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Agenda Item: 5

**Summary Report for the Roundtable on Improving  
Public Sector Governance Quality: Practice and  
Measurement**

Purpose: Information  
Submitted by: Chinese Taipei



**JAPAN 2010**

**First Economic Committee Meeting  
Hiroshima, Japan  
26-27 February 2010**

**Improving Public Sector Governance Quality:  
Practice and Measurement**

Summary Report for the Roundtable on Improving Public Sector Governance Quality:  
Practice and Measurement

2010 APEC Economic Committee Meeting 1  
26 Feb 2010  
Japan

## **Background and objectives**

This Roundtable Discussion follows from the Roundtable Discussion on Recent Public Sector Changes and Principles of Good Public Sector Governance that was held at EC1 2009. At EC1, economies shared information on recent public sector changes in the region and reflected on the general principles of good public sector governance. At EC2, this Roundtable Discussion focuses specifically on how economies measure the performance of public sector governance.

Good public sector governance strengthens the national economic environment and improves public service performance. In the last two decades, developing principles and indicators to evaluate public sector governance has evolved into a core issue for international organizations and governments. Based on proposed guidelines and general principles of good public governance, it is the goal of this Roundtable Discussion to offer a forum for economies to share practices and experiences regarding the measurement of public sector governance. Economies are invited to present how good governance principles are applied to measure and improve the quality of public governance performance.

The meeting includes two parts. First, six economies (Canada, Japan, New Zealand, Chinese Taipei, Mexico and Indonesia) have reported on their own experiences. Second, a synthesis discussion has also been held in this meeting.

## **Summary of presentations**

### **Canada's Presentation:**

Origins: Canada's initiatives have been motivated by: (1) citizen pressure for greater accountability and transparency in government; (2) the need to change public sector management away from risk aversion towards risk management and innovation; and (3) the need to cope with an aging society and an associated diminished tax base in the future, which will behave the government to control public debt and at the same time respond to increased service demands from the public.

### Approaches:

- Strategic Review: Launched in 2007, these performance assessments have yielded about C\$1 billion (US\$ 900 million) in savings.
- Web of Rules: Launched in 2008, the gauging of the burden on departments and agencies allows the Treasury Board Secretariat to follow up by eliminating ineffective and unnecessary regulations, reducing the reporting burden and modernizing administrative processes.
- Reforming grants and contributions: An Action Plan, now in its second year, has been implemented, using a number of tools to make such programs more fair, cost-effective and efficient.
- Management Accountability Framework: For the past five years, this has been the primary tool for gauging management performance in departments and agencies and its assessment methodologies are currently being updated.

- Medium-Term Planning: This initiative, started in 2009, is examining the external and internal trends driving the need for change in public sector management, the opportunities and challenges and future direction of the government.

Lesson:

Rigorous evidence, preferably derived through measurement, is key to properly diagnose problems in order to arrive at policy prescriptions.

Japan's presentation:

Origins: The motivation behind the new initiatives is to improve productivity of government services and to introduce a new concept of customer satisfaction to public service.

Approaches:

- Business Process Re-engineering (BPR): First, each ministry is assigned areas to carry out its BPR. Second, in terms of measurement, Japan sets numerical targets as an indicator of improvement. Each ministry carries out its BPR against this target, and carries out reviews. Third, a council, composed of representatives from the business sector, academics, etc., gives advice. In order to overcome the risk that ministries may neglect this approach, Japan not only implements measures to encourage ministries, but also assigns a responsible person at the highest level to oversee this work.

New Zealand's presentation:

Origins: Good governance is a key to economic growth. In order to promote efficient and effective spending, the New Zealand Government focuses on ensuring that the public sector is aligned to the government priorities.

Approaches:

New Zealand hasn't established any specific measures for an overall governance framework. The focus of the New Zealand government is on ensuring that the systems and processes in place are used to support performance. The New Zealand accountability documents (presented to Parliament with the budget) detail the links between the appropriations and the government's priorities. The State Services Commission and the Treasury are also preparing to pilot and refine the performance improvement framework this year. This includes a comprehensive model for performance improvement and formal performance assessments, and identifying priority areas for action. In addition, New Zealand also has worked toward progress on analytical tools that will identify strengths and weaknesses across the sector. The Treasury, State Services Commission, and the Office of the Auditor General are working together to produce long-term measures of performance.

Risks:

- Accountability documents might be viewed as compliance documents and not be seen as useful by the departments that are implementing them.
- Continuing high staff turnover results in continuing provisional education and development measures for the accountability documents.
- A tendency to focusing on the negative aspects of performance of the overall context of the performance report.

### Chinese Taipei:

Origins: To respond to the need to improve government efficiency and PSG quality.

#### Approaches:

- Chinese Taipei Public Governance Indicator (CTPGI): Using a more quantitative and comprehensive approach, Chinese Taipei establishes the CTPGI with seven dimensions, including: Rule of Law, Government Efficiency, Responsiveness, Transparency, Corruption Control, Accountability, and Public Participation. Each dimension has two or three sub-dimensions. The CTPGI uses meta-analysis which combines subjective data (data collected from questionnaires) and objective data (data from domestic or international existing statistics). It aims to provide time-based comparisons which are beneficial for periodically evaluating of specific public performance in each dimension and the overall result of annual PSG quality.

### Mexico's presentation:

Origins: To focus the Mexican Government efforts on the citizens and the improvement of their quality of life and expectations.

#### Approaches:

- Special Program for the Improvement of Public Management: The goal is the improvement of public management by reducing paperwork, increasing efficiency, raising attention to the public and increasing the use of information technology.
- Results-based mechanism: The establishment of a performance evaluation system for the enhancement of public management, including planning, execution and evaluation.
- A national program of social participation and transparency in the fight against corruption. This program aims to promote actions involving social participation, transparency, accountability, legality and public security, in order to establish values and principles for public servants and society.

Benefits: Including the creation of a results-based culture in the public sector, the generation of reliable information to improve decision making, improved services, less paperwork, the expansion of public resources and, finally, public servants new attitudes to feel proud once again of their jobs and responsibilities.

Risks: Including (1) the fear of change within the government and amongst public servants, and (2) the creation of new bureaucratic layers.

#### Lessons:

- Public sector activities must consider citizens.
- Changes must be small and strategic.
- Regular evaluations turn desires into actual outcomes.
- Civic participation in the identification of anomalies is crucial in correcting problems.

### Indonesia's presentation

Origins: To assess regional government performance and to establish a healthy and strong foundation for sustainable institutional development.

### Approaches:

- Good Governance Index: The objective is to prepare an instrument to measure implementation of good governance as effective guidelines in regional governments throughout Indonesia and also to test validity and reliability through random test instruments in the regions. There are four indicators within this index: Transparency, Accountability, Participation and Rule of Law. Using a self-assessment system, Indonesia asks all regional governments to evaluate themselves and to report with supporting evidence.
- Indonesia has already increased efforts to prevent the crime of corruption. These include improvement of the legal framework, creation of new anti-corruption institutions, and pursuit of legal cases against corrupt individuals.
- Indonesia also utilizes information technology and communication applications (*e-government*, *e-local government* and *e-services*) to increase public services quality.

### **Discussion and additional contributions:**

#### **New Zealand**

New Zealand noted that many of the economies have used some or all of the nine general principles for public sector governance. When New Zealand updates the PGS bibliography, it will include parts from presentations by economies at this meeting.

#### **Korea**

Although Korea regards governance as an essential issue, it has in its experience found it challenging to make civil servants and the public understand the importance of PSG.

#### **Pacific Economic Cooperation Council (PECC)**

The PECC drew three points for further discussion from the presentations: 1. The extent to which innovations in the public sector were genuinely motivated or influenced by international experiences; 2. the presentations did not mention training institutions in the public sector and, in particular, whether and how ethics education and human skills training were provided to people in public service; and 3. how the interface between the bureaucratic and political sides should be addressed.

#### **Canada**

Canada emphasized the importance of international experiences which motivate reforms and shared its experience on building a results-focused government basing on values and ethics. Canada also replied that it has public service institutes and other public service bodies for civil service training.

In addition, Canada mentioned the tough financial situation that it faces at this stage. The political pressure has led to requests for increased efficiency. In response to this pressure, Canada has implemented stringent financial cutbacks within government departments and is forcing them to look creatively within their own mandates and budgets to cope with the reality.

#### EC Chair

Japan shared its experience with retirement policies. Bureaucrats are retired at about 55 to 57 years of age. Such a policy may impact governance performance and, although Japan has already observed such circumstances, it appears to be a complicated issue and better solutions still need to be discovered.

#### Singapore

Singapore argued that the choices of public officers are important, and emphasized on integrity and the importance of recruiting suitable public servants.

#### Mexico

Mexico mentioned that it took into account the experiences of many international organizations and work by the OECD toward the improvement of public management. Mexico also considered a number of topics which have been dealt within the OECD regarding the resource base. In regard to ethics, Mexico noted that it has trained civil servants according to ethics regulations.

#### Australia

Australia reflected its pressure on cutting public expenditures. It also noted the importance of being cautious when implementing public sector governance reforms.

#### Japan

Japan responded that the central debate in Japan is whether or not the government should raise taxes to keep its current social security system. In order to respond to taxpayers' expectations, strengthening public sector governance is the key issue of the government.

#### Indonesia

In Indonesia's case, international experience plays a substantial role in public sector reform. Indonesia has adopted innovations from international organizations (e.g. OECD) and other economies (e.g. Korea) to improve public sector governance. The reform is a government initiative, while politicians also play important roles in it. Indonesia mentioned that it improves public sector capacity through training and seminars, while supreme auditing institutions also evaluate government performance.

#### Canada

Canada expressed considerations to the post-recession world and asked for other participants' opinions of future directions of performance management to respond to it.

#### Australia

Australia argued that a transparent process for setting objective performance measures could assist in a very transparent assessment without fear of political interference.

## Indonesia

Indonesia noted its difficulties of building indicators and expressed its interest in Chinese Taipei's experience. Indonesia suggested Chinese Taipei to provide more specific information of the Chinese Taipei Public Governance Indicator for economies' reference on the next occasion.

## Chinese Taipei

Chinese Taipei responded its willingness to contribute to further discussions from its own experiences. In addition to the CTPGI, Chinese Taipei is also implementing other research projects including, for example, public sector transparency.

## Chair's summary

Chinese Taipei concluded that developing a set of comprehensive performance indicators, as it is advocating, would be useful for tracking and improving the quality of public sector governance. However, there is still much work to be done in order to make improvements more comprehensive. The key lessons economies shared in this meeting are: 1) citizens' demands should be the core concern of PSG, 2) gradual and consistent improvement on governance is necessary for every economies, 3) governance indicator systems are very important in monitoring improvement, 4) a comprehensive and holistic approach is recommended when measuring PSG quality; 5) innovative measures should be pursued and reviewed constantly.