are, however, losing ground. In Germany, since the late 1960s, economists can be found in some 15 per cent of the top positions, thus undermining the monopoly of jurists. Also, social and economic studies have been acknowledged as general entry qualifications to the higher civil service since 1970. In Denmark in 1995, the percentage of jurists in government departments had gone down to 44 per cent – still the largest group, followed by economists (18 per cent) and political scientists (16 per cent). Today in Sweden, too, political science, business administration and social sciences more broadly are the preferred training.

A different conception of generalist is found in the Westminster systems. In Britain, even today the majority of Fast Stream recruits have Arts or Social Science degrees with far fewer holding science or technology degrees. From 1978 to 1990, while the three main categories had similar success rates, there were far more applications (28 795 or 85 per cent) from Arts (16 705) and Social Science (12 090), and these subjects accounted for 1162 or 86 per cent of the total Fast Stream places offered.<sup>7</sup> In New Zealand, prior to the state sector reforms, a large share of top governmental executives, as in the UK, even today are educated in the arts/humanities. There is evidence that in recent years the more likely fields of tertiary study are commerce and economics (see Gregory 1995). In Canada, a rise in those trained in business administration is noted too (see the comparative article of Carroll 1996). Painted with a broad brush, the picture has turned more managerialist since the 1980s in many of the countries by taking in generalists from economics and business administration.

### **Vertical Differentiation**

Social stratification in modern societies is merit based and is expressed in a hierarchical system of career groups or the grading system. These are generally related to education certificates. Higher civil servants in all countries are university trained. The British even put the brightest young people on a 'fast track' to reach the elite; the French do this pre-selection of the future elite through their *grandes écoles*. Further, one can position entrants to the public service, according to relative level of the education certificate, in separate 'career groups' (like in Germany) or on a unified (salary) scale as in the UK since Fulton, or in Spain (preserving grades 20 to 30 for university-trained candidates).

In Germany, the higher civil service and equivalent university-trained employees amounted to only 17 per cent in 1998. Of course the career groups are unevenly distributed among the three tiers of government: the higher service peaks with 23 per cent in the *Länder* administrations due to

the presence of judges, professors and secondary school teachers; 70 per cent of this career group in the entire public service is found here.

### **Grands Corps**

France and Spain are the two countries in Europe having a corps system, that is legal and institutional structures organizing and differentiating careers within the public service along the lines of a sectoral specialization. It is essential to distinguish between corps and *grands corps*. For the corps as social groups trained for special branches of public administration and fitted into special hierarchical positions, there are equivalents in many countries, but not for the elite *grands corps*. *Grands corps* are more lasting than organizational boundaries, and they administer themselves and are self-regulating.

The hierarchy of corps is one of the key elements of these systems because it reflects the social hierarchy, whatever the efforts to democratize the access to top positions. In France, particularly, one may clearly distinguish the administrative and technical *grands corps* from the others (Rouban 1998c). While the technical *grands corps* (for instance: corps des Ponts-et-Chaussées, corps des Mines) have a ministerial basis, the administrative *grands corps* (Conseil d'Etat, Cour des Comptes, Inspection générale des Finances, corps préfectoral) are much more autonomous. The members of administrative or technical *grands corps* may work everywhere within the public or the private sector. For instance, only 30 per cent of the members of the Inspection des Finances in 1997 worked within the Inspection, while 30 per cent could be found in the staffs of major banks, private firms and insurance companies, and these proportions have not changed between 1969 and 1997. The social differentiation of these *grands corps* comes from both the fact that they recruit only the best students selected by the administrative schools (the Conseil d'Etat recruits only three ENA<sup>8</sup> students a year) and that they are likely to occupy top positions everywhere (they even have some specific 'territories') in the public as well as in the private sector. This polyvalence is at the heart of the social differentiation in the French public service; it demonstrates that generalists are more appreciated than specialists.

A sociological analysis shows that the members of the *grands corps* do not have a mainstream social background: up to 70 per cent of their fathers are from the upper class, occupying management positions in private business as well as in the public service or working as members of liberal professions. Interestingly enough, there is a huge social reproduction within these corps as up to 40 per cent of their members have a father occupying a position within the public service. Of course, as the whole civil service is

organized through corps, there is also a social hierarchy between the other corps which copies the prestige hierarchy of the various ministries. At the top there is the Finance Ministry, where remuneration is significantly more important than in other ministries for the same hierarchical level, due to a generous system of bonuses. At the bottom one may find the Social and Human Services Ministry. This means that even within an inter-ministerial corps, like the corps of *administrateurs civils*, one may find a salary and social differentiation depending on the ministry in which these managers are employed.

These differences have a strong impact on the way the managers perceive their career prospects as they have also a huge effect on their professional values. Members of the administrative *grands corps* do not see themselves as managers but as implementing experts or as executing quasi-judicial tasks. This produces a very strong *esprit de corps* rooted in a long history (the *grands corps* have inherited their structure from the 18th century state) and in a sharp feeling of competition and rivalry. One positive aspect of the corps system is that it creates very effective social pressure through personal contacts, which improve career management as the corps cannot afford to let down one of their members. But this is only true for the *grands corps*, which are very small structures (there are about 350 members in each administrative *grand corps*). In large corps, like the corps of college teachers, this protection may encourage conservative behaviour and isolate the corps from the environment or the requirements of governmental reforms. One of the negative effects of this system is that, except the very mobile members of the *grands corps*, horizontal mobility from one ministry to another one is very difficult to manage. This problem can be found also in Germany, where the ministerial autonomy rule (*Ressortprinzip*) impedes to some extent the fluidity of the human resources management, compared to Senior Executive Services.

As a whole, the *esprit de corps* is one crucial element of differentiation within the public service. A paradox emerges, for most recent reforms have fostered the professional dimension of the public service, and thus its fragmentation, pushing forward the acknowledgement of specific groups and responsibilities: the policemen have not to be managed like teachers or nurses, as their duties and know-how are quite different. This could reinforce the professional boundaries, although modern human resources management policy is supposed to alleviate it by systematic individual performance appraisal. But any professional evaluation calls for both a measurement framework in order to avoid any arbitrary decision and a set of collective criteria in order to feed the professional group with useful information. This is the limit of any managerial reform which cannot rely only on individual results. The public service remains a complex set of

interrelated groups which look at each other and compare their working conditions. Thus, collective strategies cannot be put aside whatever the willingness of the politicians to break the corporatist structures.

### **Countries without corps systems**

In the literature, particular importance is attributed to the *grands corps* in France. It is difficult to decide whether the ritual quotation of the *grands corps* being a specialty of France is based on a misunderstanding and a myth or whether these corps have something significant which actually distinguishes the French system from other countries. Of course, the phenomenon is often misunderstood, as even the most recent comparative works confuse corps and *grands corps*. There are further distinctions among the *grands corps* to keep in mind: for instance, the prefectural corps is not like the other administrative *grands corps*, for it is openly politicized. This misunderstanding has misled many studies that undertake to demonstrate that the French system was unable to change or to adapt to its external environment while recent history shows clearly the contrary. Rather, the *grands corps* system demonstrates that portions of the pre-democratic state may fit in with democratic structures and prove functional.

While the French public service thus is, first of all, characterized by the existence of *grands corps*, other countries including Germany do not have them. This is, however, partly a misperception. It is probably less the existence of *grands corps* than the social importance of these corps that matters. There are corps in Germany, too: medical doctors, the general administrators, Bundesbank employees, judges, university professors – some of them with distinct salary scales: A, R, C, respectively. In previous days there were also railway and post office careers. These ‘careers’ correspond to some extent to the professional groups that can be found in the French system. In the UK there are also many more professional groups (and unions) than in Germany.

The German examples given above mostly refer to academically trained public servants; thus comparison with the *grands corps* is invited. It could be argued that there are ‘corps’ in Germany too but definitely not *grands corps*; at least the higher civil service is not perceived in these terms, and this might have structural reasons. The reason why corps could not become a dominant organizing factor in the German system is the federal structure of the German polity: as all the *Länder* and the federal government, which came into existence only later, are autonomous (although for the civil service there is federal frame legislation and salary legislation), there is no chance for carrying out a countrywide personnel policy. Nevertheless, the career groups have informal bonds and associations and are united by professional standards. Once people have gone through specialized education,



be it in peripheral matters or in general administration (irrespective of the contents of generality: the classics/history or law), they tend to form an identity, to get professionalized. This is the more so when they form (private) professional associations. In this sense, it might be claimed that there is professionalization, establishment of corps and *esprit de corps* around specialized careers in most of the countries in the OECD.

It is interesting to learn how public services are differentiated in terms of social categories (according to degree of training, content of training or both: degree and content) in order to distinguish the higher civil service from the rest of the public service or between branches of government/policy area. Furthermore, it makes a difference whether these sub-groups are informally constituted, are a merely social phenomenon or whether they are rooted in public law categories. In Germany there is a mixture of both: on the one hand there are special careers (presupposing special training) of judges, soldiers, professors and general administrators. However, the general administrators constitute something like 15 per cent of the civil service. Also, these categories are basically formed in terms of salary scales; the large majority of general administrators, however, is differentiated in itself. At this point the social formation of corps has its beginning: medical doctors in the public service, although paid according to salary scale A (general administration), nevertheless have formed an association of the higher medical public servants of federal and *Länder* governments. Also, the *esprit de corps* might be quite pronounced in special branches like finance administration, forestry administration (a case which the late Thomas Ellwein, one of the founding fathers in the field of German public sector research, used to emphasize). There is though no publication about this informal social differentiation. While the judges obviously have no professional association but different forums for annual conventions (Juristentag, Richtertag), university professors are overwhelmingly organized in the university association (Hochschulverband), a private law association, which, however, has more of the character of a public service association to be heard whenever university legislation is under amendment. The association also elaborated a role model for professors thus fostering common role understanding. Ultimately though, the distinctiveness of the French *grands corps* depends not on specialization or professionalization (which is easily found in other countries), but it rests on their self-administration or the autonomy from the government of the day. The British senior executive service is also self-controlling and self-administering as the head of the civil service, who recommends promotions to Permanent Secretary, is a Permanent Secretary himself (currently in the Cabinet Office).

Significant social groupings in the public service do not depend on large numbers; there are administrative *grands corps* in France comprising only

300 persons. However, we should distinguish between a corps and a professional group, the former sharing a common set of values and self-representation, and rooted in history; the latter sharing only common interests and career paths, and possibly a common salary scale. To get organized as a group (and as a union for negotiations) might be easier in a unitary than in a federal state because of the lesser degree of fragmentation of personnel authority (recruitment, appointment, promotion, allocation).

## THE ADMINISTRATIVE ELITE

The relation between the public service and society is already implied when considering the sheer size of the public service; here we shall concentrate on recruitment and the social background of bureaucrats. Although the question of social representativeness is dealt with in other chapters (Heinemann on gender, Gow and Sutherland on ethnicity, in this volume), social recruitment including the channels of training and selection will be discussed here. The roots of the service in society are of special interest for understanding social acceptance of the public service in a society; background and recruitment are, however, of paramount importance when dealing with the elite of the public services. The public service elite are, as a rule, top civil servants; their specific environment is the political sector (parties, interest groups, unions). Thus, at the end of this discussion we shall address the relationship between the public service elite and the economic and political subsystems of society.

### **Size of Elite**

In determining the size of national administrative elites we are facing a definitional problem: which positions are to be included? Taken together, the four layers of top executives in Bonn in 1994 are almost as numerous as their counterparts in Washington in 1988. The political appointees in Washington, however, are far more numerous. The numbers vary between 1500 and 3000. The latter figure is more accurate, although there is substantial variation in the number of appointees in place. In particular the Clinton administration had a number of positions unfilled because of its own slowness in making nominations and the reluctance of the Senate to confirm some appointments. Unlike most industrialized democracies, the United States still has a large number of highly significant political patronage jobs; the top four or five grades of most federal departments are now occupied by political appointees, largely from outside the career structure of government. There are some civil servants who take political appointments,

but the majority of political appointees are from outside government. This is in contrast to the ‘political civil servants’ found in Germany as well as in France, who are overwhelmingly career civil servants but show increasingly party political affiliation (Derlien and Peters 1998). Most of the US political appointees will remain in office only a few years before returning to the private sector – it is still ‘a government of strangers’ (Hecllo 1978).

If we take the entire senior civil service and its equivalents at the central government level, the elite comprise:

- In the UK, 3630 full-time personnel (1998, in grades 1-5)
- In Germany, roughly 1500 (section head and above)
- In Canada, 3421 members in the Executive category (1999)
- In New Zealand, 3000 chief executives and top level managers
- In Denmark, 322 (grades 42-39)
- In the USA some 3000 political appointees plus an unspecified number of top career civil servants
- In France, 4200 top positions.

Put in relation to the overall central government personnel figures, the elite nowhere comprises more than 2 per cent of the entire service. In federal states sub-national elite positions should be counted, too. For instance, in Germany the two top ranks (state secretary, division head in ministries) amount to 150 people at the federal level and roughly 1000 people at the *Land* level. In Denmark one would arrive at 200 persons including managers of the major cities.

### **Thickening at the Top and Increasing Wage Gap**

Paul Light observed for Washington the paradoxical phenomenon of thickening at the top while slimming down the public sector. In the USA the number of executive grade employees in the federal government has increased, reflecting in part the ‘thickening’ of government and the increasing levels of control within federal organizations (Light 1995). As Derlien and Peters stated: the number almost doubled between 1960 and 1972, and then doubled again by 1984. There has been a commensurate number of appointments requiring approval by the Senate, meaning that the process of selecting officials to serve in the executive branch is an even more politicized process than perhaps ever before. The level of political appointment in agencies is not, however, uniform but increases with political exposure (Derlien and Peters 1998).

In all of the countries represented here, the absolute number of top positions increased from about 1980 despite ‘lean management’ and revolutionary public sector changes.

'Rewards at the top' (see Hood and Peters 1994) are, to a certain extent, reflections of more egalitarian or plutocratic traits in a society. Although top public service salaries should ultimately be seen in relation to salaries of politicians and the judiciary, we are interested here in changes of the ratio between the lowest and the highest public service salaries. This wage compression is roughly 1 : 6 in New Zealand and Canada (1997). In Germany (1995) the ratio was 1 : 6.3 (1995). Within the higher civil service, though, the distance between the lowest (A13) and the highest (state secretary, B11) shrank to 2.7, which is only slightly more than the ratio between the most simple position A1 and the entry into the higher civil service (2.4). In egalitarian Denmark the overall ratio was only 2.5 (1990).

However, the gap seems to have broadened in some countries, although exact calculations are nowadays increasingly difficult because, as individual performance-related contracts are gaining ground and top executives of privatized enterprises are kept outside the salary scale, the system is no longer transparent. In Denmark, the compression ratio broadened to 1 : 3.2 in 1999. According to estimates, the best paid permanent secretaries now receive a salary which amounts to a ratio of 1 : 5. This is also the salary of the managing director of the state railways and of the mail services, which were formerly organized as directorates general and state-owned enterprises, but that are now government corporations. In New Zealand in the state sector as a whole, including state-owned enterprises (whose top executives are remunerated in line with comparable rates in the private sector), the ratio would be up to 1 : 20. And in Britain a comparison over four years, from 1995–98, shows that the ratio of the upper to lower quartile for the service as a whole has grown from 1.7 to 1.8, indicating that inequality of pay has increased.

### **Social Background**

With 15 per cent and more of the labour force, public services can be regarded as socially representative, that is in terms of social background but not necessarily in terms of gender and ethnicity. This representativeness of public services *in toto* is the more likely when admission is linked to educational background and if all school certificates qualify for some sort of public service job. Whereas this broader aspect is hardly systematically investigated, the administrative elite has been the primary target of research. Although in elite research the law of increasing disproportionality is well established (Putnam 1976, p. 22), it may be asked how exclusive the administrative elite is. We have some data for Germany, France and the United Kingdom.

In *Germany*, between 1949 and 1983, three out of four persons were socially recruited from a mere three professional groups: the fathers of 43.5

per cent had been in the civil service, of 19.9 per cent in trade and of 12.4 per cent in the liberal professions.<sup>9</sup> Only 7.5 per cent revealed working class backgrounds. Surprisingly, executive politicians as well as bureaucrats were predominantly brought up in civil servants' homes. This self-recruiting tendency is particularly high with 49 per cent for top administrators, whereas only every third of the more representative politicians (34.3 per cent) had a civil service background (Derlien 1990). Affinity to the state among German executive politicians is obviously mediated to a large extent by primary socialization in civil service families – a fact that reminds us that bureaucracy is not only historically older than parliament, but has also persisted through recent turmoils of German history. Status heritage of the administrative elite in Bonn appears even more dramatic when we focus on the higher civil service background of fathers: now 44.3 per cent of the administrative vs. only 21.2 per cent of the political elite originate from higher civil service families. The detailed analysis of this result reveals another unexpected finding for the administrative elite: the reduction of recruitment from the upper class (and the nobility) is accompanied by an even more dramatic decrease of recruitment from higher civil service families. While among the pre-war-generations, 52.2 per cent of the administrative elite had inherited their profession from higher civil servant fathers, in the post-war-generations the rate is only 23.8 per cent. This over-proportionately high loss (compared to 12.5 per cent overall loss of the upper class) is partly compensated by recruitment from the free liberal professions (physicians, solicitors, pharmacists +11.6 per cent), and from leading employees in industry (+4.3 per cent).

For France, data (Rouban 1994) show that, in the 1990s, up to 46 per cent of state top managers came from the upper social class, up to 35 per cent came from the middle class and up to 17.6 per cent from the popular class. The three major professional groups of the fathers were public sector management (15.8 per cent), business management (12.8 per cent) and trade (12 per cent). About 43 per cent of the top managers' fathers had been working in the public sector. Of course this was only an average which calls for categorical distinctions. Up to 61 per cent of the *grands corps* members stem from the upper social class, up to 32 per cent from the middle class and only 6.5 per cent from the working class, while the proportion of managers coming from the working class is higher in other corps as shown in Table 8.4. Furthermore, the proportion of those administrative *grands corps* members having a father working in the public sector was about 53 per cent.

The historical evolution of these social origins must be studied on a sectoral basis. There is substantial evidence that a change has occurred between the 1960s and the 1990s but the realm and the pace of this change is quite different from one ministerial sector to the other. For instance, up

Table 8.4 The social origins of French top civil servants by corps (%)

	Administrative <i>grands corps</i>	Technical <i>grands corps</i>	<i>Administrateurs Civils</i>	Other administrative Corps
Upper class	60.4	47.3	50.8	36.6
Middle class	35.8	43.2	33.8	46.7
Working class	3.8	9.5	15.4	16.7

to 62 per cent of top managers in the finance ministry come from the upper class against 50 per cent in the 1960s, this trend being associated with a decline of the middle-class representatives from 40 per cent to 33 per cent. At the same time, one can observe a democratization in the recruitment of top managers in the technical ministries as 50 per cent of them came from the upper class against 62 per cent in the 1960s, the representatives of the middle class remaining at 30 per cent and the representatives of the working class climbing from 7 per cent up to 18 per cent. This change is partly due to the kind of academic study, with the scientific courses proving to be more 'meritocratic' and open than the classical studies (public law and political science).

For Britain, Barberis (1996) found for the permanent secretaries in office since 1945 that 30 per cent of their fathers had been in the public service; another 26 per cent of fathers had served in the military, in justice and the clergy – thus, again some 40 per cent revealed a public service background, not counting 14 per cent whose father was a university or school teacher. Thus, in most Anglo-Saxon and Scandinavian countries, the administrative elite has a middle-class background: this is the case in Canada, New Zealand and the United States but also in Europe in Denmark (where only 20 per cent of the top civil servants have a father employed as a higher civil servant) and Sweden. Similarly, there is no real status heritage in these countries where the rate of elite reproduction is rather low, apart for the few who belong, for instance in New Zealand, to the old establishment.

### Centres of Elite Formation

As we have seen, social differentiation according to corps or careers seems to be more customary in France than in Germany, at least in terms of public perception. This might have to do with the existence of centres for training future elite public servants, which do not exist in Germany. In France, the *grands corps* give orientation to parents about where to send their children for a university education. The point is that there are quality

differences between French universities (for the middle class) and the *grandes écoles*, which attract most of the children coming from the upper class. A 1994 survey (Rouban 1994) shows that the best mixture in France was public law + Sciences Po, followed by entry to the Ecole nationale d'administration publique (ENA); today it is business school training + Sciences Po + the ENA – of course for administrative careers.

Once special training institutes like the Ecole Polytechnique or Science Po (and later on the ENA) are in existence, it is likely that the general social perception of career paths to the top forms the social construct of *grands corps*; with public law formalization of *grands corps* and their career paths both, social and legal categorizations are mutually reinforcing.

In the United Kingdom, Oxford and Cambridge are still the centres of elite formation. Of all permanent secretaries in office between 1965 and 1994 (153 persons), 63 per cent had gone through public schools and exactly the same number had studied in Oxford or Cambridge. Forty-six per cent had studied humanities (classical languages, history, English) and 38 per cent social science, economics or law (Barberis 1996). As a whole, the central role played by the Oxbridge system in providing members for the higher civil service is not declining as the proportion of permanent secretaries coming from either Oxford or Cambridge has risen from 63 per cent in the 1900–19 period to 75 per cent in the 1965–86 period (Theakston 1995, pp. 37–9). The success rate of former Oxbridge students is clearly higher than the one of all other graduates: between 1992 and 1998, there were 7753 applications to the Fast Stream grades from Oxbridge with a 10 per cent pass rate as compared to a 2 per cent pass rate for the other graduates.

In other countries such training and selection systems are rather unusual. Of course there are for instance, graduate schools of public administration in Canada such as Dalhousie, Carleton or the NA but they are not privileged paths of recruitment. Also, in the United States, higher civil servants are coming from a couple of Ivy League universities like Harvard or prestige universities such as Georgetown. In Denmark, Sweden or New Zealand, the future top civil servants are trained in universities in a variety of programmes.

Although in Germany there is no centre for educating the administrative elite like the ENA in France or Oxbridge in Britain, law training in the universities regulated by federal legislation provides for an abstract elite (Dahrendorf 1962). The curriculum for judges, state attorneys, barristers/solicitors as well as for the higher civil service is the same throughout the entire university system, thus providing a high degree of uniformity of content and – it may be assumed – a common basic role understanding between all law professions and the higher officials in all branches of government at all levels of the administrative system. While after the Second

World War the so-called monopoly of jurists was re-established (in 1959, 70 per cent of the administrative elite had studied law, and in 1966 even 75.3 per cent), in the early 1970s the notion began spreading that leading civil servants were not adequately prepared for the actual job requirements they faced in the area of management functions. This led to accepting also economics and social science degrees as general entry qualifications equivalent to a law degree – at least for the federal higher civil service and most of the *Länder*. After 1966 the share of economists in the federal administrative elite steadily increased up to roughly 15 per cent (Derlien 1990). Nevertheless, jurists are still the backbone of the higher civil service. In fact, there is a close association between the subjects studied by politicians and by top administrators. This link indicates that executive politicians tend to appoint their closest administrative collaborators according to similarity in background.

### **Recruitment of Outsiders**

In all countries a certain number of outsiders from other sectors are occasionally recruited into top administrative positions, even where there is a career system. Of course, the US spoil system with its 3000 political appointees overlaying the career civil service is an extreme case and might justify the notion of ‘government of strangers’ (Hecló 1977). Lateral entry is an exception in Denmark and New Zealand, but in Canada it is quite common, although most deputy ministers are career civil servants. Despite politically neutralizing the civil service, outsiders constitute a small yet increasingly significant part in the UK administrative elite too. The opening of top positions to outside applications has increased, as has the number of outsiders appointed, yet not all positions are advertised and those advertised can also be filled from within the civil service. Table 8.5 shows one in three posts for open recruitment was filled with applicants from the private sector.

In Germany the government spokesman (position of state secretary) is often recruited from the media. Also, after a change in government, about 10 per cent of the vacancies resulting from temporary retirements are filled with outsiders from universities, industry and interest groups. The majority of the administrative elite are though, career civil servants and stay in office after government changes (Derlien 1988 and 2001).

Of course it is difficult to judge how well outsiders perform in the public service elite. Our survey revealed no indications of outstanding performance. Rather, like the expertise of US political appointees is frequently questioned, most reports are sceptical. In the UK prison management under Derek Lewis ended in conflict (Polidano 1999). In the case of the New Zealand Crown Health Enterprises, established in 1993 to replace area



*Table 8.5 Recruitment to British top civil service positions*

	No. of SCS posts, open recruitment	No. appointed from civil service	Percentage of total	From other public sector	Percentage of total	From private sector	Percentage of total
1998/99	107	32	29.9	44	41.1	31	29.0
1997/98	83	27	32.5	36	43.4	20	24.1
1996/97	96	32	33.3	37	38.5	27	28.1
1995/96	80	29	36.2	28	35.0	23	28.8
1994/95	69	19	27.5	26	37.7	24	34.8

*Source:* Civil Service Commissioners' annual reports.

hospital boards, many of the top executives appointed to run these organizations were recruited from the business sector but within two or three years their turnover rate had become spectacular as many found that they were ill-equipped to handle the political context of public health policy-making and management. In Denmark the very few outsiders who were employed in the 1980s did not perform at all well; they were all removed from their posts.

### **Crossover into Economy and Politics**

To what extent is the reverse move, from administrative top positions into the economic sector, observable? True, there has always been some inter-sectoral mobility in rank and file positions in Germany, for instance of clerical staff or revenue officials moving into offices of tax attorneys. Further, if top executives wanted to move, say from the defence ministry to the defence industry, they were subject to certain cooling-off periods but were ultimately allowed to change employer. In the UK in 1998–99 there were 763 applications under the Business Appointment Rules from crown officials, of which 81 per cent were approved unconditionally and 19 per cent were subject to a waiting period or other condition. In the USA, the system of in- and outers systematically builds on inter-sectoral mobility and fosters a drain into the private sector.

In most of the countries under consideration, though, the shifting of top civil servants into industry has basically increased with the privatization policy since the 1980s. There is a tendency that privatizers move onto the boards of former state enterprises, or public managers were given private contracts, which – after all – put them outside the public service pay scheme. In Germany, with her system of public banks (Bundesbank, Landeszentralbanken, reconstruction banks), positions in the public

banking sector are very attractive to state secretaries. For instance, former presidents of Bundesbank Pöhl and Tietmeyer were both former state secretaries in Bonn, and the present IMF president Köhler, before moving to his previous position as chairman of the association of savings banks, was a finance state secretary too. The French system of *pantouflage*<sup>10</sup> is similar in kind and extends to the formerly very large sector of public enterprises. In particular, members of the *grands corps*, for instance 50 per cent of the Inspection Générale des Finances, occupy top management positions in banks and industrial enterprises; this is of course a powerful tool for influencing public policies as well as for giving a 'second career' to top level civil servants the government wants to get rid of. In France there is also a recent tendency of ENA graduates to go into business rather than the public sector. In 1999 about 17 per cent of ENA students did not work in public administration.

### Crossovers into politics

'State societies' may be characterized, among others, by career patterns linking public service and the realm of politics. Incompatibility rules do not hinder inter-sectoral mobility. Although in Germany some 40 per cent of federal MPs and up to 50 per cent of *Land* MPs had been in the public service, these MPs have, as a rule, never held elite positions in the bureaucracy. MP positions are just not attractive enough in financial terms (Hood and Peters 1994). Most of the MPs with a public service background are recruited from the education sector and from local governments. Federal ministers with some public service experience have acquired this 'state affinity through bureaucracy' owing to their juridical training that led them into public administration as a first career step in professional life before becoming professional politicians. Thus, among the federal ministers in Bonn/Berlin, approximately one in four was a higher civil servant for a couple of years. The mandarins of the federal civil service are those 117 *Ministerialdirektoren* (division heads) and 30 state secretaries who can be put on temporary retirement at any time without being given a reason. They are therefore called 'political civil servants', for most temporary retirements actually occur after a change in government, but they are not recruited through political channels nor are they outsiders but mostly career civil servants.<sup>11</sup> And they mainly stay civil servants and only rarely move into politics.

In France though, there is some fusion between the administrative and the political elites as the top administrative careers are generally the first path to a political career at the national level. But this argument needs to be carefully assessed. Many scholars have seen in the French upper civil service the roots of a technocratic state, while data (Rouban 1998d) point

to the contrary; the proportion of former higher civil servants in the political circles may vary considerably along political party lines: Governments of the left are more likely to call former higher civil servants; or appointments to minister vary with the elected leaders' personal networks. Therefore, the portion of ministers who had been former civil servants varies between a minimum of 32 per cent under the Juppé government in 1995 and a maximum of 66 per cent under the Cresson government in 1991. But the proportion of ministers who had been students of the ENA is less, varying in recent years from 9.5 per cent under the Fabius government in 1984 and 30 per cent under the Jospin government in 1997.

When we turn to the Parliament, we may observe that 40 per cent of the MPs elected in 1997 came from the civil service but only 6.4 per cent came from the ENA and 4 per cent from the *grands corps*. As in Germany, the major proportion of those civil servants were former college teachers. Thus, the notion of a '*classe dirigeante*' (Birnbaum et al. 1978) may be exaggerated today.

In the Anglo-American countries, on the other hand, the spheres of administration and politics are more strictly separated, not the least because of the obligation of civil servants to abstain from party politics. In the USA, congressmen are not recruited from the bureaucracy; the same might be maintained for the UK. These differences from the French (or to some extent the German) situation may explain why there is no pattern of crossover from public administration to political positions in those countries. It is interesting to point out that the British political elite is not homogeneous but only a few politicians come from higher civil service ranks: of 87 past Prime Ministers, Deputy Prime Ministers, Chancellors, Foreign Secretaries and Leaders of the Opposition between 1900 and 2000, only two had a former position within the top civil service. The pattern is the same for MPs, with only 7 per cent of Labour MPs and 3 per cent of Conservative MPs having had a government employment background in 1997 as compared to 2 per cent and 6 per cent respectively in 1964 (Norris and Lovenduski 1995; Criddle 1997).

In any case, cross-overs are a one-way traffic that leads only from public administration (at a very early stage of the career) into politics but not the other way round. Only in exceptional cases, mostly alimentation not domination patronage, have German MPs been appointed state secretary – the job below would not do. Of course, administration and politics are not only linked by 'amphibians' moving from one element into the other; there are also 'chameleons', civil servants with a party book. Party politicization is a universal phenomenon we cannot go into here.<sup>12</sup> Suffice it to state that party politicization in a formal sense is not possible in the Anglo-American states where civil servants are denied the right to join political parties.

However, patronage based on some other criterion of sympathy or congeniality (as under Prime Minister Thatcher) is possible there too. Furthermore, in the USA there is, mostly at the top of the career service, a layer of political appointees who can also easily be removed. In France and Germany we find top civil servants in 'catapult seats', be it that they are at the disposal of the government of the day (and return to their *grand corps*), be it that they are temporarily retired as in Germany. The creation of Senior Executive Services seems to be explicitly based on the principle of shifting top civil servants around; furthermore, where top positions are staffed with contractual personnel or where people are appointed only on probation or a limited number of years, flexibility and the potential for political streamlining are more or less a declared aim.

### **Blurring Elite Exclusiveness and Distinction**

Contrary to what is currently alleged in the media or in the New Public Management (NPM) doctrine, the public service is not a dead horse that the post-industrial societies should pull off the road. The public service is a heritage from the past and, given its sheer size in the labour market and in the population, it is a strategic space where the whole social hierarchy is at stake; it is not a cause but an effect of what is regarded prestigious in a specific society and what is not: the federal judges in the USA, the permanent secretaries in the UK, the *politischer Beamter* in Germany or the members of a *grand corps* in France have always been distinguished from the other public agents, whatever the particular variations between countries.

Apparently the fate of the public service is largely dependent upon its social and political status. Since the very beginning of the 20th century, the simple fact of being a civil servant has been regarded in most European countries as a sign of power and prestige: the inclusion in the public service meant that the civil servant, enjoying special privileges (life-term office, protection against assaults from users) and obeying specific constraints (no right to strike, discretion in the line of duty), was not a common wage-earner, as he or she was sharing the political power with the elected officials. The social standing and the prestige of the public service is historically based on this link and on the fact that the political democratization of continental European societies has had to compromise with the already existing bureaucratic profession. Thus, the upper ranks of the civil service, as the most prestigious part of the public service at large, have always been regarded as one of the social elites. These elite circles still persist even in those countries having engaged in huge managerialist reforms of their state bureaucracy. For instance, upper level managers in the UK still come from

the 'Oxbridge system' as do two-thirds of the ministers, even in Labour governments.

However, NPM reforms appear to have fostered the dichotomization of the public service. When in the UK every second of the agency managers is no longer recruited from within the public sector, this does not imply that they share a middle-class ethos. Previous experience in the private sector is highly prized in the public sector, and the new generations of elite students are now seeking the most rewarding training, with a mixture of business schools and top rank universities. This is especially the case in France where future ENA students are combining, in growing proportion, the classical public law and political science courses with business school expertise. Another example comes from New Zealand where the implementation of the most radical managerial reform has destroyed the traditional egalitarian ethos of the public service. The new chief executives are now better paid owing to individual contracts and may easily compare their remuneration with those of the private sector, while the middle-level managers have to follow strict productivity guidelines.

Today the boundaries between the public and the private sector are more permeable, at least at the top, but this only means that private sector careers have become as prestigious as those in the public sector. This change induced at times a genuine reversal of political values, particularly remarkable in France during the 1980s: paradoxically, the social prestige of private entrepreneurship climbed in opinion polls when socialist governments were trying to expand the public sector. In Germany, top officials increasingly find it attractive to continue their career in the private sector. On the other hand, in many countries, performance contracts are offered to recruit private-sector managers to formerly state-owned enterprises like telecom, railways or banking corporations. The success stories in Europe are currently supplied by the private sector, with its big bosses and ambitions and sometimes megalomaniac mergers, and the very notion of 'public entrepreneur' is vanishing. The disappearance of this species could be related to global evolution: public action today seems more difficult than it was two decades ago during the golden era of technocratic power (even this is just a popular image and not a scientific demonstration).

Private sector rhetoric has invaded the public discourse. In most western countries, the administrative language now includes formulas such as the 'quest for productivity' or the 'user-friendly orientation' and so on. In Germany, 'efficiency' became a killer-argument (not distinguishing it from effectiveness and economy, by the way), and 'the citizen as customer' was literally translated into German; 'benchmarking', 'rating' and 'contract management' have entered D-English.

Resorting to management 'speak' offers good arguments for politicians to escape their responsibilities ('things are too complex today'). The private sector paradigm serves also to reshape the state apparatus, separating the policy decision-making from the management function. In France, public sector higher managers coming from within the ranks of the public service have now the choice to engage themselves in this managerialist reform or to retreat from top policy-making positions and stay in ivory towers. This choice depends on the collective and individual resources each civil servant may gather during his/her career; it fosters cynical attitudes within the ranks of the youngest members of the administrative *grands corps* in France: individualistic self-accomplishment is much more prized today than any kind of commitment in a collective adventure, which seems meaningless at a time of state decline.

## CONCLUSION

From the public sector reform discourse and attitudes towards the public sector, its diffuse and volatile nature becomes apparent. Of concern to the public are primarily global aspects like size and costs of public employment without asking what the quantitatively most important policy areas of the public service are. What is more, the internal differentiation according to contractual status, qualification/career and rank in the hierarchy of the service is inadequately reflected in public perception and political criticism. This lack of differentiated perception, in itself an indication of system boundaries, is by no means irrelevant; on the contrary, it may fuel ideological criticism of the public service and may engender real consequences for it.

When inspecting the internal differentiation of the public services we discerned in all countries a core and a periphery of the service, the latter being constituted by contractual public employees and labourers who work in public sector areas typical of the European welfare state and that are most likely to undergo privatization. The core, however, is constituted by the civil service elite that, in continental countries, still tends to be recruited from the middle and the upper class, educated as generalists in special university courses, advancing through an internal career to the small number of less than 2 per cent top positions at the age of 50, united with colleagues in a certain *esprit de corps* (basically vis-à-vis the rest of the service) – and the elite is predominantly male. Nevertheless, this extreme type of a classical career civil servant, which was institutionalized in all the countries presently under consideration by the last quarter of the 19th century, is exposed to changes at the margin. In some countries no more than 50 per cent of the administrative elites today correspond to this Weberian type;

rather, economic expertise came to complement traditional forms of generalist training, outside recruitment (like inter-sectoral mobility in general) is increasing. And lower class recruitment is slightly increasing, owing to easier access to university training, just as women are gaining ground in the higher civil service. Thus, in various respects a blurring of the boundaries of public services can be identified.

Common features of countries were observed at a general level, for instance the universal fading of blue-collar workers and a tendency in many countries of upgrading within the civil service, even thickening at the top accompanied by increasing wage differentiation. The core of the public service, the civil service proper, everywhere is the oldest segment of the service. Irrespective of training and career patterns, the existence of *grand corps* or not, the availability of centres of elite formation or their absence, the higher civil service might be most likely to form an *esprit de corps* (at least in certain branches).

At the same time, the top of the higher civil service, the administrative elite – although only about 2 per cent of the entire service – are interlocked with the economic and political subsystems of national societies. The intensity of links to the realm of politics, though, decisively depends on whether countries belong to the Westminster system (the UK, New Zealand, Australia, Canada) or to continental European state societies. Only in the latter (and the USA) can inter-sectoral mobility from the public service into politics be observed, and this mobility is one-way traffic. Increasing personnel exchange with the economic sector however, going hand in glove with the transfer of an economist role understanding, seems to be a universal phenomenon.

Taken together with increasing external recruitment to top positions in some countries like the UK and New Zealand, the social image and ultimately the institution of civil service may erode. This is, however, not easy in countries like Germany where the civil service as an institution has been constitutionally guaranteed since 1919. Instead of erosion, its constitutional abolishment would equal a public sector revolution. Nevertheless, there is a strong tendency in Germany to interpret the constitution in a restrictive way and preserve for the civil service proper just the policy areas of authoritative state intervention and, wherever possible, to employ for instance, teachers (and possibly professors) under private law contracts.

This 'opening' of the higher civil service is the result of partly unplanned tendencies including self-recruitment and partly of reformist political intervention since the Second World War. Nevertheless, this structural change toward some kind of a 'democratization' of the higher civil service raises many questions. Even if a de facto social opening of the civil service is observed, there is a growing need for expertise – this is clearly the case with

the EU integration process – and the process may not be acknowledged *de jure* by the members of the traditional elite. For instance, the British case shows that the permanent secretaries and the agency managers coming from the public service do not necessarily regard their colleagues coming from the private sector as equal and trustworthy. In France one may observe that the *grands corps* are developing strategies in order to preserve the social distance between themselves and the specialists in the various policy fields: they agree with the opening of the public service as far as it does not jeopardize their global supremacy – this was evident in recent years with the ‘State reform’ projects. To go on further with this idea: we could perfectly well regard the NPM as a strategy to tighten the elite circles where politicians and upper civil servants meet, while others are rejected at the periphery, having to obey strict productivity quotas. Social differentiation and politics are still there after 20 years of intensive reform.

Finally, the thesis maintains social and ideological fusion, or at least affinity, with politics: major system conformist, non-revolutionary parties and their leaders in governments and in parliaments increase inter-elite communication between administrative and political elites. To the extent both elites have a common background in university training and politicians have an affinity to administrative careers, the natural structural conservatism of the administrative elite will be politically supported (and the public service as voters will, in turn, back politicians). Although structural conservatism does not put the formal structure of the inherited public service system in question, it does not imply policy conservatism; rather, the administrative elites will concede socialist, liberal or conservative governments’ expansions and contractions of the welfare state and the services it provides. Thus can be explained the massive recent privatizations following an international political consensus to ‘downsize’ the public sector and to cut its costs. Putting on weight or slimming down, however, does not affect the bones and brains in the remaining public services, notwithstanding occasional mutation and intoxication.

## NOTES

1. The German results are probably flawed owing to inaccurate translation of the term ‘civil service’ as ‘*die Verwaltung*’ (public administration). Also, ‘the legal system’ was translated by the Allensbach Institute as ‘*die Gesetze*’ (the laws).
2. *Globe and Mail*, 14 November 1998 and Ekos survey of 19 September 1999.
3. *Labour Market Trends*, July 1999, p. 349.
4. Empirically though, there are areas where employees and civil servants do the same job.
5. The legal reasoning being that university or school certificates are regulated by law, for educational substance is imposed on pupils and marking exams interferes with students’ life chances and should be contested before administrative courts of justice.



6. See on unorthodox public sector employment, the special issue of the *International Review of Administrative Sciences*, **65** (1999), issue 1, edited by Iain Gow. See also Heinemann in this volume.
7. See annual reports of the Civil Service Commissioner.
8. *Ecole nationale d'administration*, which selects and trains the upper level managers and members of the administrative *grands corps*.
9. Measured by father's profession; data available for 41.3 per cent (372) of the German political and administrative elite (1949–83).
10. The pantouflage is a professional practice of higher civil servants who quit their office in order to join the executive circle of business firms, whether public or private. Higher civil servants may definitively leave the civil service or use specific legal provisions in order to come back a few years later. The word refers not to slipper but is a Polytechnic School slang for the amount of money a civil servant has to pay back when leaving the civil service before ten years of service, in order to compensate the state for the training costs of the civil servant.
11. See Derlien (1988). At the *Länder* level there are political civil servants too (except in Bavaria). In most of the *Länder*, the status of political civil servant extends beyond the top rank in the ministries to include chief police officers and presidents of regional authorities (*Regierungspräsidenten*, similar to the French prefects).
12. See the special issue of the *Revue Française d'Administration Publique*, 'Les fonctionnaires et la politique dans les pays de l'Union européenne', **86** (1998), La Documentation Française.

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## 9. Public personnel policies and personnel administration

**Jørgen Grønnegaard Christensen and Robert Gregory**

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### INTRODUCTION

The public sectors within the OECD countries differ in important respects – tasks, structure, size (measured in both financial and manpower terms), and in sources of finance. The variation reflects political choices made at critical junctures within different historical contexts. Yet the public sectors within western countries also share common traits, particularly in the area of personnel policies and their administration. There are at least three main commonalities among them. First, they have civil service systems based on merit criteria for recruitment and promotion, and lifelong tenure is the *prima facie* presumption underlying a public sector career. Second, they are all big employers. Even allowing for the differences listed above, the public sector is the biggest employer in any of the countries studied here. And third, in all countries seemingly radical reforms have been undertaken in the public sector. These changes have been impelled by concerns for greater economy and efficiency, and by a paradigmatic shift away from traditional civil service conventions in favour of ideas embodied in the movement known as New Public Management (NPM).

Traditionally the literature on public personnel policy and administration has tended to focus on the senior civil service, those who staff the upper echelons of central government, federal agencies and the like. These top civil servants closely interact with political executives and, to some extent, with members of the legislature. This focus is understandable, given the conspicuousness, prestige and mandarin mystique that often surround those who operate in the ‘twilight zone’ between politics and administration. However, too often it has obscured the fact that public personnel policy is concerned with the conditions of work and employment of the thousands of schoolteachers, policemen, nurses and doctors, social workers, tax and customs officers, accountants, workers and clerks who staff governmental agencies, enterprises, and institutions. NPM reforms,

however, have placed more emphasis on the role of the state as the biggest employer in the economy, and on governments' responsibilities for developing and administering macro-level personnel policies for the whole public sector labour market, and for fostering the capacity for sound personnel management in the wide range of public organizations.

This chapter discusses modern public personnel policy in these broad terms, that is, the rules regulating the recruitment, careers, and pensions of public employees, as well as the framework within which salaries and work conditions are settled for the public sector labour market in Western, industrialized countries. It also examines the allocation of administrative authority between central personnel departments and public managers, and addresses the quest for a balance between change and tradition in the content and administration of the public personnel policies within these countries. Through a comparative analysis of this kind it is possible to say something about the impulses that have formed public personnel policies over time, and to look at the extent to which these forces have also been driving reformist endeavours. Three principal questions are:

1. What are the main characteristics of the personnel policies of the different countries, and to what extent do these characteristics vary in accordance with basic institutional traits, for example, federal vs. unitary states, centralized vs. decentralized public sectors, and countries with strong corporatist labour market institutions vs. countries where regulation of the public labour market is a legislative responsibility?
2. Given the apparent differences among the countries, how has each of them responded to the NPM reform movement of the 1980s and 1990s?
3. To the extent that NPM reforms have been implemented, have they been inspired by a new and common rationale or are the changes due to nationally and sector-specific factors that have induced political decision-makers to review traditional public personnel policies?

## THE CIVIL SERVICE TRADITION

For many decades western countries have built their public personnel policies on civil service principles. Recruitment to a government job has been determined by merit criteria, with selection procedures based on either competitive tests or on a requirement for applicants to meet specific educational criteria. Promotion has also been merit-based, though to some extent also semi-automatic, with career advancement depending on

seniority. As public employees have gained more experience they have been given more responsibility, with higher salaries. However, for promotions to top managerial positions merit evaluations were undertaken to select persons with the best qualifications.

These civil service systems have shared another common trait. Public employees have been guaranteed a lifelong career with little risk of unemployment and with a secure pension on retirement. In the ideal type civil service, public servants did not have to pay contributions to a pension fund, nor did the government make advance payments to such a fund. Instead, people with civil service status earned a drawing right on the government budget that entitled them to receive a pension linked to the length of their active career and their previous position within the hierarchy of civil service grades. However, these ideal type traits have not made the civil service model immune to adaptations and modifications. In some countries, civil servants have always paid a contribution to their pension scheme, and in others, politicians have given in to adaptations whereby civil servants contribute to their own pension, under specific conditions. As the experience from both Denmark and Germany shows, these adaptations have often followed policy changes in other parts of the labour market, demonstrating that politicians have not wanted to bear the political costs of a policy that might be interpreted as a preferential treatment of one group, a group perceived by the public to be already privileged.

Tenure and pension rights were not the only privileges enjoyed by public employees with civil service status. They were also covered by an employment guarantee, peculiar to government service, which made civil servants virtually immune to dismissal unless they engaged in unlawful activities. As a result, public employers in countries like New Zealand and Germany were compelled to devise creative means of getting rid of civil servants who were no longer able to do their jobs. In other cases civil service status was not so much a job guarantee as an economic protection. In Denmark, for example, public employers had the right to fire on a discretionary basis, provided that departing employees were paid an allowance, equivalent to salary before redundancy, for a period of years, and then a lifelong pension if the government was not able to give them another position that corresponded with their former status.

The merit civil service is a modern phenomenon. According to some interpretations its historical roots can be traced to the political and economic modernization that took place in the late 19th and early 20th century. But more recent research has questioned the validity of this general view. Instead, it has pointed out that the merit civil service emerged in countries with different stages of development, and that early evidence of it can be found in some countries, while in others it did not appear until

the 20th century. In this view, the development of a merit civil service was a political response by ruling elites to challenges that confronted them under the specific historical circumstances of their particular countries. Thus, in parts of medieval Europe – for example in some German principalities – an embryonic civil service grew out of the military establishment, as the ruling prince was obliged to raise taxes to finance his military activities. So an absolutist monarch introduced what later developed into a merit civil service. This sort of example may be contrasted with patrimonial administration, as prevailing in Latin Europe, and with the early bureaucratic constitutionalism existing in Britain (Ertman 1997).

Other historical analyses have drawn attention to the conflict between traditional and new political elites. In their mutual competition over who should control the state apparatus it was essential to set up a career civil service based on merit and tenure as this could reduce the political uncertainties involved when a new set of rulers took control of public policy. So it was that the merit civil service developed in various countries from the 18th to the 20th century in different forms. A basic distinction can be drawn between a civil service that links certain types of education and subsequent careers to the state, as in the cases of France and Spain, and a civil service based on a general professional training that can lead to a career in either government or the private sector, as in the Anglo-Saxon and Nordic-Germanic countries (Silberman 1993). Another related distinction is that between career civil services, where new recruits are guaranteed a career, and job-based civil services, where a recruit is hired to carry out a specific task, without any guarantee that seniority over time will guarantee promotion (Rouban 1998a).

In all countries, the emergence of a merit civil service involved a settlement with older administrative systems based on patrimony and political patronage. To some extent the two systems were woven into each other. Both provided a linkage between the political executive and other stakeholders in society that commanded essential political and economic resources (as was the case with the nobility in continental Europe), or political support in the form of votes (as was the case in the 'new world'). The basic difference is that the patrimonial systems of governance were connected with traditional absolutist rule, while the patronage systems prevailed during the period when the former British colonies were growing rapidly through immigration and were building representative institutions. So in 18th-century Europe the development of a merit civil service involved the administrative colonization of political office, as seen in Bismarck's Prussia and in the mixture of 19th century Danish National Liberalism and right-wing authoritarianism (Weber 1919; Knudsen 2000, pp. 465–552; Raphael 2000, pp. 199–208). However, the introduction of parliamentary

democracy brought a clearer distinction between the political executive, accountable to Parliament, and a professional administrative elite, accountable to the political executive.

In the case of the former colonies, political patronage was an important strategy for mobilizing support for the political parties; but, as with government employment based on patrimony, the system was subject to increasing criticism as it generated considerable incompetence, uncertainty and arbitrariness in the execution of public sector tasks. After several decades of political haggling, patronage was replaced by a merit civil service in the United States, with the passage of the Pendleton Act in 1883, consolidated 40 years later by the Personnel Classification Act of 1923 (Silberman 1993; Johnson and Libecap 1994; Ingraham 1995). Australia and New Zealand went through a parallel development, with merit replacing patronage during the early decades of the 20th century. In Canada, patronage took the form of a representative bureaucracy, where public offices were filled as political favours, distributed between English and French Canadians, until a merit system was established in 1918.

The universal emergence of the merit civil service hides some differences not only in the historical circumstances that led to its adoption in specific countries, but also in civil service design. In the former colonies that combined immigration with a democratic regime the merit civil service represented a settlement that ended the political use of patronage as a component of both party competition and recruitment to the public sector. In Western Europe, with its long statist traditions, the introduction of the merit civil service similarly involved a political row over who should control the public sector and set the conditions of employment within the merit civil service. Disparate backgrounds and discourses produced differing solutions.

In the standard account of the bureaucratic ideal type, lifelong tenure is the norm. It is presented as an institutional guarantee for a civil service that operates '*sine ira ac studio*', applying general legal rules to individual cases and providing citizens with certainty as to their rights and obligations. Permanent tenure became official policy in countries like Denmark, where the first democratic constitution of 1849 was to a large extent the product of the political activism of a National Liberal civil service class that successfully fought for a constitutional democracy to protect their interests and the right of civil servants to engage in politics. Similarly, in New Zealand, patronage gave way in 1912 to a career civil service (Henderson 1990). By contrast, in Sweden, the development of a merit civil service in the later 19th and early 20th centuries involved a showdown over the problems of removing incompetent civil servants who had traditionally regarded office-holding as a matter of personal property. In this Swedish

debate the government's right to replace civil servants was presented as a step in the modernization of a very traditional economy, and as a necessary means of ensuring the loyalty of civil servants to incumbent ministers. In practical policy this concern lay behind the 1809 constitution that exempted a list of offices from the protection enjoyed by other civil servants (Nilsson 1999).

## CENTRALIZATION AND DECENTRALIZATION

If all the countries covered in this study have embraced the basic principles of a merit civil service, there are major differences among their political institutions. One important distinction relates to the degree of vertical centralization and decentralization. This partly follows from the constitutions. Some countries are federations like Australia, Germany, Canada and the United States, while others are unitary states, such as Denmark, France, Britain, New Zealand, Spain and Sweden. But neither category is homogenous. In some of the federal states the separation between the federal and the state or regional level is strict, while in others it is much less so, when it comes to the regulation of the civil service. Similarly, some of the unitary states have strongly centralized public sectors, while others are much more decentralized. Nor are these basic institutional features static. As can be seen in countries like Britain and Spain, historically centralized states are giving way to new forms of government with extensive devolution in certain policy areas. Whatever the institutional forms, most public servants do not work in government offices in the national capitals, but in numerous agencies and institutions spread throughout the country. So to what extent is it possible to speak of a unified public service that is regulated either through one body of civil service legislation or through very similar rules?

There are some interesting divergences. In strongly centralized states like France and Britain, the central government acts as the employer of most public employees, while in New Zealand, local governments are small employers compared with the central government. However, in Britain, where there is no written constitution and no body of public law like that found in continental Europe, there is no clear definition of the civil service as such, as there is in regard to the public service in New Zealand, where there is also no written constitution, but where the public service is a clearly delineated component of the wider state sector.

Federal systems like Australia, Canada and the United States clearly distinguish among the federal, state, and local levels. Federal civil service regulations apply only to the federal civil service, with states and local governments having their own regulations. Consequently, in both Canada



and the United States there is considerable variation in the civil service regimes at the sub-national level. Among Australian states there are significant differences in industrial relations regimes for public services, differences which have attracted much international attention in an era of state sector reform (see, for example, Barrett and Backwell 1998; Hall 1998; Hawkes 1998; Thornthwaite and Hollander 1998). In the United States there is also a wide variety. An analysis of city level personnel policies has shown that while some cities have delegated to independent civil service commissions the responsibility for hiring and firing, other cities use more flexible regulations. Professional city managers, accountable to the council, handle this important aspect of personnel policy.

The issue of political control helps to explain such radical differences. Detailed bureaucratic regulations administered by a civil service commission are found mainly in cities with mayor government. In council-city manager cities, however, there is little political need for such detailed regulation because the city manager is responsible for making these sorts of decisions on a professional and 'neutral' basis (Frant 1993). In these different ways answers are sought for perennial problems such as the potential for political patronage and the need to ensure personnel stability in public service operations.

In federal Germany and in unitary Denmark and Sweden, complex civil service regulations are also apparent. In the German case, the *Länder* create civil service regulations that cater for regional differences, within a common framework established by the federal government. Civil service regulation is a practical illustration of the German type of implementation federalism (*Vollzugsföderalismus*), by which the civil service system strikes a balance between a universal personnel policy and a policy adapted to regional and local particularities. The situation is similar in the unitary states of Denmark and Sweden, where local government (in the form of municipalities and counties) has always been an important component of the public sector, and has thus been a big employer, especially as a consequence of the local government reforms implemented since the early 1970s. But as in the case of Germany, national legislation has provided a common regulatory framework. While Danish primary school teachers and the pastors of the Danish National Church, for example, were hired and paid for by the municipality and the parish, respectively, they enjoyed for a long time the special status of being regulated by the same civil service legislation as civil servants working for the state. Contrary to the civil servants, however, the *status* of local government officials has never been defined by national legislation. Instead, local governments have issued civil service regulations modelled on the national civil service legislation. By this means local government employees have enjoyed similar status to their national counterparts, and

among themselves, despite the fact that some 300 different political bodies regulate their rights and obligations (Mathiassen 2000, p. 11). A similar ambiguity regarding the legal status of local civil servants is found in France. Traditionally, the affairs of French municipal civil servants have been regulated through a national law, with the departmental general councils issuing statutes that control the affairs of their civil servants. However, councils may conform to a model statute issued by the Ministry of the Interior (Dupuy and Thoenig 1983, p. 35; Rouban 1998a, pp. 44–6).

The centralization–decentralization distinction also has a horizontal dimension that directly impinges on hiring and firing decisions. In some cases these are the responsibility of a central personnel unit operating with standardized procedures, and in some cases they are not. Again, the simple distinction between highly centralized, unitary states and highly decentralized, federal or devolved states breaks down. And the discrepancy between what is formally prescribed as distinct from what actually occurs in practice is striking. Some countries have always regulated the recruitment and career management procedures according to strict and centralized procedures. This is most clearly the case in countries where the present civil service systems replaced systems of political patronage. For example, in both the United States and in ‘pre-reform’ Australia recruitment was governed by formal routines involving competition over entry and centralized selection by an administrative (that is, non-political) body for the whole federal or national administration (Ingraham 1995, pp. 41–2 and 55–6; Dunn 1997, pp. 10–11). But centralized countries like France, Britain, and pre-reform New Zealand have had similar procedures governing recruitment to the civil service.

Nevertheless, there is some discrepancy between formal centralization and standardization, and administrative practice. Although the American standardized system is deeply rooted in political history that led to the separation of professional and competent administration from the practices of machine politics and patronage, past and current practice is full of exceptions and add-ons that allow for a more flexible personnel administration, and for the adaptation to the specific needs of both federal authorities and political actors (Ingraham 1995). In both Britain and France day-to-day practices prevail that heavily modify the image of one centralized and unified civil service. In the former country this is an expression of the informal legal status of the civil service as such and the ambiguous demarcation lines drawn between the civil service and the broader arena of public service (Hennessy 1990; Dowding 1995). The civil service reforms, initiated during the Thatcher years, and continued by the Major and Blair governments, have further modified the strongly centralized British model (Greenwood et al. 2002, pp. 85–92). In France the unity of the civil service and the

centralization of the administrative corps hide the fact that the civil service is made up of 'a mosaic of more than 850 special statutes' (Dupuy and Thoenig 1983, p. 32). Further, the prestigious *grands corps* that provide the entire public service with a pool of potential highflyers are each closely linked to their own ministerial departments. They demonstrate the status differences among government departments in the face of a strongly centralized higher civil service (Rouban 1998a, pp. 38–40).

The deviations described above imply that centralized civil service systems differ more in political theory than in administrative practice, when comparisons are drawn with Denmark, Germany and Sweden. The civil service systems of these latter countries are extremely decentralized. Entry into a civil service career is granted to candidates selected by individual authorities. Applicants are sought by means of advertised vacancies, and their qualifications are vetted by individual employers within the civil service. The employers decide by screening applicants' formal training (that is, their school and university performance), and by agency-specific interviews. If tests are organized they too are designed to meet the needs of particular public employers.

The problem of standardization and centralization in personnel policy is not confined to central government. Because the provision of services to the population at large is often the responsibility of state and local governments, their personnel administration tasks can be larger than those of central governments. This is particularly the case in the countries with strongly decentralized public sectors, such as Denmark and Sweden, as well as in Germany and the other federal states. The Danish experience is instructive. The tradition there has been one uniform regulation combined with strict centralization of many administrative procedures (hiring, leave, firing, payment of salaries and so on). Reforms introduced during the 1990s questioned the wisdom of this practice, given the asymmetries involved in the interaction between central administrative bodies and local managers. There were moves to delegate wide authority to the latter, including functions of personnel administration (Christensen and Pallesen 2001). However, experience has shown that politicians are reluctant to delegate without keeping a 'cat flap' ajar for themselves. Even where formal delegation is apparently unambiguous they have not abstained from intervening and claiming that another general policy should apply under particular circumstances. So even if local managers have the formal authority to decide whether they should hire a person, political exigencies can induce politicians to press for alternative processes. Managers have had to be alert to such potential and actual circumstances.

Two main factors are at play in the complex balance between centralization and decentralization in western civil service systems. First and

foremost, public sector personnel policy remains a matter of inherent political concern, notwithstanding the historical development of the concept of the professional civil service. There are vested interests in any resolution of the issue of control over the careers of civil servants. Depending on the institutional architecture of individual systems, any radical change will meet resistance from either civil servants who stand to lose, or from political groups who are reluctant to delegate to the political executive full control over civil service personnel policy. Second, power and prestige are unevenly distributed within the civil service, and reforms are likely to upset the balance between the traditional elite and challengers empowered through restructuring. For example, no one has succeeded in turning the British civil service system upside down, as the 1960s post-Fulton experience demonstrated, and the partial success of aspiring reformers has been a function of their willingness and ability to mollify vested civil service interests (Kellner and Crowther-Hunt 1980; Dowding 1995; Greenwood et al. 2002).

Still, these vested interests are not entirely deterministic, and do not point ineluctably in the direction of either horizontal centralization or decentralization. The pluralism and decentralization implied by the American separation of powers system has given way to a federal personnel policy that is rather centralized. But the same is true of Westminster systems, where political power is much more concentrated. The political nature of this issue also tends to mean that national policies are not very principled. Whether a system builds on a high degree of centralization or decentralization, in all of them there is considerable room for exceptions where political or labour market contingencies deviate from general government personnel policy, no matter how strongly rooted it is in institutional path dependency and vested interests. Thus, the modification of the rigid American classification system, a cornerstone of the presumed competitive and general merit system, allowed for the establishment of special hiring authorities and for non-competitive hiring (Ingraham 1995, pp. 38–42). Another modification, pointing in the opposite direction, was the introduction of centralized vetting procedures for the recruitment of top civil servants in an otherwise highly decentralized system like Denmark's central government (Christensen 2001). These procedures are characteristically instigated at cabinet level to reinforce government control over top civil service appointments.

## STAFFING CENTRAL GOVERNMENT

Although the central and federal level civil service may make up only a small part of the total public service, central personnel policy generally has

a high political profile. There is usually a blend of prestige and mystique to be found around any position close to the political apex, enhanced by policy-making ways in the modern democratic state (Peters 1988). New policies are often conceived and negotiated at the politics-administration juncture, and because the political executive and its individual members need advisory assistance in these processes and rely upon the bureaucratic apparatus for so much policy implementation, the staffing of the senior civil service is a matter of the utmost concern to them. In short, they need a senior civil service that is responsive to their demands and professionally and politically able to advise them, substantively, procedurally and tactically.

The permanent civil service must be astute, adaptable and responsive, ready to switch its collective and individual loyalties to whatever government has been elected to office. But problems arise if the political executive is suspicious or mistrustful of members of the civil service's willingness and ability to be so. The politicians might then prefer to have powers to replace them with other civil servants, perhaps those who share their own political views, maybe people who are recruited from their own party. Under these circumstances personnel policy and administration is best seen not so much as a matter of centralization or decentralization per se, but as a quest for a legitimate balance between the career and professional interests of civil servants, on the one hand, and on the other, the politicians' desire to be advised by people who combine professional competence with political responsiveness, if not downright ideological sympathy.

In all the countries included in this study, steps have been taken over time to shift the balance between one or the other group, with parliament often intervening as a third player, as a contingent institution, defining the limits within which personnel policy is settled. The corollary is that in countries where parliament has historically been in a position to influence the staffing of central government, it has also drawn boundaries within which the senior civil service and the government struggle for control over personnel policies pertaining to the senior civil service (Horn 1995; Hammond 1996). Although change can and does take place within these boundaries, there is a general trend in favour of the political executive's right to select the civil servants it works closely with and to decide when a particular career should be brought to an end, permanently or temporarily. This has happened in some of the countries which have had highly centralized civil service systems, like Australia and New Zealand, and to some extent, Britain. Earlier, in all these cases, formally independent civil service commissions were responsible for the recruitment and promotion of top bureaucrats. Through this mechanism the leaders of the civil service effectively decided who among junior civil servants should be admitted to 'the club' as their

peers. In these systems external recruitment to top executive posts in the civil service was virtually unknown. A clear distinction between the political executive and the senior civil service was upheld.

In both New Zealand and Australia, however, ministers had been expressing dissatisfaction with the degree of civil service autonomy. Consequently, New Zealand's State Sector Act 1988 granted the political executive more formal powers in the appointment of public service chief executives, while at the same time decentralizing public service personnel management to departmental chief executives. In Australia, a procedure giving a central role to the prime minister in the selection process was introduced for similar purposes, while in Britain for many years there has been evidence of *de facto* prime ministerial and cabinet involvement in top executive appointments (Boston et al. 1996; Dunn 1997; Weller and Wood 1999; Greenwood et al. 2002, pp. 75–6). But in none of these cases have the changes led to a 'politicization' of the top civil service in the sense of any return to practices that remotely resemble the political patronage of the past. Contemporaneously with these developments there has been a marked increase in the numbers of politically appointed advisers, media specialists, and other employees working in ministers' offices.

In France, the tradition of an autonomous senior civil service is equally strong. Although its organizational basis differs from that of the British senior civil service, it shares its elitist character, and even more than has been the case with Whitehall, there is agreement on the unrivalled status of the senior service and on its ability to colonize politics and, especially, ministerial offices. As in the other systems, traditionally there has been no scope for external recruitment to senior posts in the civil service. Politically, the dominance that is ascribed to a few *grands corps* like the *inspection des finances* and the *cour des comptes*, and to the key positions of the ministerial cabinets, can be traced back to the long periods of weak and frequently changing governments of the 3rd and 4th Republics. It is often held that this has also been the case under the present 5th Republic, with its unusually strong executive and semi-presidential form for government (Baecque and Quermonne 1981). However, there have also been indicators of changes similar to those that have occurred in Westminster countries. First, it has been argued that civil service colonization of political and especially executive office is a myth. The group of politicians with civil service training are people who have moved early into politics, rather than senior civil servants who, given political opportunity, have jumped into politics to advance their careers (Gournay 1981; Rouban 1998b). Since the 1980s, top civil servants in France have been more frequently removed from their positions than was the case in the past. And outsiders, including people recruited on a partisan basis by the minister, have increasingly staffed ministerial cabinets. The

technocratic tinge, once characteristic of the French administrative elite recruited through the *Ecole Nationale d'Administration*, is now less apparent (Rouban 1998b and 1998c; Mathiot and Sawicki 1999a and 1999b). As in the other cases mentioned above, the French example also confirms that, through changes in central government personnel policy, political executives are generally asserting stronger demands for political responsiveness from the bureaucracy, with only marginal, if any, signs of a reversion to earlier forms of political patronage.

The patterns described above show how governments in recent decades have questioned the validity of highly autonomous senior civil services in control of their own appointments and careers. In this process of political reassertion, centralization and decentralization have not been major issues, but rather possible strategies of change that could be used to break with past practices in order to strengthen executive control over the senior civil service. Can similar patterns be observed in other countries?

Generally yes, but with some differences. In America the well entrenched acceptance of political appointments to key posts in federal departments and agencies is rooted in both the spoils system and the desire to recruit professionals to specialized jobs rather than to fixed careers. However, presidential appointments to around 500 key bureaucratic positions are circumscribed by procedures demanding Senate confirmation of appointees before they can take office. For the remaining presidential appointments less conspicuous procedures operate. Congress has in recent decades accepted an expansion of the political layers of the federal administration (described as a 'thickening' of government) and considerable executive autonomy, as long as the administration does not violate the principles of a rather centralized and merit-based federal administration. 'Thickening' has occurred as more specialists have been placed in mid-level positions to fill staff positions for policy analysis and development. This phenomenon also shows that what is normally seen as 'politicization' is equally to be understood as a way in which the administration can recruit professionals to carry out analytical and planning tasks of a more technical nature (Ingraham 1995; Light 1995).

In countries with traditionally decentralized personnel policies, development has taken two different directions. Both Denmark and Germany have retained systems in which individual ministries are responsible for the recruitment and career management of their own civil servants. In the German case, high political responsiveness to incumbent ministers is secured through two mechanisms. One is the *de facto* appointment, on party political grounds, of state secretaries. Each ministry has both a state secretary assisting the minister in his or her relations with the Bundestag (*parlamentarischer Staatssekretär*), and a state secretary acting as executive

deputy in the management of the department (*beamteter Staatssekretär*). While the parliamentary state secretary is a junior politician with a seat in the Bundestag, the administrative state secretaries generally pursue bureaucratic careers, although they are often attached to a minister of one party. Still, the political affiliations of administrative state secretaries remain ambiguous. They rarely take up a proper political career, but it is quite normal to see former state secretaries in semi-political positions with the European Union Commission or other international organizations. The other mechanism is the convention that senior civil servants at the two upper levels of government often give up their position when a new minister is appointed. They are not fired, but move temporarily into a reserve position (*Ruhestand*), from where they can be called upon again, either by the new minister or when the government they once served returns to power. This implies that at any given time some 125 chiefs of division can be on forced leave, whether or not they are engaged in party politics. The government is free to choose which civil servants should serve in departmental positions in policy planning and political advice. In an otherwise closed federal administration there are opportunities to recruit outsiders, especially to the important posts of state secretaries. These outsiders may come from *Länder* administrations (Derlien 1990a and 1990b). Thus, in 1998, when Gerhard Schröder formed his red–green coalition, about a third of some 80 vacancies were filled by civil servants recruited from the *Länder* governments (Derlien 2003).

The German system can be seen as a political response to a constitutional clause forbidding political appointments. Yet the basic traits of the system have roots in the 19th century, and it was further developed under the Weimar Republic and the Federal Republic (Wunder 1986, pp. 121–4). The Social Democrats, especially, were concerned about a lack of political responsiveness among members of the senior civil service taken over from the imperial regime. Their concern was reinforced after the putsches attempted in the unruly political period after 1920. In Danish central government a similar, and subtle, mechanism has emerged since the 1970s. Without having to fall back on overt political appointments, successive governments have made ample use of their right to dismiss civil servants on discretionary grounds. In this way they have been able to ensure that in case of incompatibility between a minister and his or her closest collaborators the officials concerned can be replaced by persons who enjoy the minister's trust (Christensen 2001). In this way, incumbent governments in both Germany and Denmark send a strong signal to their senior civil servants about the need for political responsiveness.

In Sweden, one finds a slightly different political response to the same issue. For a period from between the two world wars, and up until 1978, the



country was largely under Social Democratic rule. Many people perceived a gradual politicization of civil service appointments. Consequently, outgoing and incoming governments made a deal, under which the state secretaries of each department, together with a few other advisors on departmental staffs, were required to leave their posts at the time of a change of government. This arrangement still works, but despite the moderate politicization that was sanctioned by the main political parties in the late 1970s, incoming governments continue to worry about the ability of the senior civil service to provide advice suited to the government's immediate political needs. Particular concern has been expressed over an apparent disjunction between unified governmental policy and departmentalized civil service administration. So in 1997 the government merged all departments into one organization, *regeringskansliet*, with all departmental staff belonging to one corps, and with ministers remaining in charge of their own departments. The Prime Minister's office is required to manage personnel policy for the entire senior civil service of some 5000 officials (Jacobsson 2001).

Such changes have been adopted in neither Denmark nor Germany. The only step towards centralization of the Danish staffing procedures has been the government's creation, in 1977, of a cabinet committee to oversee the appointment of permanent secretaries, agency heads and chiefs of division. This initiative was designed to inhibit tendencies towards departmental inbreeding that had the potential to result in de facto civil service control over appointments to top bureaucratic offices.

A comparison between recent Swedish initiatives and American presidential concern over administrative capacity for policy planning and policy analysis points to a general characteristic of personnel policies at the centre of government. Political executives in most countries appear to be preoccupied with the problem of maximizing their control over the national agenda, in the face of accretions of power to other constitutional centres. This is what Wilson (1989, p. 259) has called, following Daniel Moynihan, 'the iron law of emulation'. The common strategy for all the countries studied here has been to place renewed emphasis on that aspect of public personnel policy that deals with the senior civil service. In most cases the changes have been gradual and incremental, and they have generally not resulted in a displacement of traditional merit civil services with politicized ones. Instead, governments have taken more subtle steps to urge senior civil services to be responsive to their political executives, moves which have received broad support from the main political parties in the respective countries. A comparison of specific strategies shows no clear trend towards either centralization or decentralization of senior civil service personnel policy.

The central administrative apparatus of each country has been kept largely intact. With the exception of American federal government, the pervasive reality is a senior civil service that is virtually closed to outsiders, and a national personnel policy that is designed to balance the general desire of civil servants to retain long-standing career paths, with the need to have them adapt to the specifically articulated demands of incumbent ministers. National peculiarities have survived in slightly modified forms. The French administrative corps, combined with ministerial cabinets staffed by young members of the elite corps, still forms the backbone of ministerial bureaucracy. Whitehall's 'Oxbridge' generalist has also survived. But in both cases concessions have been made to accommodate the demands of modern ministers, by admitting a few outsiders to ministerial staffs, and also (in the British case) by making more room for specialists such as economists to act as ministerial policy advisors. Other countries have had a different conception of a generalist class staffing the offices of ministerial departments. In Northern Europe (Denmark, Sweden, and Germany) these generalists were originally graduates in law, reflecting the perception of administration as the application of general rules to particular cases. Whereas in both Denmark and Sweden the conception of the generalist class has long since been expanded to include other social science graduates (for example, economists and political scientists), only recently has the German civil service begun to accept (primarily) economists as an integral part of a modern generalist class. But whatever the pace of the modernization of personnel policies, senior civil services have shown a remarkable ability to adapt to changing political times while simultaneously preserving their basic traits.

## THE WITHERING AWAY OF THE CIVIL SERVICE?

In classical conceptions, civil service status in the sense defined in the introduction to this chapter was the only legitimate form of employment for a public servant. In nearly all of the countries studied here civil service status (with all its implications regarding merit recruitment, fixed career tracks, tenure, and pensions) was the formal framework for the public employment of administrative personnel as well as of professionals staffing the army, the public schools, hospitals and so on. In several countries a unified public service that integrated all components of government was normal, in both unitary and strongly centralized states like New Zealand and France, and in countries like Denmark and Sweden, where the provision of services has largely been a local government responsibility. In these latter countries, some services were provided by central government institutions, like the elitist gymnasiums preparing the children of the upper classes for

university and later the civil service. Also, even for institutions belonging to and managed by local governments, national civil service regulations applied to their staffs, as was the case with Danish primary school teachers until the early 1990s. And whatever level of government was immediately in charge, the provision of these services was subject to the regulations of a traditional central government bureaucracy. The role played by *skolöverstyrelsen*, the national agency responsible for the implementation of Swedish school policy, is illuminating (Rothstein 1996). Moreover, the basic principle has been that public employment is synonymous with civil servant status. Logically, university professors in countries like Denmark, France, Germany and Sweden are civil servants, just like the officials who work in the central offices of government.

The situation in New Zealand has been rather different. There the public service, comprising departments under direct ministerial control, has traditionally been a clearly delineated entity within the wider state services, which incorporate all other state employees as well as the public servants themselves. This has remained the case since the introduction of the State Sector Act 1988. However, before this Act was introduced, the entire state services, including the public service, operated within a unified and centralized system of personnel administration. The 1988 legislation abolished this system, devolving responsibility for personnel policy to the chief executives of all the individual agencies making up the state sector, but constrained by general governmental guidelines. Responsibility for recruiting and remunerating chief executives of public service departments remained in the hands of the State Services Commission, the central agency whose central role was otherwise greatly attenuated by the 1988 enactment.

Unlike New Zealand (and Australia), Britain does not have an unambiguous entity called the Public (or Civil) Service. Although having a highly centralized system of government and a public sector managed from Whitehall, the boundaries of the 'civil service' have never been clearly defined, various components of the state sector have never been regarded as being part of the civil service, while the status of other elements of government has remained unclear. For example, universities and their teaching staff are not part of the civil service, while the administrative and medical personnel of the National Health Service have been commonly seen to be a part of a national public service (Dowding 1995). The situation becomes even more unclear when local government is brought into the picture.

The 'civil service model' has clearly dominated conventional thinking in Western countries, but this does not imply a convergence between the ideal type model and public sector personnel policy. One reason is that in addition to employees with civil service status, governments have always employed workers on conditions similar to those in private industry.

Another reason is that clerical staff have generally worked as part-timers and/or as temporary employees. And in other parts of the public sector seasonal workers have been employed on contracts running for a limited period. Employment patterns such as these do not readily fit with the idea of a civil service model embodying hallmarks of permanent, reliable, public service (Gow and Simard 1999a). Nevertheless, the prevalence of such a civil service concept suggests that it is important to public employers, to public employees and to their industrial unions. So it can be asked whether there is a general trend towards a diversification of personnel policy, and if so whether this is a general phenomenon across western countries.

There is a whole inventory of arguments intended to support the belief that public employers, like their private sector counterparts, need a 'flexible' workforce to allow for short-term adjustments in employee numbers to avoid unsustainable long-term financial obligations. Substantial numbers of non-career employees in public services are female part-time and/or temporary workers. After allowing for this group of employees, patterns of public employment over time can be seen to be more stable than would otherwise appear to be the case (Bodiguel 1999; Derlien 1999; Gow and Simard 1999b). But this fails to explain two things. The first is that some countries have markedly modified the civil service model over recent decades, while in others there have been consistent efforts to contain forces seeking to modify and eventually replace the civil service model with a public sector personnel policy built on different principles. For example, in the German public service only 40 per cent of the employees now have civil service status, while in France the tenured civil servant remains the model public employee (Rouban 1998a). A comparison of France and Denmark is even more revealing. In Denmark, changes that started during the 1960s at the early stage of the public sector boom have gradually transformed the entire public service. The result is that the traditional civil service has been withering away. Similarly, in New Zealand the 'hiving off' as crown entities of functions formerly administered within public service departments has hugely reduced the number of officially categorized public servants. In France, similar market forces have been at play, but in different countries these impulses have been processed politically to produce varying outcomes.

A closer look at Denmark and France also reveals that in both systems there is ample room for public employers to diverge from the traditional path when they deem it appropriate. As elsewhere, public employers in both Denmark and France operate within a broader set of political and economic constraints. While there is in each jurisdiction a general policy that public sector salaries should keep pace with salaries in the private labour market, there have always been periods when reasonable parity has been difficult to sustain. Especially in tight labour markets, government

employers have had recruitment difficulties, exacerbated by the rigidities of civil service regulation and by legislative control over the setting of public service salary levels. In both countries such factors have induced public employers to hire staff on terms that are more flexible than those normally applying in the civil service. More favourable salaries have often been facilitated by the use of employment contracts, but these are granted at the expense of tenure and the sorts of mutual employment obligations characteristic of 'normal' civil service status.

In Denmark, contractual appointments began in the 1950s and increased in number during the next decade (Bruun 2000). The contracts were mainly collective agreements between the government and the unions organizing public employees, rather than individually negotiated ones. Over a decade the change was so dramatic that in certain fields (for example, gymnasium or grammar school teachers, junior doctors, civil engineers in government service) contracts became the dominant form of employment for junior staff. For lawyers and economists entering a career in central government civil service status was still the norm; but the fact that junior officers had to go through a lengthy period of probation was a source of considerable tension, especially because civil service legislation stated that if they continued in government service they should be granted civil servant status within two years. Thus a discrepancy emerged between the more favourable conditions applying to junior staff outside government offices and the conditions for junior administrative officers entering a career in the senior civil service. The result was a radical reform of civil service legislation in 1969. Under the new legislation, university graduates entering public service under a collective contractual agreement became the norm. When their career brought them to managerial positions (starting with the rank of chief of section) the presumption was that they moved to civil servant status, implying, among other things, formal appointment by the Queen. The same rule was applied to other kinds of public employees with graduate training, for example, doctors (distinguishing between junior and chief doctors) and university teachers (distinguishing between lecturers and full professors). However, the old civil service system was basically kept intact for the large groups of policemen, nurses, primary school teachers and others, all of whom constitute the bulk of public employees, whether in central or local government.

For this latter group, providing mainly welfare services, there has been a gradual policy change. Nurses and kindergarten teachers moved to contract employment, while primary school teachers remained firmly in the grip of the civil service system. This was because, as mentioned earlier, the employment conditions of primary school teachers, although local government employees, were historically regulated by legislation which also

covered clergymen of the National Lutheran Church. However, during the 1970s and (especially) the 1980s, a declining birth rate presented a problem for local government employers. How should they adapt the staffing and costs of the school system to decreasing enrolment? The civil service system made it financially and politically costly to fire teachers. So they began hiring teachers on short-term contracts. With this strategy, local government employers did not reduce salary costs, but they achieved a degree of flexibility that they could not get within the civil service system. Temporary contracts allowed them to hire young teachers to fill in vacancies at local schools, and it allowed them to get rid of them when they either had a redundant teacher with civil service status or when they no longer needed a teacher's services. A series of reforms of the primary school system, enacted in the early 1990s, eventually led to the transfer of the full employer responsibility to local governments, and to the hiring of all future teachers as local government employees rather than as civil servants.

The French labour market and the French public service have been subject to similar developments over recent decades. As in Denmark, government employers have been induced to make creative use of contractual forms of employment. The difference lies in the way in which deviations from the norm have been incorporated into a general policy. In the Danish case what started as unorthodox employment has become the norm of public personnel policy. In the early 1990s, the Danish Teachers' Union accepted that in the future, teachers should be contract employees on the basis of collective agreements entered into between themselves and the Danish Association of Municipalities rather than the Ministry of Finance. In France the policy has been to see contract employment as an anomaly that should be corrected through the transfer of contract employees to tenured civil service employment. The unions especially have fought for this principle. Consecutive steps have also been taken to implement this policy, but both budgetary considerations and tensions within the public sector unions between employees already enjoying civil servant status and the contract employees have hampered the process (Rouban 1998a; Bodiguel 1999). So unlike the situation in Denmark, in France a tenured civil service remains the model of public employment. Whereas in Denmark tenure is being limited to a few top civil service positions and to the judiciary, in France, secure civil service employment remains a part of the constitutional provisions for judicial independence and autonomy. Even within the French police force there is contention over whether there should be a move towards contractual employment.

Whether public servants should have civil service or employee status is a controversial issue in all countries. Moves towards the replacement of civil service with employee status have usually been met with resistance, often

from organizations that represent groups that have traditionally been civil servants. This was so in Denmark, while in Germany there has been considerable debate about whether future teachers should be employees rather than civil servants. The teachers' unions have seen proposals for a shift away from civil servant status as 'an attack on public education and the state's responsibility for the school system' (*Süddeutsche Zeitung*, 9 July 2001).

There are two main reasons why this is an important issue for the public service and for all people working for government. First, there is ample evidence that people who are interested in public service respond to market forces. When employment conditions are difficult in general or for certain professions, it does not appear particularly difficult for the government that operates in a buyer's market to hire employees on terms less than full civil service status. When the labour market is tight the hiring of employees on a contractual basis seems a preferred solution for both the government employers and for professionals who operate in a seller's market. A telling illustration of the latter fact is that more than 30 per cent of the managerial and professional staff (category A officers) in French local government do not have tenure as civil servants (Rouban 1998a, p. 49). Second, civil service status is rarely a guarantee against discretionary dismissal. Rather, it is an economic protection that provides compensation for civil servants who are removed from their positions, and a pension paid by the government. For the government this economic safety net is costly in the longer term. Hence, the privatization of state assets in many of the countries covered by this chapter has been impeded by governmental pension obligations towards staff with civil service status. Employees and their unions have known how to exploit this legal asset politically, but when it comes to discussions over the future status of public sector employees they have realized that job security can be efficiently guaranteed through political means and that the economic value of a civil servant's pension can be more than matched by collectively agreed contributions to mutual pension funds. To this extent, part of the opposition to proposals to replace civil service with contractual employee status has its roots in bureaucratic nostalgia and civil service ideology.

## INDUSTRIAL RELATIONS AND PUBLIC PERSONNEL POLICY

Trade unions, collective bargaining and strikes are inconsistent with the traditional conception of a civil service. If it is possible to speak of a 'bargain', the bargaining process involved is implicit in as far as the legislature allows public sector employees salaries and conditions that ensure loyal service to

their government employers. As symbolic and perhaps old-fashioned as it is, there is a certain historical truth to this idealistic conception, particularly in regard to the American federal service and to the civil services in both France and Germany. It was also the case in the Scandinavian countries, while in Australia and New Zealand the legislatures have in principle delegated important aspects of these tasks to semi-autonomous agencies. But in those two countries, as in both Denmark and Sweden, for example, trade unionism and collective bargaining have been for many years, and remain, central to civil service wage-fixing.

In the context of an 'ideal type' civil service it has been deemed virtually inappropriate to speak of 'industrial relations' in the public sector labour market. The public and private labour markets have usually been seen as two entirely distinct arenas. However, the political reality has always been different. In some respects it can even be argued that industrial relations within the public sector were much more politicized than in the private labour markets of the countries in this study. Against the background of the patronage tradition from which the modern civil service emerged in many places, the high levels of attention paid by politicians to those people working in government employment is hardly surprising. Nor is it remarkable that public employees with and without civil service status are aware of this political fact, and feel well placed to exploit it.

In many of these countries unionization is stronger in the public than in the private sector. It ranges from very low percentages of public employee involvement in the United States to some 80 per cent in Germany and nearly 100 per cent in the Danish and Swedish public sectors. Behind these figures lie other differences. First, while there are clear national patterns, differences between various parts of the public sector are important in all countries. Second, in most countries the public sector unions constitute a well-integrated movement where different tasks are the responsibility of trade-specific unions (teachers, police, nurses, postal workers and so on), while umbrella organizations coordinate strategies in regard to public employers. There is not always, if ever, a united front without internal differences, but this scenario contrasts strongly with the French public sector unions. They are divided along ideological lines, and over many years have been torn by levels of political turbulence unknown in Denmark, Norway and Sweden, or in the Anglo-Saxon countries. Finally, there is a conceptual schism between, on the one hand, the ideal civil service, aloof from any kind of political 'defilement', and on the other, the realities of employer-employee relations in a highly politicized environment.

The regulation of trade union activities is based on principles quite different from those underpinning the idea of an apolitical civil service. A telling illustration of this is the ambivalent attitude to closed shop practices.



In Denmark they are legally forbidden in the public sector labour market, but the reality is that it is hard to find a policeman, doctor, teacher or nurse who is not a paying member of his or her respective union. Before the state sector reforms in New Zealand public sector union activities were a vigorous political reality, in a service-wide system of collective bargaining, despite the fact that these unions were not legally recognized in wage-fixing arrangements. After the reforms these de facto relations were legitimized, and the state sector unions dissolved their own federation, merging with the private sector unions in a new national body. Closed shop practices were now allowed, but only the teachers' union invoked this right for prospective members. Service-wide bargaining was replaced by collective agreements negotiated for individual agencies (Walsh 1998).

There is a striking contrast in public sector industrial relations between countries where civil service salaries are set by legislative authority delegated to a central and semi-autonomous board, and those where they are settled by bargaining between the government and the unions. The latter is the case in Denmark, Britain and Sweden, while the civil service convention underpins industrial relations in the other countries. Different political realities prevail in each case. In countries where the settling of salaries is formally decided by law the unions are brought into the process through hearing procedures to try to ensure that decisions are made with due consultation. The German practice is for informal negotiations among the public employers (federal, *Länder* and local) and the unions, on a centralized basis. Negotiations take place before the government presents its proposals to Parliament. Similarly, in pre-reform New Zealand, the government had a working arrangement with the unions under which public sector salaries were set on the basis of fair relativity with the private labour market. Whatever the formal principles of public sector industrial relations, no government has been able to set wages by unilateral political decision.

Moreover, public sector industrial relations are all about regulating conditions of work, including the rights and obligations of public employees and relations between different professional and career groups. Important aspects of such regulation are the rules governing recruitment, grading, careers, pensions and discipline. In countries adhering to strict civil service principles these are all legislative issues, but usually they involve hearings and negotiations with the unions. And in countries that have developed more flexible or pragmatic systems, legislative regulation remains the norm for the 'core' civil service. In both cases close consultation with the unions is a *sine qua non* of any major policy changes. Even the swift and radical changes to the New Zealand state sector, implemented in the late 1980s as part of the government's 'crashing through' strategy in the face of political

opposition, involved some prior consultation with the public sector unions (Douglas 1993; Boston 1997).

In some countries strongly centralized government is matched by highly centralized public sector unions. In federal countries, and in those with strong local governments, sub-national governments are the prime public sector employers. Because industrial relations matters are an important aspect of general labour market and economic policies, issues arise over the extent to which public sector employers should coordinate their strategies as part of a unified front of employers. One solution is to let the legislature set guidelines for industrial relations at the local level. To some extent this has occurred in the United States. Over time, civil service regulations have not only become more detailed, but federal legislation has also expanded from dealing only with federal employment to cover some aspects of public employment at the state and local levels. In other countries procedures have been more pragmatic, but they have nonetheless resulted in a high degree of centralization of public sector labour relations. As already noted, in Germany, public sector salaries are settled through a complex procedure that starts with quite strictly coordinated negotiations between national unions and a cartel comprising public employers at all three levels of government. In Denmark a similar practice has long been in use. However, the highly decentralized Danish public sector runs the risk of having some local governments break out of the cartel by offering benefits and salaries to their employees that are superior to those offered by neighbouring municipalities or governments. To help secure a unified approach among local government bodies a national statutory board (*Kommunernes Lønningsnævn*) has been established.

## REFORMS, MANAGEMENT AND POLITICS

Reformist impulses have made a major impact since the 1980s in the OECD countries, even in those where public personnel policies are marked by strong traditions, and where powerful vested interests have maintained strong path dependence in public sector change. These reforms are often subsumed under the heading of NPM. They have questioned the centralization of long-standing personnel policies, and queried whether traditional civil service systems have been too rigid to provide incentives for productive and efficient work by public employees, from top executives through to those working at the street level. The new ways of thinking about public personnel policy are commonly linked to the interplay between a hegemonic neo-liberal ideology and the parallel popularity of public choice theory, institutional economics, and principal-agent theory

within certain policy-making and civil service circles (Hood and Peters 1994; OECD 1994; Horn 1995; Picciotto 1995).

However, as with life in general, so too with state sector reform: there is nothing new under the sun. Hood (1998), for example, has shown that the basic NPM rationale parallels arguments put forward in classic utilitarian economics and ideology. And NPM ideas are not necessarily the product of the neo-liberal ideological wave that rolled over much of the western world from 1980. For example, the grand reform of the American federal civil service that was initiated under President Carter, although free of neo-liberal/public choice rhetoric, contained most of the steps that are now seen as being an integral part of NPM (Ingraham 1995, pp. 75–91). Although largely unsuccessful, Conservative and Labour governments in Britain had moved to reform the civil service well before the advent of NPM (Kellner and Crowther-Hunt 1980). A further example is the 1969 agreement between the Danish government and the professional unions. This led to the legitimization of a normal form of public employment, and foreshadowed a gradual replacement of the traditional civil service by a system based on a combination of contract employment and collective agreements. Also in the 1970s, a new law was enacted providing for fixed-term appointments of senior civil servants and public managers, to supplement the traditional tenure system.

There have been several distinct components of the reform of public sector personnel policy. The most important ones are:

1. A move from centralized policy and personnel administration towards decentralization, where the responsibility for both policy and its implementation is delegated to a combination of departmental ministers and local managers.
2. A move from universal systems characteristic of the ideal type civil service towards solutions adapted to individual sectors, organizations and staff.
3. A move from fixed pay scales based on grading systems towards salaries that are individualized and designed to induce employees to improve their performance.
4. A move from a public management model based on formal specification of managerial responsibilities towards a model where public sector managers work on the basis of individual fixed-term contracts, with provisions for performance pay.

Collectively, the above components constitute a modern public personnel policy. The public sector has given up some of the distinctive character of a civil service ideal that developed in the 19th century and matured in the

early years of the next. This ideal has increasingly been replaced by what is supposed to be a superior management model emulating best practice in successful private firms. Some countries have been much more reluctant than others to adopt this model of human resource management. Neither France nor Germany has unequivocally embraced it. But Denmark and Sweden, as well as Canada and the United States, have taken on important components of it. Britain, along with Australia and New Zealand, stand out as devout disciples of the new orthodoxy. (It is worth noting that Australia and New Zealand were also countries with previously rigid civil service systems.) Other countries have over time adapted more pragmatically to changing political and managerial requirements and national circumstances, in fascinating ways.

These reforms are so radical in scope and complexity that full-scale implementation of them would be surprising, in light of politicians' traditional desire to have a controlling hand on public personnel management, and the collective interests protected by public sector unions. In assessing the impact of these reforms it is difficult to distinguish rhetoric from practice and reality. But we can draw some tentative conclusions. First, the extent of decentralization has been limited. With the partial exceptions of the former Australian and New Zealand systems, governments have always used pragmatic and sometimes expedient means to ensure that public personnel policy is responsive to political contingencies and the constraints of relevant labour markets. There are also limits to the decentralization of public sector salaries, since there is an in-built contradiction between the government's role as an employer and its simultaneous responsibility for economic policy. Depending on specific situations, governments both enforce central restrictions on the policy options open to individual public employers, and allow deviations from official policy where local contingencies make this politically appropriate (White 1996). In New Zealand before the reforms, the semi-automatic adaptation of public sector salaries to the private labour market sometimes pushed them ahead of those applying in private business. Since the reforms a certain political vacillation has been apparent. The original strategy was to seek something approaching parity between the base salaries for the top executives in the public and private sectors. But there has more recently been an effective decoupling of public sector salaries from those in the private sector, at the top levels, with the latter outstripping the former. In Australia, similar concerns have led to central agency involvement, although the precise forms applied vary because of the federal structure (Thorntwaite and Hollander 1998; Teicher and van Gramberg 1998).

Second, the reforms were technocratically orientated, in the sense that they were largely theory-driven and not derived from consultations with

public sector unions or anyone else. Especially in Britain during the Thatcher era, the reforms could be seen as a showdown with the unions. In New Zealand, however, the concern of the Labour government to stay in control of state sector employment conditions, and the desire of the unions to maintain their own role, ensured outcomes that 'differed little from the avowedly centralized and uniform system of the past' (Walsh 1998, p. 56). The Australian experience is similar. In the early 1990s, enterprise bargaining replaced the former centralized system where wages were set for the whole public sector, with the Public Service Board acting as the government employer in negotiations with the unions. Decentralization limited the role of the unions in the bargaining process and ended the uniformity of public sector salaries. But as in New Zealand the changes were not as radical as they might have seemed on the face of it. The Australian unions remained the bargaining partner of the agencies, and three years after the introduction of the new system 90 per cent of the staff of the Australian Public Service were still covered by agency agreements entered into with the unions. In other countries governments felt more openly obliged to accommodate union concerns, in order to advance reformist agendas. In Denmark's large social welfare sector the combined efforts of the local government associations and their union counterparts have restricted differentiation at the workplace level.

The reforms of public personnel policy that have occurred over the past 20 years have not been widely welcomed in union circles. To varying degrees the changes have been adjusted to meet union concerns, and in some cases they have given unions a strategic platform for improving the lot of their members. Generally, public employees and their union representatives have been concerned to retain centralized bargaining and dispute-resolution processes. A comparative analysis of personnel deregulation in the American states supports this interpretation. It shows, among other things, a strong inverse relationship between decentralization and unionization among state employees (Cogburn 2000).

The reform of the English National Health Service provides another telling experience. Ideally it created a quasi-market where hospitals organized as trust funds enjoy considerable managerial autonomy. This also applies to their personnel policy and related industrial relations. Nevertheless, the government has intervened, partly to ensure that nurses receive preferential treatment as compared with non-professional staff. Through such intervention the government has effectively maintained a centralized practice not very different from the previous institutional regime, whereby central Pay Review Boards oversaw hospital pay policies (Mohan 1995, pp. 142–8). Third, there are strong indications of limits on the individualization of salaries. Different factors account for this. For one,

unions are against it, not only because they prefer a system that keeps their role intact, but also because employees are generally reluctant to accept systems that give managers more discretion in setting wages for colleagues at the same workplace. Further, such union and employee concern readily triggers political controversy over the reasons for individual differentiation, especially when it is believed that performance-related pay is being used as an instrument of unwarranted managerial control. Managers who pursue such a strategy can find themselves entangled in fierce conflicts with staff, conflicts that are difficult to contain in a highly politicized public sector environment. The Australian and Danish experiences are instructive in this regard. The reforms of the Australian Public Service put a strong emphasis on performance-based pay. In the 1992 agreement between the Labour government and the unions this was the main innovation. Implementation, however, brought major problems. The parliamentary opposition voiced employee criticisms of perceived inequities in the new regime, resulting in a standardization of the system. This led managers to strongly criticize the performance pay policy. Consequently, after a couple of years the system was abandoned in most agencies, and the money that had been available for individual bonuses was folded back into a general productivity fund used to finance better salaries or work conditions for all staff at the particular agency. Elsewhere, procedures for performance rating of individual staff have become a new bureaucratic ritual (O'Donnell 1998).

In Denmark the emergence of performance pay has been heavily circumscribed by procedural constraints. The new collective agreements on which decentralized bargaining is based distinguish among different components of individual salaries. The prime component is the basic salary, received by any employee covered by a specific agreement for the performance of a particular job. Base salary can be supplemented in different ways: by functional rewards paid to employees to whom particularly demanding tasks have been assigned; by rewards for superior formal qualifications; and by result rewards. Of the three types of supplement, result rewards are the most dependent on the exercise of managerial discretionary assessment. Overall, these types of supplements to base salaries in the Danish civil service are not a major factor in the whole shift towards the decentralization of public personnel policy.

New Zealand, however, has been more committed than most to pay for performance innovations. They began in the public service shortly before the introduction of the State Sector Act of 1988, but became widely used after that enactment. There is no standardized system in place controlling performance pay across the state sector, and chief executives have considerable discretion in managing these arrangements within their respective agencies. Performance pay has been used as a means of compensating, at

least temporarily, for low increases in basic salary rates. At the top levels, public service chief executives can receive up to 15 per cent of their total annual remuneration as a form of bonus, depending on the favourability of the State Services Commissioner's yearly assessment of their performance. Administration of the whole performance pay system is by no means transparent, and has generated considerable public criticism.

Despite the fact that there is little, if any, evidence anywhere that discretionary pay has actually improved public sector performance, political executives and top civil servants in many countries continue to argue for its retention and extension. However, in the United States, the Carter administration's managerial reforms of the late 1970s, which were technocratic rather than overtly ideological, have largely been abandoned in the face of congressional and union intervention. Congress replaced the original merit pay system with the Performance Management and Review System (PMRS), with the intention of standardizing the appraisals on which individual salaries were to be based. To help pave the political path for the new system, agencies received budget increases towards the financing of performance rewards. But the new system did not gain union and employee support, and in 1993 Congress abolished it (Ingraham 1995, pp. 86–7).

The fourth main conclusion that can be drawn about the reform of public personnel policies is that NPM's commitment to contractualism advances the manager as the key player. Such a commitment is entirely consistent with the rationale behind decentralization and individualization. The argument is that if managers are put on contract and are rewarded according to their ability to satisfy clearly specified performance requirements, then they in turn will have a powerful incentive to closely control their subordinates. They will do so by manipulating the same type of financial incentives in regard to their own staff as their political and administrative principals operate in regard to themselves.

The general popularity of this rationale is probably based on two factors. First, by adopting contractual management and individual pay contracts, top civil servants have been able to slow down, stop or even reverse the gradual erosion, through the 1980s and early 90s, of top civil service salaries as compared to other public employees, and to their private sector counterparts (Hood and Lambert 1994; Walsh 1998; Derlien and Rouban, this volume). Contractualism has loosened the former linkage between the pay of public managers and their staff, inducing increased 'vertical decompression' in pay rates, by providing for the separate negotiation of top civil service salaries. Second, by negotiating individual fixed-term contracts the political executive has strengthened its grip on the senior civil service. The aim here is not so much to create incentives to improve managerial performance *per se*, as to ensure that

senior civil servants are more politically attuned to the agendas of the incumbent government.

Such managerialist logic has carried the day in many of the countries in this study, perhaps most comprehensively in New Zealand. It has also been strongly embraced in Australia at all governmental levels, including those managing the employment of school teachers (Teicher and van Gramberg 1998). However, some jurisdictions, notably France and Germany, have been reluctant to move too far down the contractualist path. They have remained largely unconvinced that there is adequate evidence to support the belief that this route leads to either better public management or improved democratic governance.

## CONCLUSION: THE POLITICS OF PUBLIC PERSONNEL POLICY

Up through the 20th century a common model of a merit civil service developed as the basis for public personnel policies in Western democracies. It prevailed at different times in different countries, but its general acceptance was closely connected with the growing authority of liberal democratic values and norms, particularly competition among and between political parties. However, this fundamental similarity in public personnel policy does not imply that national policies totally converge. There have been significant deviations from the essential model of a merit civil service, differences which raise three questions. First, are there patterns of variation? Second, how do we account for the departures from the basic model? And third, is there a trend emerging among the deviations that have become apparent in recent years?

To begin, there is no simple pattern of variation that could be categorized according to one or two dimensions. Rather, variation reflects the importance of structural (federal vs. unitary, centralized vs. municipalized, strong vs. weak core institutions), formal-legal (strong public law vs. pragmatic, common law systems) and political variables. The latter are manifest in crucial historical periods in different countries, for example, the late 19th and early 20th century American developments, the contemporary breach with an authoritarian past in democratic Spain, and the 1912 and 1988 reforms in New Zealand.

Regarding the second question, complex cross-national variations mean that it is difficult to identify clear country 'families'. This is true even of the Westminster systems, which share some important constitutional and political characteristics. Similarly, it is impossible to identify any distinctive continental model, even allowing for a possible subdivision into Germanic-Nordic and Latin-South-European groupings.



So how do we account simultaneously for both the general similarities and the particular differences that have become apparent over the course of a century? The above discussion suggests two main responses. One is that the modern civil service and the public personnel policies that drive it have always been objects of intense interest, and often concern, to political parties and to governments. They have sought to secure political control over bureaucracy, on the one hand, while on the other they have tried to ensure that this control could not be exploited for partisan purposes by political competitors. They have also had to rise to the challenge of managing a large, and usually growing, public sector. In this, politicians have demonstrated good capacities for adapting to shifting contingencies, during periods when market forces induced them to adopt policies normally associated with the private labour market, and other periods when the same impulses have led them to insist on the particularities of the public sector labour market. Generally speaking, politicians in all countries have been reluctant to cede their ultimate authority to determine when and how to adapt public personnel policies to these economic and political market forces.

Public sector unions have also played an important role. While their status and political strength have varied across the countries included in this study, policy-makers have usually had to stay tuned to their demands. This has been so both in those countries that have most strongly embraced the civil service model (to which unions and collective agreements are foreign), and in those that have been the most devout proponents of a liberal labour market.

Finally, it can be argued that if there is any single trend manifest in recent decades among all the countries discussed here it would be a picture of politicians increasingly securing the managerial capacity needed to ensure the delivery of more responsive services by their topmost civil servants. Having said that, however, in no country has the basic civil service model been rejected. Rather, there have been minor deviations from the model's central tenet of non-political appointments, while stronger incentives have been placed on civil servants to be responsive to the needs and demands of their political executives. Such non-partisan politicization has reflected political constraints shaped by both governing and non-governing parties and by the interests of the civil service establishment.

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