

A cooperative state and efficient government

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This paper examines good governance by discussing efficient, cooperative government in the Federal Republic of Germany. It describes the institutional structures of Germany's federal system, influenced as it has been by Germany's membership of the EU. It is a system which shows a clear tendency towards delegating responsibility to agencies, autonomous public law corporations, civil society organisations and private sector companies with a consequent and constant need for dialogue, negotiation and coordination. While governance in Germany compares well with that of other countries around the world, it is nevertheless true that a number of challenges as regards learning and strategic policy planning still remain to be addressed.



Cooperation and efficiency in government: the example of Germany

The fundamental principles underpinning good governance lie at the heart of any debate on this subject. They include a well-functioning system based on the rule of law, respect for fundamental political and social rights, efforts to combat corruption and high-quality regulatory policies governing the development of both the private sector and civil society. Good governance must be responsible, accountable, transparent and effective in its dealings with citizens (Czada 2010). The principles of good governance are central to government efficiency in terms of its ability to undertake strategic planning, address new social and economic needs, learn, manage and implement policy. However, good governance also relies on citizens' participatory competence and their willingness to engage in voluntary work (Bertelsmann Stiftung 2014: 23). In other words, efficient government is the result both of efficient policy and administration and of an active and cooperative civil society.

So what of efficient government in Germany? The Federal Republic of Germany has become, over history, a consensus democracy. One feature of Germany's system of government is that numerous strict requirements exist for the approval of political decisions and this creates institutional pressure for negotiation and dialogue (Lijphart 2012). Germany is defined by a diverse spectrum of political parties, frequent coalition governments, a dynamic landscape of associations and organisations, a cooperative brand of federalism and a powerful constitutional court (Schmidt 2011). If we consider Germany's political and administrative system as a whole, several relatively independent authorities and agencies clearly play a major role in the country's government, including the Bundeskartellamt (Federal Cartel Office) in the field of competition and the Bundesnetzagentur (Federal Network Agency) in energy and telecommunications. Similarly, vocational training and the recognition of foreign vocational qualifications is delegated to Chambers of Trade and Commerce. In the fields of social, health and employment policy, responsibility for service delivery lies with

social insurance companies, the professional bodies of the medical and nursing professions and various large charities such as the German Red Cross, Caritas and the Protestant social welfare organisation Diakonie. Furthermore, Germany, as a member of the EU, is deeply embedded in European decision-making processes and the European composite administration. Environmental policy is, for example, determined to a large extent by directives from Brussels. Conversely, the European Union's administrative structures are equally connected to agencies and administrative networks involving representatives of the Member States, including Germany (Hustedt e.g. 2014: 143-236). Overall, Germany's system of government is differentiated by a complex, multi-level structure comprising the European Union, federal government, federal state (Laender) and local government. Its administrative structures are also highly decentralised – they include, in addition to public administration, numerous civil society organisations, independent public law agencies, self-administering entities and indeed several private sector companies (with which long-term service agreements have been concluded) (Sack 2013: 105-130).

The German system of government is thus characterised by the fact that different levels of responsibility (EU, federal, federal state and local government) are highly intertwined, with a decentralised approach to public administration and service delivery. Germany's institutional structure led to it being described, quite rightly, as a “cooperative state” as far back as the 1970s (Ritter 1979). Despite various reforms aimed at disentangling the respective powers of federal and federal state government, the process of European integration and administrative reforms (New Public Management) has, if anything, led to an even greater sharing of responsibilities across the different levels. As a result, efficient government requires both an ability to coordinate and a willingness to cooperate, which, in turn, underpin good governance. The first case requires a capacity to manage policy in accordance with strategic policy planning, the policy goals of the ruling coalition, and to respond to unforeseen events. The second aims at coordinating and encouraging cooperation between actors and organisations that are not directly under government control through incentives, dialogue and negotiation (Sack 2013).

This requirement and how it plays out in reality can be further illustrated if we consider some examples of different forms of cooperation.

Dialogue involves coordination between government, public administration, civil society and business. Its primary objective is to draw on the arguments, expertise and research of relevant actors to identify areas where social and political action is needed. In such dialogue, the issues discussed should be relatively broad in nature and actors should generally be prepared to modify their positions and meet as equals. In the interest of efficient government, the State should play a key role in initiating, organising, funding and moderating the dialogue process. Wherever possible, the goal should be to involve all of the actors and groups potentially affected by a future substantive decision. Dialogue forums have been used in Germany in areas such as urban and regional development and planning policy. They are also a valuable means to address key strategic issues such as technological advances and the digital transformation of the workplace and our everyday lives, demographic change, medical ethics and integration policy (Sack 2013: 154-158). In 2006, for example, Germany's Federal Ministry of the Interior convened the German Islam Conference (in this instance the State acted as initiator and moderator). It comprised fifteen federal, federal state and local government officials and ten representatives of Muslim organisations, and also included five individuals who were critical of Islam, thus ensuring coverage of all different stakeholder groups. This dialogue forum discussed a wide variety of topics including the training of Muslim clerics, the role of women, training opportunities for young people and the provision of Muslim-oriented social welfare services. The dialogue engaged in a wide-ranging discussion on integration with stakeholder participation. It also identified individual critical themes, commissioned research and ultimately set in motion a number of relevant policy initiatives (Deutsche Islamkonferenz 2016).

Negotiation also illustrates the cooperative state at work. Its major aim is to enable actors with vested interests to reach an agreement or a compromise that caters for their respective needs without necessarily satis-

fying them in every respect. However, the actors must be willing to meet each other halfway and be prepared not to adopt extreme negotiating stances or make unrealistic demands (Sack 2013: 149-153). The knowledge that they are likely to return to the negotiating table at some point in the future – as is customary in the German system of government – can play a key role in facilitating agreement. Typical negotiation scenarios in the German federal system revolve around issues such as the distribution of funding between federal, federal state and local government, possibly in connection with issues relating to expenditure by respective levels of government and its financial compensation. In 2015/16, for example, the associations of towns and municipalities called for more federal government funding to help them meet the rising cost of providing accommodation for refugees. Given that a high proportion of public services is delivered by charitable organisations and private companies, negotiations between government, civil society and business can prove to be critically important across a diverse spectrum of activities ranging from ambulance and rescue services and public building construction to water supply and waste disposal. Consequently, efficient government requires policy-makers and the public administration to define their targets (and indeed their contractual performance) very precisely and to facilitate fair competition between prospective providers.

A final example of how to facilitate a cooperative state and efficient government can be seen at the highest levels of government, in particular the Federal Chancellery (which currently employs a staff of around 500). With a view to coordinating government work, the fourteen current Ministries and separate European Policy directorate are “mirrored” by corresponding divisions within the Chancellery. The purpose of this organisational structure is to ensure that people are kept informed about what is going on inside the different Ministries (Germany’s constitution grants its Ministries a high degree of autonomy under the “departmental principle”) and identify issues that could cause conflict in the respective coalition government so that appropriate mediation can be provided in the event of a dispute (Bertelsmann-Stiftung 2014). Nonetheless, there is still considerable room for improvement in terms of how the government’s work is coordinated. In some instances, adequate strategic policy planning and coherent cooperation across and between Ministries is hampered by the high degree of autonomy enjoyed by the individual Ministries and a lack of focused strategic planning (Bertelsmann-Stiftung 2014: 14). Germany clearly faces a number of challenges not shared by other countries, especially in terms of efficient government. This weakness, however, is counteracted by the strengths of Germany’s cooperative state that consistently ranks among the best in the world, coming second, by most accounts, only to the Scandinavian countries (Bertelsmann-Stiftung 2014).

This brings me to my final point: good governance has to be based on learning. In government and public administration, there are two ways of learning: by allowing citizens to participate in the decisions that affect them; and by adopting an outward-looking approach that identifies best practices around the world.

Germany’s experience of efficient government and a cooperative state (Schmidt 2011; Sack 2013; Bertelsmann-Stiftung 2014; see the table below) can be summed up as follows: its strengths include economic efficiency, a relatively broad social consensus and a real willingness to engage on the part of civil society. Set against this are the constraints which arise from the need to cooperate which can cause the government’s work to proceed somewhat slowly with the lowest common denominator prevailing in its policy actions. Moreover, the strong intertwining of responsibilities can hamper both strategic policy planning and the ability of business and civil society to determine precisely where political accountability lies.

Strengths of the cooperative state	Challenges facing the cooperative state
<p data-bbox="363 1727 595 1756">Economic efficiency</p> <p data-bbox="197 1756 761 1818">Ability to gain widespread acceptance for innovations and policy solutions</p> <p data-bbox="272 1818 686 1848">Societal consensus and social peace</p> <p data-bbox="197 1848 761 1917">High willingness to participate and engage on the part of the public</p>	<p data-bbox="991 1727 1181 1756">Social inequality</p> <p data-bbox="812 1756 1359 1818">Tendency for policy solutions to progress slowly and the lowest common denominator to prevail</p> <p data-bbox="887 1818 1284 1848">Lack of focused strategic planning</p> <p data-bbox="799 1848 1372 1917">Lack of transparency and accountability in services provided by the public administration</p>
<p data-bbox="188 1917 544 1951">Source: compiled by the author</p>	

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Links

World Bank's good governance indicators:

<http://info.worldbank.org/governance/wgi/index.aspx#home>, 4.6.2016

Bertelsmann Stiftung's comparisons of governance in different countries:

<http://www.sgi-network.org/2015/>, 4.6.2016

<http://www.bti-project.org/en/home/>, 4.6.2016

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This paper reflects the opinion of the author.

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