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Report on the Center of Government in Latvia, its Strengthening and the Implemented Human Resource Policy

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Government”**

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Abbreviations used in the Report

HR –	Human Resources
EIPA –	European Institute of Public Administration
EU –	European Union
OECD –	Organization for Economic Cooperation and Development
EUPAN –	European Public Administration Network
MoF –	Ministry of Finance
ICT –	information and communications technologies
IT –	information technologies
CoM –	Cabinet of Ministers
PM –	Prime Minister
CSCC –	Cross-Sectoral Coordination Centre
PMDU –	Prime Minister Delivery Unit
PMSU –	Prime Minister Strategy Unit
LSPA –	Latvian School of Public Administration
CoG –	Center of Government
SC –	State Chancellery
SS –	State Secretary/Secretaries
MSS –	Meeting of the State Secretaries

Introduction

During recent years there has been increased interest about the importance of the Center of Government (hereinafter referred to as “CoG”) in ensuring of efficient management in the EU and OECD countries. From the point of view of the traditional fields of activity - to ensure the administrative work of the government, the CoG participates in optimisation of the policy development process more actively. The CoG provides several services in these countries, from strategic planning and guidelines in implementation of policies to management of intersectoral initiatives and supervision of activities (OECD, 2014).

In accordance with the task to strengthen the CoG as per State Administration Policy Development Guidelines 2014 – 2020, in the beginning of 2015 the CoG carried out a survey of the EUPAN states in cooperation with *SAFEGE Baltija* with a purpose to find out the development trends of the CoG in the respondent countries, as well as obtain information about the most frequently used policy instruments for solving intersectoral issues and HR strategy implemented in the country which would ensure successful execution of the aforementioned tasks.

The survey results and conclusions from the research of theoretical literature and independent organizations are summarized in the report on the Centers of Government in the EU member states. Opportunities for more effective operation of the Latvian CoG are offered in this report by taking into account and recommending solutions which have been successful in other countries. The conclusions and recommendations are also based on the interviews made with the existing and former officials and politicians during the research. The main future challenges of the CoG were discussed in the focus group of experts and the obtained results were included in the joint assessment of EUPAN states on the future challenges. Their context has been taken into account upon making proposals on the necessary fields of activity regarding development of the HR strategy of the CoG in this report. The institutional model of the CoG offered by the researchers during preparation of the report was also discussed in the SS focus group which was organized on March 5. Discussion about the future role of CoG concerning its potential to be a flexible, horizontal, cooperation-oriented and innovative body indicates that the concept of the CoG is not understood unequivocally among the participants of the MSS. Although the issue on strengthening of the CoG is included in the new State Administration Policy Development Guidelines 2014 – 2020, the expressed opinions still allow to make an assumption that there have not been enough debates and discussion of this initiative up to now.

The research process indicates that the concept of the CoG is not understood unequivocally in the EU member states and also in Latvia. Although it is recognized in the State Administration Policy Development Guidelines 2014 – 2020 that it would be necessary to strengthen the CoG for successful implementation of the governmental reforms, up to now sufficiently detailed discussion of the aforementioned idea has not taken place. The authors of the research wish to activate discussions about the role of the CoG in implementation of efficient state administration reforms thereby motivating the involved parties to facilitate implementation of the identified tasks.

1. Institutions of the Existing Center of Government and their Functions

1.1. The fundamental nature and main functions of the Center of Government

Capacity of State administrative institutions for implementation of successful activities and provision of basic State functions largely depends on their ability to mutually cooperate in solution of intersectoral issues within the framework of executive power. The CoG plays an essential role in strengthening of cooperation, especially in the cases when the core of the executive power consists of the representatives of various political parties. When united governmental attitude and coordinated activities are necessary, a strong CoG is the main support of executive power, as well as coordinator of the activities started by the government (Allesandro, Lafuente, & Santisso, 2014). The CoG provides a political, administrative and technical function for the whole government. It should be emphasized that the ***CoG is not a new institution, it is a set of already existing institutions*** (for example, such as “controlling bodies”, “certification institutions”) which already now have definite functions but in order to emphasize their significance they are defined as a “Center of Government” (State Administration Policy Development Guidelines 2014 - 2020).

According to the definition available in the theoretical literature, the CoG is an institution or a group of institutions which provides direct support in performance of the state executive power functions and administrative tasks. As compared to other state administrative institutions, the CoG institutions are not directly involved in provision of services. ***The CoG provides coordination and monitoring functions for the whole government: political coordination, strategic planning, coordination of an action policy development and implementation, performance management monitoring and communication on behalf of the government*** (Allesandro, Lafuente, & Santisso, 2014). As it is shown by EUPAN survey carried out by researchers, and the research previously made by OECD, the CoG has not an institutionalized definition of an institution up to now in other countries, but it is defined as a set of functions and staff, “a virtual formation or a form for coordination of decisions by overcoming contradictions”¹.

Two approaches for identification of the national CoG are described in literature. The first one is focused on the CoG institutions and units which are directly subordinated to the higher decision-making body of the executive power and is called “*narrow* understanding”. The basis of the second - *extended* - approach is formulation of the CoG depending on the context of the functions to be performed by the CoG including other institutions and units, as well which may structurally not be within the higher decision-making body of the executive power and which provide the main cross-sectoral horizontal functions. The main *fields of activity* of the CoG is general monitoring of the policy development, supervision management, improvement of administration and improvement of the activities of the Cabinet. On the other hand, the CoG has several *functions* within the framework of each field (see **Picture 1**) (Haddad, Kloutche, & Heneine, 2010).

¹ Interview with P. Vilks on January 14, 2015.

Within the framework of **the national strategic planning function (Picture 1- A1)** the CoG manages the development process of the State vision and national agendas *within a long term*. Cooperation with sectoral ministries in setting of priorities of the particular field takes place within a *medium term* (James, & Ben - Gera, 2004).

In the planning and budgeting synchronization stage (Picture 1 - A2) the CoG plays an important role in allocation of the financial resources according to the national development plan and priorities set by the government, as well as in preparation of lawful and appropriate budget which provides a possibility to implement sectoral policies.

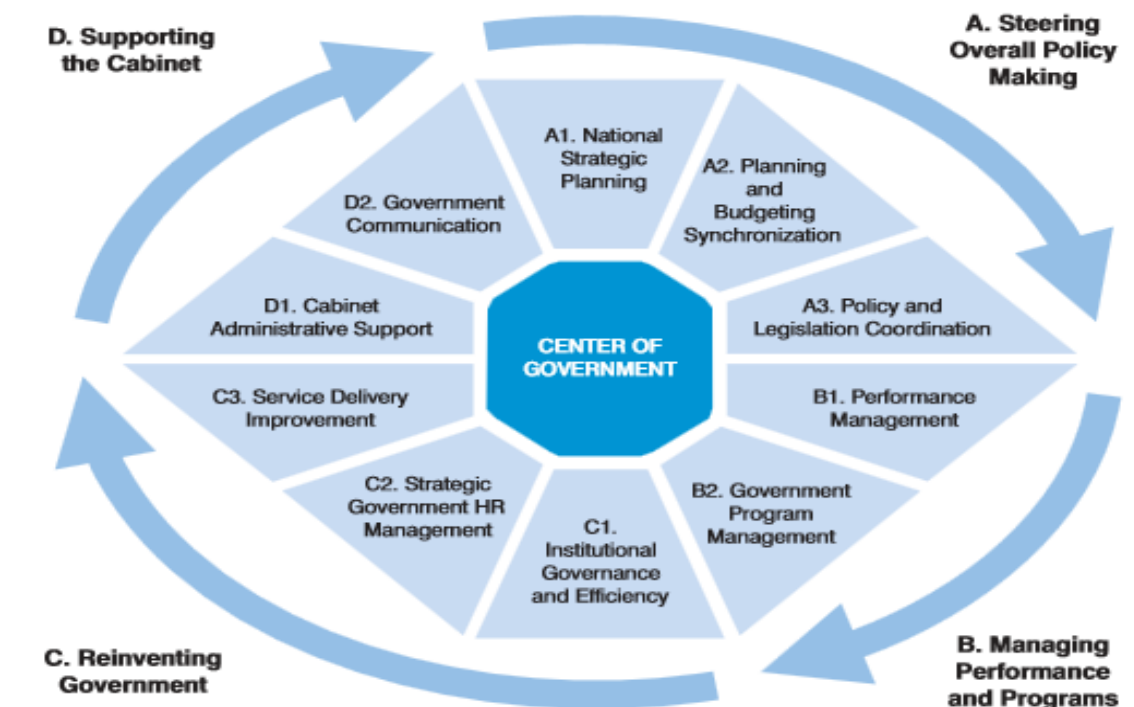
Nowadays, when intersectoral issues appear increasingly more in the policy agenda, **coordination of policy and legislation (Picture 1 - A3)** is a very important function of the CoG by mutually coordinating the parties involved in the policy implementation and legislative processes (ministries, agencies, parliamentary commissions) and ensuring conformity of the relevant intersectoral policy with the priorities set at national level (Haddad, Kloutche, & Heneine, 2010; James, & Ben - Gera, 2004). ***The central view and ability to coordinate is a necessary precondition for ensuring compatibility of the horizontal policies.*** OECD specifies in its research that within the framework of the policy and legislation coordination function the CoG can coordinate two technical functions, as well: legal conformity and regulatory quality. At the same time, it is emphasized in the research that a half of the countries which participated in the survey indicate that the legal expertise is carried out outside the framework of the Center of Government in other ministry or agency (OECD, 2014, 23).

In the field of the **supervision management (Picture 1 - B1 and B2)** the CoG undertakes responsibility for quality of the governmental activity in general both; upon coordinating the supervision process of the state administrative institutions on administrative level, and supervision of the governmental activity programmes. The CoG prepares information for the CoM about implementation of reforms, as well as the introduction process of the development planning documents of a national level. The CoG must be sufficiently influential in order to be able to prevent the policy disagreement between the involved parties, as well as sufficient capacity, in order to be able to cooperate with all governmental institutions (Haddad, Kloutche, & Heneine, 2010).

Management improvement is an important field of the CoG activities which comprises three main functions: efficiency improvement of institution activities, HR management and improvements of service quality (**Picture 1 - C1, C2 and C3**). The CoG develops a general *institution management framework* in order to ensure transparent and responsible state administration. It reviews the *internal decision-making process of the executive power* and develops guidelines for adoption of the best management practice in the executive power institutions. In relation to HR management, the CoG develops general guidelines for the employees working in the state administration sector (officials and support personnel) thereby ensuring methodical supervision of chief executive officers who manage the HR of the institution in accordance with the CoG guidelines. Regarding improvement of the service quality the CoG determines *service quality standards*, manages the optimisation process of provision of services, as well as ICT and e-administration initiative (Haddad, Kloutche, & Heneine, 2010).

Ensuring the COM administrative activity, as well as general **communications policy** supervision are not less important CoG activity functions (**Picture 1 - D1 and D2**). The CoG responsibility is to ensure transparency of the CoM activity and conformity with the adopted

procedures. The main activities include working out the agenda of the Cabinet, as well as quality control of the regulatory enactments and policy initiatives.



Source: Booz & Company

Picture 1. Fields and functions of the CoG activities

Source: Booz&Co, *Center of Government: The Engine of Modern Public Institutions*

In relation to the communications policy management, the CoG has the leading role both; in the *external* communication with society and media, and in the *internal* communication between the executive institutions, as well as Parliament. The CoG develops standards of the communications policy, thereby ensuring a uniform approach to identification of the state institutions.

The next sub-chapter includes analysis of the functions of the Latvian state administrative institutions which conform to the theoretical CoG scope to the greatest extent.

1.2. Latvian Model of the Center of Government in the Narrower and Broader sense

Latvian CoG in the narrower sense of its interpretation

The CoG in Latvia is mainly defined by Section 26, Paragraph 5 of the State Administration Structure Law which determines the SC functions in ensuring the work of the CoM, governmental policy planning, supervision and coordination of execution of the PM and CoM decisions. On the other hand, Paragraph 3.2 of the CoM Regulation No. 263 of May 20, 2003 “By-law of the State Chancellery” prescribes that the CoG ensures the work of PM in the sense of content and organization, while Paragraph 3.4 identifies the SC as the CoG institution

responsible for development, coordination and supervision of implementation of the state administration and HR development policy. Paragraph 4.2 of the By-law of the State Chancellery prescribes that the SC develops and implements the governmental communications policy. As we see in Picture 1, institution management and ensuring efficiency of their operation is one of the CoG functions and in case of Latvia it is performed by the SC pursuant to Paragraph 4.17 of the By-law of the State Chancellery by organizing particular function audits assigned by the PM, as well as checking and assessing the activity efficiency and usefulness of the direct administrative institution.

In accordance with Paragraph 14 of the By-law of the State Chancellery the **PM office** makes proposals to PM in development and implementation of the CoM policy, as well as ensures the PM activity in the organizational sense.

According to Section 12, Paragraph four of the Development Planning System Law, the **CSCC** works out the hierarchically highest development planning documents of national level and coordinates their implementation, organizes and implements mutual coordination and cross-sectoral supervision of sectoral policies, develops proposals for implementation of the State reforms and reallocation of resources according to the State development priorities and policy guidelines, as well as performs other functions set in the regulatory enactments, as well as the analytical tasks given by the CoM and PM.

Latvian CoG in the broader sense of its interpretation

As it is mentioned above, the basis of the extended CoG interpretation is identification of its staff according to the context of the theoretically possible functions to be performed. The CoG institutions and units may not be structurally located at the higher executive decision-making body but they ensure cross-sectoral horizontal functions which are interpreted in the context of this report by using the fields of activity of the CoG mentioned in Picture 1.

Thereby, in addition to the SC, CSCC and PM Office and in accordance with the CoM Regulation No. 239 “By-law of the Ministry of Finance” of April 29, 2003 the staff of the CoG also includes a part of the functions to be performed by the **MoF**, namely, the functions related to national financial management and budget planning regarding the priorities set by the government and development planning documents of national level.

In the opinion of the researchers the councils acting in the field of development and budget planning, as well as assessment and research must be considered as an important element in ensuring of high-quality CoG activity. Similar CoG structure elements may be found in Estonia, Ireland, Germany. In case of Latvia two councils would mainly correspond to the CoG range of functions: a fiscal discipline council and National development council.

Fiscal discipline council which is mentioned in the Fiscal Discipline Law is a tool for obtaining objective analysis in fiscal supervision which is essential for PM and CoM upon taking the decisions related to financial impact. The link of development planning with financial planning, as well as uniform national long-term development planning and assessment is promoted by the **National Development Council** whose Secretariat functions are performed by CSCC and which is a collegiate decision-making body established by PM. Therefore, upon review of the CoG potential extended staff in the Latvian context an issue could be considered about inclusion of these councils in the structure of CoG.

On the basis of investigation of foreign CoG the researchers conclude that countries have a different approach to involvement of the Ministry of Justice and the ministry responsible for availability and quality of public services and regional issues (in Latvia – the Ministry of Environmental Protection and Regional Development) in the CoG in the broadest interpretation model.

The Ministry of Justice plays an essential role in the harmonization process of the legislative acts and is included in the CoG in several countries (for example, in Estonia and Netherlands). On the other hand, it is outside the CoG model in other countries because the legal expertise is not referred to the CoG functions in the most part of the OECD member states, but is considered as a task which must be executed in the Ministry (Ben-Gera, 2004). The aspect of party loyalty of ministers should be taken into account in case of Latvia so that the CoG could function effectively within the framework of the coalition government. The support provided to the PM in the legal issues has another purpose – to provide support just to PM to enable him/her to manage the work of the government more efficiently instead of providing opinions on legislative acts and legal issues in general. Upon extending the number of the CoG institutions the risk appears that the efficiency and necessary concentration of the CoG decreases and the possibility to respond quickly is lost².

As it is mentioned above, a part of the functions of the **Ministry of Environmental Protection and Regional Development** that refer to ensuring availability and quality of public services corresponds to the functions to be performed within the framework of the CoG. Subparagraph 1.7 of the CoM Regulation No. 233 of March 29, 2011 “By-law of the Environmental Protection and Regional Development” prescribes that the Ministry is the leading State administrative institution in the fields of information society, electronic administration, as well as management of the State information and communications technologies. Pursuant to Subparagraphs 4.1.6 and 4.1.8 of the By-law, the MEPRD develops a policy for introduction of the one-stop shop principle in availability of the State and services, electronic administration and ICT management. The aforementioned functions may be interpreted as the CoG functions focused on quality improvement of provision of services. However, upon evaluating its inclusion in the CoG, two aspects should be considered. Firstly, local governments are autonomous and their supervision is not the main task of the State institutions. Autonomy of local governments must be protected in the constitutional sense and according to the international agreements. The State determines the system but it is not possible to interfere in the affairs of the local communities without a sufficient substantiation. Secondly, not all the services important for State administration (for example, regional development and electronic services) may be concentrated in the CoG, maybe except their initiation but not complete implementation (House of Lords, 2009). The CSCC as a component of the CoG may provide sufficient informative and analytical support to PM within the framework of its competence in the regional development issues, although it does not have direct implementation tools regarding the regional policy issues and it should cooperate with the MEPRD in solution of the issues of the relevant field.

Involvement of the potential CoG institutions in performance of the functions characteristic of the extended CoG model in Latvia is presented in **Table 1**.

A necessity to plan the CoG efficiency improvement measures is emphasized in the theoretical literature (James, 2004, Haddad, Kloutche, & Heneine, 2010, & Alessandro, 2014, etc.) on the

² Interview with B. Petersone on November 3, 2014.

basis of assessment of the existing condition both from the legal, and functional aspect. *The CoG development stage assessment matrix* (see **Annex 1**) established by Alessandro (2014) has been used by the researchers for evaluation of the Latvian situation.

Table 1. Conformity of the Latvian CoG with the theoretical extended CoG model

Field of the CoG activity	Responsible institution	Are there any cooperation institutions?	The relevant regulatory enactment
A1. National strategic planning	CSCC	SC, MoF, National Development Council	Section 12 of the Development Planning System Law Paragraph 3.1, 3.2 of the By-law of the CSCC Paragraph 5.2, 5.6 of the By-law of the MoF, Paragraph 4 of the By-law of the National Development Council.
A2. Planning and budgeting synchronization	MoF	SC, CSCC, Fiscal Discipline Council, National Development Council	Section 16, Section 28, 29 of the Law on Budget and Financial Management Paragraph 5.2, 5.3, 5.6 of the By-law of the MoF Paragraph 4.14 of the By-law of the SC Section 12 of the Development Planning System Law Section 21 and 28 of the Fiscal Discipline Law, Paragraph 4 of the By-law of the National Development Council.
A3. Policy and legislation coordination	PM, CSCC	PM Office, SC, Ministry of Justice	Section 6 of the Structure of the Cabinet Law Section 12 of the Development Planning System Law Paragraph 21 of the Regulations on Working Out Development Planning Documents and Impact Assessment Paragraph 3.7 of the By-law of the CSCC Paragraph 18 of the By-law of the SC Paragraph 6.2 of the By-law of the Ministry of Justice
B1. Performance monitoring	SC		Paragraph 4.8, 4.16 and 4.18 of the By-law of the SC
B2. Management of governmental programmes	PM, CSCC		Section 15 of the Structure of the Cabinet Law Paragraph 35, 40 of the Rules of Procedure of the Cabinet Subparagraph 3.4, 3.5 of the By-law of the CSCC
C1. Institutional management and efficiency	SC		Subparagraph 4.17 of the By-law of the SC
C2. Strategic human resource management	SC	MoF	Subparagraph 3.4, 4.4 of By-law of the SC Subparagraph 5.8 of the By-law of the MoF

C3. Improvement of provision of services	SC, MEPRD	Other ministries	Subparagraph 4.16 of the By-law of the SC Subparagraph 1.2, 1.5, 4.1.6, 5.6 of the By-law of the MEPRD
D1. Administrative provision of the Cabinet	SC		Subparagraph 3.2, 4.5, 4.6 - 4.11 of the By-law of the SC
D2. Governmental communication	SC		Subparagraph 4.2., 4.19., 4.20 of the By-law of the SC

Its aim is to evaluate the degree of development of the CoG institutions by means of analysis of the regulatory enactments and by finding out which aspects are the weakest in the existing CoG activity and where most improvements should be necessary. The real situation was also investigated as far as possible. On the basis of this assessment and other conclusions expressed in the report, as well as best foreign practice recommendations will be established at the final part of this report. If the CoG was in an optimised stage according to the evaluation pursuant to the criteria offered by the matrix, its processes would be institutionalized to the extent that they would help the head of government to plan priorities and strategies, secure real authority for ensuring a stable policy planning and implementation process, offer mechanisms for coordination of the operation of ministries and opportunities to improve the performance in case of problems, be able to discuss intersectoral issues with a purpose to ensure implementation of the governmental programme, as well as ensure efficient communication on behalf of the whole government (Alessandro, 2014).

By evaluating the statements expressed in the theoretical literature, opinions of the interviewed persons and foreign experience the researchers conclude that a universal optimised CoG model does not exist which would be useful for all countries. The countries perform the CoG functions mentioned in Picture 1 to different extent sometimes without even realizing the range of all functions. The positive and negative sides of the narrow and broad interpretation models of the CoG in Latvia are presented in **Table 2**.

Table 2. Comparison of the Latvian CoG interpretation models

CoG model	Positive features	Negative features
The narrower model of the CoG	<ul style="list-style-type: none"> - A sooner agreement between the coalition government representatives of the CoG framework is possible - More flexible legal capacity in extraordinary cases - Less resource intensive 	<ul style="list-style-type: none"> - All the possible range of CoG functions is not comprised - A risk exists that the CoG institutions do not understand the essence of the problems sufficiently and are not able to find the optimal solution - Authority concentration
The broadest model of the CoG	<ul style="list-style-type: none"> - Optimal intersectoral problem solution is possible - The implementation model of the governmental priorities is optimised by spending the funds from the State budget efficiently 	<ul style="list-style-type: none"> - A risk exists that the decision-making process between the CoG institutions will not be flexible - A risk exists that an agreement between the coalition

	according to the planned activities	government representatives in the framework of the CoG is impossible - More resource intensive
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Conclusions

- The structure of the CoG in Latvia in the narrow sense consists of PM, PM Office, SC and CSCC. In the broader sense the CoG in Latvia consists of the aforementioned structures which are supplemented with the following possible institutions: in the framework of the State financial management, budget planning function and institution auditing function – also the MoF, with regard to the policy and legislative coordination and provision of legal expertise on the draft legislative acts – also the MoJ (Ministry of Justice), but in the framework of improvement of the service quality and availability – also the MEPRD.
- Taking into account the socially-economic situation and inhomogeneity of the political environment of Latvia, the researchers suggest to form the CoG as a partially extended model including the PM, the PM Office, the SC, the CSCC and MoF in the CoG structure. The following sections and proposals are made on the basis of this assumption. Although all the possible range of the CoG functions would not be covered by introducing the partially extended model, the risk that agreement between the representatives of the coalition government is impossible in the framework of the CoG would be neutralized or reduced. In order to optimise solution of the intersectoral problems, the CoG institutions should strengthen horizontal cooperation with the MEPRD and the MoJ.
- It follows from the regulatory enactments analyzed and interview data obtained during the research that the CoG is optimised in the most part of the described functions or is on the way to the optimised stage. Thereby, it may be concluded in relation to the **CoG functions**, that the regulatory enactments contain clearly regulated obligations for structures and individuals for execution of various tasks (see Annex 1). All functions are optimally defined for efficient operation of the CoG. The data obtained in the interviews do not present any problems in determination and understanding of the functions of the CoG institutions.
- In relation to the Center of Government and especially **MP political impact** from the regulatory enactments it may be concluded that the PM envisages the highest status, therefore the CoG is optimised in this field, as well (see Annex 1). On the other hand, the fact that this impact manifests itself in practice depends on each particular Head of government and the way how the particular government is established (how many and what ministers are included from the political party of the Head of government) which may not be solved by amendments to the regulatory enactments, but with the establishment traditions of government adopted in Latvia. The interview data indicate that the previous Latvian experience to choose the PM and the Minister of Finance from the same party has been very successful for execution of the governmental tasks at high quality and overcoming the economic crisis.
- The place and role of the Declaration and the governmental action plan regarding government operation are also clearly defined in the field **of policy planning**, as well as for preparation of the Declaration on the intended activity of the CoM and development

of the governmental action plan, as well as in the field of clarity and conformity of development planning, and the regulatory enactments envisage that the sectoral goals must correspond the goals set by the government. Similarly, it may be concluded that during the development planning process the CSCC works together with the ministries and the government approves the Declaration and governmental action plan, the PM agrees on the governmental policy and main priorities with ministers in order to ensure conformity of the sectoral goals with the goals intended by the government.

- It may be concluded concerning the politics and policy management that both; the role of the National Development Plan as a component of the CoG in the budgeting process is regulated in detail in the regulatory enactments, and the procedure described in detail by which ministries and other central state institutions submit proposals for new policy initiatives where the active role of the MoF and the CSCC is also seen in evaluation of the new policy initiatives, expressing of objections, as well as communication with ministries and other institutions (see Annex 1). The CoM takes a decision on the basis of the information investigated in detail. Thereby, it may be concluded that the CoG completely communicates with the involved parties for approval of the process priorities and assesses the new policy initiatives in detail. The head of the government conducts negotiations about the budget together with the Minister of Finance. The State budget issues are decided by the coalition partners by reaching an agreement in the meeting of the Coalition council. If the opinions do not match, the issue is not usually submitted to the CoM or Saeima for review. Thereby, it may be concluded that the CoG is in an optimised stage.
- By evaluating the field of *policy coordination* it may be concluded that both; the regulatory enactments envisage a clear process in policy coordination, and the interview data obtained in the research indicate the CoG actively participates in the horizontal planning, consults the involved parties by addressing the involved parties, material problems in the horizontal cooperation may not be established either as the involved parties use different communication tools in order to discuss the issues of the agenda. At the same time, the representative of the MoF³ drew attention to the fact that the CSCC is established for mutual coordination of the sectoral policies, however, human resource capacity is not sufficient for complete performance of this function just from the point of view of the policy analysis and analysis of the mutual impact of different policy issues. Thereby, in relation to the CoG approach to prior goals and coordination of horizontal cooperation the CoG is in actually optimised stage. At the same time, the issue of the CSCC capacity in relation to the analysis of the mutual impact of different policy issues should be solved in perspective.
- The OECD stated in its research (OECD, 2015a) that although the CSCC has an active role in the decision-making processes by participating in early planning stages of the new policies and is delegated the task to analyse such intersectoral issues as capital company management, demography and income inequality, it does not have sufficient HR in order to satisfy the needs of all ministries, nor financial capacity in order to attract external expertise for indepth investigation of particular issues. At the same time, the OECD recognizes in its research that allocation of an extra financing to the CSCC for creation of new positions would allow the government build upon success of the CSCC by strengthening its role in the policy planning process and providing an opportunity to the

³ The answers to the questions given by the representative of the MoF in an electronic form in February 2015.

CSCC to respond to the needs of those ministries which would like to cooperate with the CSCC in early elaboration stages of the policy planning documents in a broader way.

- On the other hand, regarding the ***vertical coordination*** it may be concluded from the regulatory enactments and interview data that the CoG solves disputes between ministries that arise during implementation of policies. The head of government as a solver of disputes is involved only in the case of direct conflicts with ministers. In such case a head of the government decides what should be done. Even if there is not a direct conflict with a minister, in practice, the head of government is informed anyway in case of substantial disagreement with the ministry. Even a PM resolution is often used in order to obtain information from the ministry which does not provide the relevant information, nor includes some particular issue in the CoM agenda. Thereby, it may be concluded that the CoG is sufficiently optimised regarding this issue on a regulatory level, however, in practice there may be the aforementioned problems, at the same time it may be concluded that PM has the instruments prescribed in the law (for example, resolutions) in order to solve the relevant disagreement.
- Support to the ministries subordinated to the Head of Government regarding ***performance monitoring*** is also closely related to the previous field. The CoG is in an optimised stage in this field. Namely, the ministers report on execution of the governmental action plan to the PM once a year. Preparation of the PM for the meeting of the government (briefing) is also the responsibility of the PM Office within the framework of which an assessment may be made on performance monitoring of the ministries, the PM Office also chooses a briefing format, depth of analysis, as well as the persons to be involved according to the instructions of PM. It especially follows from the interview data that the PM's wish to look into the issues of each ministry depends on the personality of PM. Similarly, the PM reports to the Saeima on the works performed by the CoM and its intended activity once a year. A mechanism is secured on regulatory level so that the Head of Government regularly received information on implementation of the governmental action plan. Furthermore, this information is not provided only in the form of reports, but the CoG provides its analysis.
- The issue follows from the aforementioned information what ***mechanisms*** are used by the CoG to improve operation of ministries. In this field the CoG is in a transitional stage from the development stage to the optimised one as it may be concluded from the regulatory enactments and interview data that the CoG has tools for performance monitoring of ministries, but the CoG still does not have direct interference mechanisms in the work of ministries. Several mechanisms may be identified from the regulatory enactments and interview data, including execution control of the governmental action plan, measuring of performance of ministries by using performance indicators, evaluating the new policy initiatives (MoF and CSCC), control over execution of the assigned tasks (director of the SC), audits of function performance, as well as other audits in the state administrative institutions subordinated by the ministry (MoF). The practice established by the existing head of the government according to which ministers report in the halfway stage of execution of PM declaration should be particularly emphasized and positively evaluated, thereby, the PM may also affect ministries in case of the failure of execution of the action plan. On the other hand, the authors of the research offer to adjust another extra tool in addition to the existing tools in order to ensure performance of the operation of ministries even more efficiently by envisaging PM's competence to publish

policy guidelines which are described in detail in the research section on the tools to be used by the CoG.

- The use of *performance indicators* and feedback in dialogue with sectors in the CoG is not sufficiently optimised, although an assessment of regular reporting mechanisms and performance is formally made in the CoG with possibilities to make corrections in case of the failure to reach the results. There are cases observed in practice that the developed assessment mechanism of the performance indicators is not used efficiently enough, performance indicators of ministries are not corrected according to the available amount of the financing. Thereby, it may be concluded in general that the system of performance indicators is in the transitional stage from development to an optimised stage.
- The *communication* field is most developed in the Latvia's CoG. The CoG develops and implements the governmental communication policy, as well as coordinates the work of communication structural units of the state administrative institutions. Similarly, it may be concluded from the tasks to be performed by the PM Office that it also ensures preparation of PM speeches. It is also adjusted in the regulatory sense how ministries should provide information on the decisions taken and prepared by the Government. However, it may not be concluded from the regulatory enactments how the CoG supervises execution of a uniform communication strategy. Thereby, it may be concluded that the CoG is very close to an optimised model in the field of communication strategy.
- On the other hand, communication of the CoG with society is completely optimised and very widely regulated by envisaging transparent procedures in the work of the government, as well as providing an opportunity for the society to see the meetings of the CoM online on the Internet in the CoM home page, and envisaging wide participation opportunities of society and social partners in the decision-making process of the government.

The next chapter of the report includes a description of the situation in the Latvian HR policy management, as well as analysis of its conformity with the foreign practice and statements of the researches made in the field of HR.

2. Description of the Existing Human Resource Policy and the Role in Provision of Functions and Tasks of the Center of Government

The HR policy is a set of those HR management tools which are focused on planning, selection, assessment, motivation and growth of HR. Performance of the HR management functions is affected by several factors of the external and internal environment, as well as development trends to be taken into account when implementing HR management. Therefore, in order to describe the existing HR policy and its role in ensuring the functions and tasks of the CoG, the following will be provided in this chapter:

- 1) a general insight in the factors of the internal and external environment affecting performance of the CoG functions and general HR development trends;
- 2) the requirements to be set for the staff described from the *systemic point of view* in relation to education, knowledge and competences, HR selection process, training system and assessment of the work results, as well as description of implementation of the aforementioned HR management elements in the CoG institutions from the *organizational context*.

2.1. General description of the situation

The research on the CoG in the EU member states provides an update of several challenges in planning, implementation and monitoring of reforms, which could have an essential role in defining of the future role of the CoG, and selection and application of appropriate HR management strategy.

It is specified in the foreign researches that the existing demography, financial and environmental challenges have increased the necessity to respond to the caused changes as soon as possible by emphasizing that it is necessary to reevaluate the role of management and capacity in management of these challenges. The following are mentioned as the most essential administration capacities or competences which are vitally necessary in the state administration in order to successfully manage the changes caused by global challenges:

- the abilities to foresee future challenges or strategic planning and forecasting;
- cooperation and coordination;
- development of the appropriate skills by attracting and retaining the best employees;
- development of the policy based on evidence: data collection and assessment;
- review of the efficiency principles by taking into account other increasing values of public services (OECD, 2009).

The necessity of competent employees having the required skills to think, act and respond within a long term, ensure coordination at the international level and within the framework of public administration, analyze and use complicated and high quality information in the decision-making process is emphasized in the research (Report on Center of Governments in the EU member states, 2015). It is particularly important in the context of the new challenges for the CoG to think about development of new competences which would allow to *respond proactively in the planning, implementation and monitoring of the future reforms to such strategic challenges as:*

- *continuous management of reduction of the fiscal restrictions and cost reduction;*

- *simultaneous management of several large reform programmes;*
- *the ability to affect choices and results of international policies;*
- *to foresee future challenges by retaining the long-term strategic point of view;*
- *to ensure trust of society in the implemented reforms (Department of Public Expenditure and Reform, 2014).*

Integration of the economic and social processes of the states, as well as such processes as globalisation, labour force mobility and diversity, IT development, ageing of society cause several challenges in the field of HR management.

Employment and HR management trends in State administration which the HR CoG managers will have to face in the future are updated in the research. The EUPAN working groups and assessment of the **employment and human resource management trends in State administration** by Latvian specialists indicate that:

1. during the next ten years the CoG will have to face such human resource management trends as ageing of the staff and decrease of the proportion of youth in State administration more increasingly. It will require the CoG to pay more attention to the human resource management methods and practices in the work with elderly people;
2. during the next ten years the role of the CoG personnel management structural units will increase in the analysis of data on the development trends. It will require a much more strategic approach and vision in the labour force planning in the CoG authorities from these structural units;
3. the fight for the best employees and increasingly growing demands for the results based policy will emphasize such aspects as ageing of the staff, differences of generations, diversity management and their impact on the work results;
4. impact of the technology development trends on the human resource management practice will increase because the impact of technological innovations on the place and time in the State administration will increase the role of the flexibility of the working hours and the work place, as well as orientation on results;
5. in general, work management and control skills will have to be reviewed in the State administration and strengthen the trust between managers and employees (Report on Center of Governments in the EU member states, 2015).

In the context of development of the demographic, social, economic and technological processes personnel managers of the private and public sector organizations of the European countries consider talent management and leadership, personnel training and development, personnel involvement and diversity management, management of work performance, strategic labour force planning, personnel recruitment as the prior directions in the HR management (Strack et al., 2013). Modern approaches for implementation of the aforementioned and other HR management programmes or practices are as follows: “*human resource management based on competences*”, “*knowledge management*” and “*management system of high performance of the work*” (Armstrong, 2009). These approaches envisage both; the use of traditional, and innovative methods for improvement, maintenance and retaining of the knowledge, skills and competences necessary for organizations, for example:

- the use of social networks for personnel search;
- personnel career planning;

- succession planning, selection of the most capable applicants or selection of the most capable employees, namely, “talent” selection with further development and individual motivation;
- measuring of human capital, mentoring, coaching “shadowing”, work rotation, intensive use of e-studies, promotion of self-education;
- establishment of the “knowledge bank”, organization of discussions and exchange of experience, work remuneration based on competences, skills, investment or work results, offering of flexible employment conditions.

According to the data provided by the Chartered Institute of Personnel and Development or CIPD information in the home page of the authority, publications in the specialized and local editions are considered as the most efficient applicant attraction methods in the public sector organizations of Great Britain; while in-house training and internal development programmes (namely, the ones which are not general as compared to external development programmes but suitable for a particular organization) are still considered as the most efficient in personnel training and development. On the other hand, the spreading growth rates of e-training decrease although they continue to spread. Improvement of human resource management skills for lower level managers, as well as extension of the personnel training and development opportunities are most often used for retaining of the staff (CIPD, 2012).

The research of the Chartered Institute of Personnel and Development (CIPD) 2014 *“Leadership: Easier said than done”* reveal four trends of the external environment which will determine the necessity for leadership for organizations in the future, as well as outlines the relevant leadership features:

- 1) Regularity and rate of changes. Changes as a phenomenon are increasingly more considered as a “normal process” by envisaging the necessity to adapt exchange of information, taking of decisions, etc.
- 2) More transparency of the operation. Upon the increasing transparency of the operation of the organization, positioning of the organization in such a way so that it did not lose to the competitors is increasingly more important.
- 3) Cooperation environment. Flatter organization structures and external partnerships mean that the staff must influence decisions without being in formal authority positions which increases the role of project managers and coordinators.
- 4) Labour force diversity. This aspect is related to changes of the staff motivation which causes a necessity to develop a more individual approach for managers in order to motivate the staff. (CIPD, 2014)

Policy planning documents in the field of HR management in Latvia (CoM order No. 48, 2013, CoM order No.827, 2014) outline several problems and challenges of the CR development policy which will be set as the prior issues to be solved in the field of HR development of the state administration within the following years and whose progress could have an important role in the opinion of the researchers also in the context of the CoG human resource policy.

1. Several specifically regulated employment relations exist in the State administration.
2. The civil service system has lost conformity with its initial goal in the field of work remuneration – to provide additional social guarantees on the restrictions set for officials.
3. The State administration as an employer is not capable of offering important motivation and professional growth measures to the employees.

4. Mutually integrated HR management processes based on uniform standards do not exist.
5. A high level development system of manager competences is not established.

Taking into account the economical, social and technological factors the CoG human resource policy must be oriented on retaining and development of professional HR, as well as on succession planning. Changes of development directly require the CoG staff to become change managers in the State administration by becoming generators, inspirers and managers of new ideas.

2.2. Description of the Human Resource policy

Representatives of CoG institutions⁴ indicate that the HR policy regarding the State administration institutions is regulated at the level of regulatory enactments in a very detailed way, therefore it is not necessary “to develop a detailed personnel policy at the institutional level”. The HR policy issues are stipulated in the internal procedure regulations in all CoG institutions. For example, the CoG has worked out new work procedure regulations which envisage that the staff may work remotely in particular positions without exceeding 20% of the total working hours. It should be noted that the flexible working hours and remote work possibilities are non-monetary benefits which are especially appreciated by performers of the intellectual work.

The Personnel Management and Development Strategy 2014 – 2016 is developed and approved in the MoF, in order to ensure attraction of highly qualified employees and development of the existing staff. Development of the SC personnel development strategy is envisaged within the period from 2014 to 2020, while it is not planned to work out a separate document in the CSCC, but integrate the HR management and development issues in the operation strategy of the authority.

2.2.1. Institutional structure of the human resource management

Section 17, Paragraph two of the State Administrative Structure Law prescribes that a head of an institution shall manage the financial, personnel and other resources of the institution. However, the way of organization by which it takes place is different in each institution. The By-law of the MoF specifies that the SS manages administrative work of an authority and organizes performance of the ministry functions. The regulation of the MoF states that Administration manager ensures development and implementation of the personnel management policy of the ministry. On the other hand, it is stated in the by-laws of the SC and CSCC that a head of an authority (director of the SC and manager of CSCC) ensures personnel management. Thereby, personnel management in the case of the SC and the CSCC is direct responsibility of the head of the authority, but in case of the MoF it is responsibility of the Administration manager.

In accordance with the regulation of the MoF the Personnel management department develops and implements a personnel management policy and strategy, while there is not a direct reference to involvement of Personnel department in taking strategic decisions in the regulation of the SC. Thereby, pursuant to the valid regulation it may be concluded that strategic partnership elements exist in the MoF when personnel management structural units participate on the strategic level, but SC personnel management is considered to be more operational. However,

⁴ Interview with a representative of the State administration institution on January 28, 2015.

the description of the MoF, SC and CSCC personnel policy included in the next chapters indicates that in practice personnel management structural units rather ensure operational personnel management but insufficient involvement of personnel management structural units is observed in performance of the tactic and strategic personnel management tasks.

Table 3 contains information on the size and subordination of the human resource management structural units of CoG institutions. As it is seen, different practice exists in the CoG institutions.

Table 3. Information on the human resource management structural units of CoG institutions

CoG institution	Name of the HR management structural unit	Subordination of the HR management structural unit	Size of the HR management structural unit	Number of the employees of the institution as of 31.12.2014
SC	Personnel Department	Director of the SC	2 employees (manager and senior desk officer)	106
CSCC	The support functions necessary for the work of the CSCC are provided by the State Chancellery in the field of human resource management.			17
MoF	Personnel Management Department	Administration manager	5 employees (department director, 2 personnel management partners and 2 personnel specialists)	423

Source: A table made by the authors

Personnel Department is established in the SC which is subordinated to the Director of the SC. This department provides a support function in the field of human resource management in the CSCC, as well. There are two employees in the department, incl., manager and senior desk officer.

Personnel Management Department is established in the MoF which is subordinated to the Administration manager. The structure of the Personnel Management Department of the MoF has been reorganized since December 2, 2013 with an aim to improve personnel management processes in the ministry and ensure high quality provision of personnel service to managers of the structural units (MoF, 2013a).

The conducted interviews⁵ indicate that the HR policy is defined by high level managers in the CoG institutions like in the State administration in general but its implementation is ensured by the HR management structural units and line managers. The HR policy described in the following chapters indicates that the involvement of a Head of institution in implementation of the HR policy depends on the size of the administered institution. *In a small institution, as for example, the CSCC a head of the institution participates in the staff selection, assessment and development planning himself, while in the SC and MoF it is performed by managers of the relevant structural units.*

Thereby, assuming that in the field of services (to which the CoG should also be referred) the optimal number of employees of the HR management structural units may be determined according to the proportion, that from 50 to 100 employees of institution should be per 1 employee of the HR management structural unit, it may be concluded that the size of HR

⁵ Interviews with the representatives of the State administrative institutions of November 28, 2014., January 14 and January 28, 2015.

management structural units of the CoG corresponds to the optimal proportions. However, more precise conclusions on the fact if there is optimal number of employees in the HR management structural units of the CoG may be made by making investigation of the tasks of these structural units and load of the staff.

2.2.2. Human Resource status of the Center of Government and its role in the Latvian institutional system

The structure of the CoG human resources depends on the way how CoG functions and tasks are defined.

In relation to the CoG, two types of HR may be described which ensure achievement of the CoG aims:

- 1) administration – officials and employees of the State civil service who ensure administrative management of the State administration;
- 2) political management – politicians and their supporting personnel who determine the policy agenda and development of the planned reforms.

Since the PM's Office and Minister's Office institutions should be considered as political management, the issues in relation to their HR management are discussed only episodically in this chapter. More focused analysis is presented in the Chapter 5 of this report as on one of the opportunities for more effective functioning of the PM's Office and Minister's Office institutions.

A foreign analysis indicates that those structural units are usually included in the CoG which provide support just to the head of the government – President or Prime Minister. The CoG most often consists of:

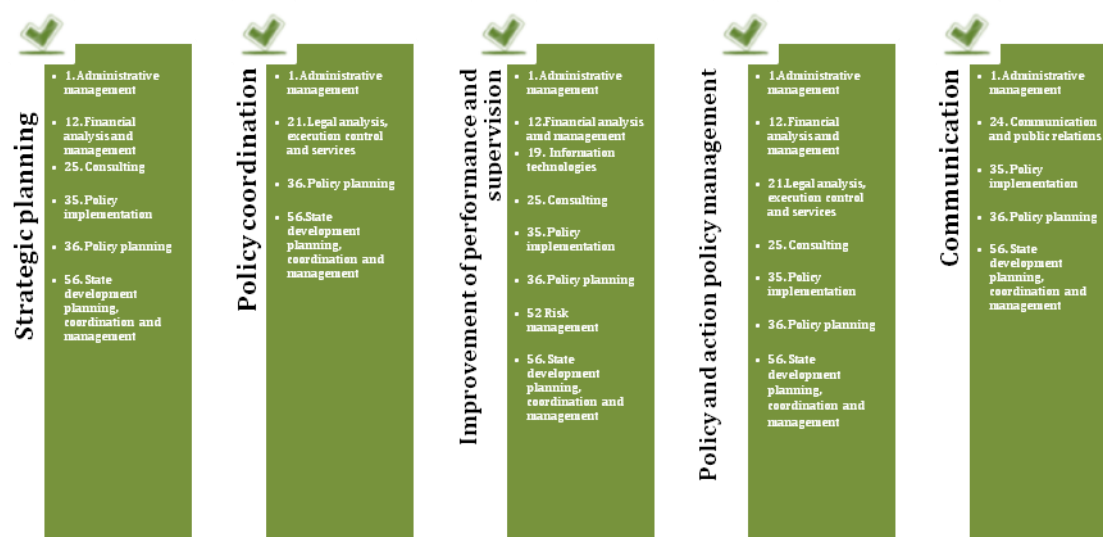
- 1) Direct support structural units of the head of the government;
- 2) Structural units of the strategy;
- 3) Policy coordination structural units;
- 4) Execution supervision structural units;
- 5) Structural unit of the press, communication and speech preparation structural unit;
- 6) Policy consulting structural units and individual consultants;
- 7) Structural unit of legal advice;
- 8) Internal administration structural unit;
- 9) Budget structural unit (Report on the Center of Governments in the EU member states, 2015).

Thereby, on the basis on the classification grounded in the analysis of the foreign experience and function analysis included in Chapter 1 of this report, it may be stated that the CoG functions in Latvia are performed by the following institutions and their structural units – PM Office, CSCC, SC Legislative Act Edition Department, Communication Department, State Administration Development Department and Legal Department, as well as those MoF structural units which are related to the state financial management and budget planning – Financial Market Policy Department, Fiscal Policy Department, National Economy Analysis Department, Budget Department, Financial Management and Methodology Department, Local Government Financial Activity Supervision and Financing Department.

The analysis included in Part 1 and Annex 1 to this report indicates that the CoG staff must provide a wide scope of functions:

- Strategic planning;
- Policy coordination;
- Improvement of performance and supervision;
- Policy and action policy management;
- Communication.

In order to identify the number of employees involved in ensuring performance of the direct functions of the CoG, the occupation groups were identified for performance of the CoG functions on the basis of the description of the occupation groups included in the Occupation catalogue of State and Local Governments.



Picture 2. CoG functions and relevant occupation groups

Information summarized in **Picture 2** and **Annex 2** to this report on the positions necessary for ensuring performance of the CoG functions included in Chapter 1 indicates that in general, according to the sample descriptions of the occupation groups, performance of the CoG functions is ensured by specialists of different levels of eleven occupation groups (1. administrative management, 9. editing of documents, 12.2. planning and execution of the state fiscal policy, 19. information technologies, 21. legal analysis, execution control and services, 24. communication and public relations, 25. consulting, 35. policy implementation, 36. policy planning, 52. risk management, 56. state development planning, coordination and management).

Information summarized in **Table 4** about the number of the employees in the direct function performance structural units of the CoG indicates that in general 220 employees are actually employed in the identified CoG structural units. According to the initially identified relevant CoG occupation groups the number of employees is a little less, respectively 205 employees. The analysis indicates that employees of the group 7 *Diplomatic and consular activity*, group 12.1 *Financial analysis and management in institutions or sectoral ministries* and the group 44 *Foreign financial instruments management* should not be directly referred to ensuring of the CoG direct functions in the author's opinion. However, it should be analysed in detail according

to the duties of the particular employee and his or her role in performance of functions. It should be noted that the representatives of group 25 *consulting* are employed only in the political structural unit in the PM Office.

The average age of the CoG is comparatively young – ranging from 36 to 42 years (the MoF 36, the CSCC 41, the SC 42, the PM Office 39). The structural analysis of the age of the staff indicates that the so-called X generation dominates in the CoG structural units⁶ (61%) followed by the representatives of Y generation (30%) and representatives of the postwar generation are employed the least in the CoG by constituting 9%.

Table 4. Information on the employees of the CoG direct function performance structural units

Institution	Structural units	Occupation groups	Number of employees in the CoG structural units	
			Total	According to the occupation groups
MoF	BD, FMPD, FMMD, FPD, PFDUFD, NEAD (incl. high level managers)	1. Administrative management, 7. Diplomatic and consular activity, 12.1. Financial analysis and management in institutions or sectoral ministries, 12.2. State fiscal policy planning and implementation, 19.5. System administration and maintenance, 44. Foreign financial instrument management, 52. Risk management	128	115
SC	LAED, CD, SADD, LD (incl. high level manager)	1. Administrative management, 9. Document editing, 21. Legal analysis, execution control and services, 24. Communication and public relations, 35. Policy implementation, 36. Policy planning	66	64
CSCC	-	1. Administrative management, 56. State development planning, coordination and management	17	17
PM Office	-	24. Communication and public relations 25. Consulting	9	9
Total:			220	205

Source: *Made by the authors basing on the data provided by the SC and MoF (not published)*

Officials of the general civil service are mainly employed in the CoG structural units (MoF 124, CSCC 13, SC 53). According to the particular official status these are the persons who develop the sectoral policy or development strategy in the direct State administrative institution,

⁶ Currently, Western scientists determine five generations. Although it is possible to find a lot of generation classifications and theories in the modern scientific literature, features of postwar generations (*Baby Boomers*), X generations (*Generation X*) and Y generations (*Generation Y*) are still investigated most often by taking into account that the representatives of these generations nowadays form human resources. According to the generation periodization offered by Smola and Sutton the following are divided: postwar generation (*Baby boomers*) born from 1946 to 1964; X generation (*Generation X-ers*) born from 1965 to 1978; Millennials or also called as Y generation (*Generation Y*) born from 1979 to 1994.

coordinate operation of the sector, allocate or control financial resources, work out regulatory enactments or control their observance, prepare or publish administrative acts, prepare or accept other decisions related to the individual's rights. That means that conformity with the requirements specified in Section 7 of the State Civil Service is required from the CoG staff (incl., to be a citizen of the Republic of Latvia having higher education, have a good command of Latvian, not to be punished for intentional criminal offences, be legally capable and not to be dismissed from the position of an official with a court judgment in the criminal case or disciplinary penalty which prohibits holding of the position of an official for a particular period).

On the other hand, politicians and their supporting personnel constitute a comparatively small proportion of all the CoG employees. The staff of PM Office are employed in the direct support structural unit of the Head of the government and provide direct support, as well as administrative and political assistance to Prime Minister, while administration representatives provide an expertise and thereby they should be classified as the specialists who are able to provide the necessary support to the head of the government in performance of the CoG functions. That requires knowledge, skills and competences of different levels from the CoG staff in solution of broad intersectoral issues and execution of **tasks**:

- participation in development of the governmental action plan and working out of the strategic planning documents;
- ensuring quality of the legal and development planning documents;
- supervision of execution of the governmental decisions and reporting process;
- promotion of the professional cooperation of the interministerial policy planners and organization of training;
- provision of logistics support of the governmental meetings;
- provision of the legal and analytical support for the Head of the Government in taking decisions.

The work of CoG and solution of issues largely depends on the possibilities of the CoG employees:

- 1) to access the information in a direct way – both; the actual information, and systematized, historical data;
- 2) direct and immediate approach for the decision makers on all the state administration levels;
- 3) the right to give an opinion and express substantiated objections regarding any issue;
- 4) the right to make investigation and start initiatives in new fields or atypical issues;
- 5) “bird’s eye view” of the State administration.

Thereby, the rights and obligations of the CoG staff are specified in the regulatory enactments which often manifest themselves wider in practice, when transparency, neutrality and generality must go hand in hand with the problems in mutual coordination which is not always positively considered by ministries.

2.2.3. Professional description of the human resources of the Center of Government (knowledge, skills, competences)

Summarized information about education of the CoG staff indicates that all employees of the CoG have higher academic or higher professional education and one employee of the MoF and

four employees of the CSCC have obtained a doctor's degree or continue their studies in the doctoral programme. Information included in **Annex 5** about the education of the CoG staff according to the previously identified structural units indicates that the largest proportion in the Ministry of Finance consists of the personnel with education in social sciences (37%) and finance and economics (34%), which corresponds to the range of the functions to be performed by the MoF. It is followed by business management (13%), other fields (law, engineering sciences, humanitarian sciences, politology (16%)).

Four employees of the CSCC have education in economics and finance, three employees – in social sciences, three employees – in business management, two employees – in political sciences and one in law. On the other hand, five employees have education in such fields as social work, natural sciences, transport and naval affairs management, engineering sciences, organizational management.

The staff of the SC LD has education in law, the CD's staff has education in communication sciences or public management, but the staff of the State administration department has education in such areas as law, political sciences, public management, mathematics or communication sciences.

On the basis of necessary knowledge and skills referred to a particular position occupation classification is made for performance of the obligations (see **Table 5**). Taking into account that such information was not available about all structural units of the CoG, information about the SC, the CSCC and the PM Office is presented below for illustration of the situation.

Table 5. The knowledge and skills set for the staff of the SC, the CSCC and the PM Office

CoG structural unit	Knowledge	Skills
SC LD	<ul style="list-style-type: none"> – academic higher education or professional higher education of the second level in law, a master degree is advisable; – knowledge about the institutional system of the State administration and its legal order; – good knowledge of two foreign languages; 	<ul style="list-style-type: none"> - a skill to work with different complicated information of large amount simultaneously, have good knowledge of different fields of activity, analytically assess the chains of logical opinions and make relevant decisions; - professional skills in the field relevant to the area; - a skill to use the theoretical knowledge in practice;
SC LAED	<ul style="list-style-type: none"> – (philological) academic or professional higher education of the second level appropriate to the area; – knowledge of foreign languages advisable; 	<ul style="list-style-type: none"> - a skill to work with different complicated information of large amount simultaneously, have good knowledge of different fields of activity, analytically assess the chains of logical opinions and make relevant decisions; - a skill to individually plan within a short-term and medium-term, arrange and organize works in order of priority; - a skill to use specialized means of

		<p>information, use the theoretical knowledge in practice, as well as use computer equipment;</p> <p>- a skill to communicate with people.</p>
SC CD	<p>academic or professional higher education of the second level in communication, political sciences or similar areas;</p> <p>- knowledge in the field of communication or public relations (longer than a year);</p> <p>– good knowledge of two foreign languages</p>	<p>- a skill to communicate with people;</p> <p>- a skill to use specialized means of information, use the theoretical knowledge in practice, as well as use computer hardware;</p> <p>- a skill to work with different complicated information of large amount simultaneously;</p>
SC SADD	<p>academic or professional higher education of the second level in the field of social sciences;</p> <p>- knowledge about the EU institutions, activity principles, decision-making procedures;</p> <p>- knowledge in the human resource development issues; – good knowledge of two foreign languages</p>	<p>- a skill to work with different complicated information of large amount simultaneously, have good knowledge of different fields of activity at the same time, analytically assess the chains of logical opinions and make relevant decisions;</p> <p>- a skill to evaluate priorities and work in the conditions of high intensity;</p> <p>- a skill to use office equipment;</p> <p>- management and communication skills and professional skills appropriate to the area</p>
CSCC	<p>- academic or professional higher education of the second level in one of the fields of science</p> <p>- knowledge about the policy development, implementation and coordination processes;</p> <p>- knowledge about the state development planning, socially-economic processes of the state and European Union policies;</p> <p>– good knowledge of two foreign languages;</p>	<p>- a skill to analyse large amount of information;</p> <p>- communication and cooperation skills;</p> <p>- good skills in the work with computer and office equipment.</p>
PM Office	<p>- academic education or professional higher education of the second level appropriate to the area;</p> <p>– good knowledge of two foreign languages;</p> <p>- good knowledge of the institutional system of the state administration</p>	<p>- communication skills; a skill to use office equipment (computer equipment, xerox, communication equipment of all types).</p>

Source: Prepared by the authors by using the information provided by the SC (not published)

Academic or professional higher education of the second level in specific area is most often required from the CoG staff in the fields of economics, management, legal or political sciences. Knowledge in the field of project management and implementation, knowledge of two foreign languages, knowledge about the EU institutions, activity principles, decision-making procedures, as well as knowledge in the human resource development issues are required from the SC's staff. Requirements in document and archive management, information technologies, work organization, good knowledge of the State administration institutional system and knowledge in the field of communication or public relations are set for particular specialists. On the other hand, knowledge about the policy development, implementation and coordination processes, knowledge about the state development planning, socially economic conditions of the state and EU policies is required from the CSCC staff. Taking into account that the SC staff has to provide a full range of CoG functions like the CSCC staff, *requirements should also be set for the SC staff regarding knowledge about policy development, implementation and coordination processes, knowledge about the state development planning, social and economic conditions of the state and EU policies. It is advisable to involve staff with financial and economic education in order to provide the SC functions.*

Depending on the specific requirements of the position the SC's staff should have management, incl. personnel and work organization skills, cooperation and communication skills, a skill to work with different complicated information of large amount simultaneously, have good knowledge of different fields of activity, analytically assess the chains of logical opinions and make relevant decisions; skill to individually plan within a short term and medium term, arrange and organize works in order of priority; a skill to use specialized means of information, as well as use computer equipment; professional skills in the field relevant to the area.

The research results about the CoG in the EU member states indicate that analytical, political and administrative skills are particularly important for the head of the CoG and other employees performing the CoG tasks, while a set of different capacities is necessary for implementation of governmental policies, projects and programmes including supply, project management and change management capacities. Furthermore, it is specified that the necessary skills are not constant; different professional expertise is necessary in different implementation stages of the governmental policies.

It is indicated in the foreign researches that the *support* team of the Head of the Government:

- should use different sources of information in **the field of policy consulting and support** – opinion of officials, and special advisers; the main persons dealing with the prior policy areas do not necessarily have to be specialists, but should be able to affect target ministries and external involved parties;
- to use the HR from outside with a new style of thinking and working, who are able to find a challenge to the existing practice in the State administration, as well as have useful skills of making intersectoral teams and working in the field of development of **a long-term policy** or strategy;
- the field of **policy coordination** and dispute settlement should have the staff able to affect with specific knowledge and skills to promote cooperation;
- the employees are necessary **in the policy monitoring** field who are able to see management and implementation of the governmental projects also from the perspective

of ministries; and they should be such employees who have experience in project implementation and who are able to solve problems;

- in the field of **communication and external relations** it is not so important if Prime Minister's Press Secretary is a person appointed politically or in other way, but it is more important how clearly and genuinely this person is able to represent Prime Minister's opinion; and has the particularly valuable feature in this field, like resistance against publicity (Report on the CoG in the EU member states, 2015, Harris & Rutter, 2014).

That means that the CoG staff must have well-developed analytical thinking, capacity to establish and maintain relationship, as well as planning and organizational competences. **Table 6** contains information on the competences set by the CoG institutions for policy planners, lower level managers, medium level managers and higher level managers.

Table 6. Competences of the staff of the Center of Government

Policy planners			Lower level managers		
MoF	CSCC	SC	MoF	CSCC	SC
Flexible thinking	team work;	team work;	Obtaining results	n/a	initiative;
Conceptual thinking	initiative;	initiative;	Team management		team management;
Initiative	analytical thinking	planning and organization;	Orientation on development		ethics, planning and organization;
Analytical thinking	strategic vision	analytical thinking;	Conceptual thinking		obtaining results.
Establishment of relations	planning and organization;	ethics.	Ethics		
Ethics	ethics.				
Medium level managers			Higher level managers		
MoF	CSCC	SC	MoF	CSCC	SC
Conceptual thinking	staff motivation and development;	team management;	Strategic vision	establishment and maintenance of relations;	establishment and maintenance of relations;
Planning and organization	orientation on development;	orientation on obtaining of results;	Establishment and maintenance of relations	staff motivation and development;	staff motivation and development;
Orientation on obtaining of results	ability to take decisions and undertake responsibility;	ability to take decisions and undertake responsibility;	Awareness of the organization values	team management;	team management;
Change management	responsibility;	strategic vision;	Orientation on obtaining of results	awareness of the organization values;	awareness of the organization values;
Staff motivation and development	orientation on obtaining of results;	ethics.	Change management	orientation on development;	orientation on development;
Ethics	strategic vision;		Ethics	orientation on obtaining of results;	orientation on obtaining of results;
	analytical			change management;	change management;
				ability to take decisions and	ability to take

	thinking ethics.			undertake responsibility; strategic vision; ethics.	decisions and undertake responsibility; strategic vision; ethics.
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Source: Made by the authors by using the information provided by the MoF and SC (not published)

In accordance with Paragraph 37 of the CoM Regulation No. 494 of 10.07.2012 “Regulation on the Work Performance Assessment of the Staff Employed in the Direct State Administrative Institutions” equal competences are set for equally classified occupations within the framework of one structural unit except the management competences which may differ for the positions of specialists of different levels or deputy managers. The analysis of the set competences indicates that the most competences **on the policy planner level** are set for the CSCC staff - six in total. Such competences as analytical thinking, initiative and ethics are set for policy planners of all institutions. In addition to conceptual and flexible thinking the competence “relationship management” is set for the staff of the MoF which is very important taking into account involvement of the CoG staff and responsibility in solution of different horizontal, intersectional issues. On the other hand, the competence “team work” is set for the CSCC which emphasizes cooperation skills at the colleague level instead of establishment and maintenance of external relations but which is essential for the CoG coordinating functions.

Different number of competences is set for the **medium and higher level managers**. The competence “staff motivation and development” is not set for the top management of the MoF unlike the SC’s and the CSCC’s managers which still should be one of the competences of the higher level managers in the author’s opinion because the activity results of the institution largely depend on satisfied employees, while decision-making process on the staff motivation and development opportunities is just up to the top management.

Analysis of the foreign practice indicates that separate competences are not set in the civil service competence models for the positions forming the CoG. For example, particular requirements are set in the British (and also Irish) civil service competence descriptions for the top level position groups of officials: to understand the political context, its development and impact, competence to combine political, social, financial, economic and environmental considerations in order to take efficient decisions. The skills to cooperate with the involved parties, investigate, understand and observe their interests in the proposals and activity are emphasized in the groups of positions of the medium level officials (Report on the CoG in the EU member states, 2015). Taking into account the competence research results of the CoG human resources in the EU member states obtained by the researchers, the **competence framework** of the CoG staff in Latvia (see **Table 7**) has been established. Competences are divided in the common and specific ones in this competence framework according to the occupation groups and basic functions of the occupation groups.

Table 7 Competences necessary for the CoG staff

Occupation groups Competences		Specialists	Managers
Com mon	Ethics	•	•
	Care of order, accuracy and quality	•	•
	Analytical thinking	•	•

		Establishment and maintenance of relations		•		•
		Staff motivation and development				•
Basic function of the occupation group		Policy consultation and support	Strategy development	Policy coordination	Supervision of the policy implementation	Communication and external relations
Specific	Conceptual thinking	•	•	•	•	
	Flexible thinking	•	•	•		•
	Planning and organization	•		•	•	•
	Strategic vision		•	•		
	Creative thinking and innovation		•			•
	Change management			•		

Information summarized in the **Table 8** about the staff of the SC, the CSCC and the MoF according to the knowledge, skills and competence requirements set for the CoG employees indicates that three groups of employees are employed in the CoG institutions.

Table 8. Breakdown of the MoF, SC and CSCC staff

Breakdown of the CoG staff	Occupation group and level	Position
Specialists of narrow specialization	12.2. Planning and implementation of the State fiscal policy I, II, 24. Communication and public relations II, 36. Policy planning II, III ⁷ , 56. State development planning, coordination and management I,	Consultant, Senior Desk Officer, Financial Analyst, Chief Economist, Legal Adviser, Macroeconomics Analyst
General specialists	7. Diplomatic and consular activity V, 12.2. Planning and implementation of the State fiscal policy III, 19.5. System administration and maintenance, III, 21. Legal analysis, performance control and services VI C, 52. Risk management 1-III, 56. State development planning, coordination and management II,	Legal Adviser, Consultant, Financial Analyst, Deputy Head of Department, Senior Expert, Budget Adviser, Financial Adviser, Financial Service Adviser, Tax Adviser, Customs Adviser, Fund Adviser
Managers	9. Document editing IV, 12.2. Planning and implementation of the State fiscal policy IV, V, 19.3. IT and IS management III, IV, 19.4. Software development IV, V, 21. Legal analysis, performance control and services, 35. Policy planning IV A, 36. Policy implementation IV, VI, 56. State development planning, coordination and management II, III	Head of Department, Deputy Manager, Head of Department, Deputy Head of Department, Deputy Director
incl. higher level managers	Administrative management (IV, VI, VI A), 12.2. Planning and implementation of the State fiscal policy VI, 44. Management of EU funds VII C	SJSC director, CSCC manager, SC director, MoF SS, MoF DSS, MoF administration manager

⁷ According to the complexity of the tasks to be performed they should be classified as general specialists but taking into account that they have not been set a definite team management competence they are included in the category of specialists of narrow specialization.

Source: Made by the authors by using the information provided by the SC and MoF

Taking into account that the duties of the CoG employees include working out of planning documents and supervision of implementation, working out draft legislative acts in particular fields of activity of the State administration, developing, updating and assessment of guidelines, provision of support and consultations to other State administrative institutions and preparation of analytical materials, general specialists and managers are the employees of the category who have a particularly significant role in solution of intersectoral issues and improving the functioning of State administrative institutions.

The performance assessment of the CoG included in Annex 1 indicates that it is necessary to strengthen the administrative capacity of the CoG institutions for performance of strategic planning, policy coordination, performance monitoring improvement, as well as political and policy management functions. The existing development trends indicate that it is *particularly necessary to deal with improvement of development planning and improvement and strengthening of the assessment capacity in the CoG institutions* (OECD, 2015a, 26; minutes of the CoM meeting No.45, 2014).

In order to evaluate the actions of the CoG staff for performance of the strategic planning, policy coordination, improvement of performance monitoring, policy and action policy management three most characteristic competences were selected from the competences set for the CoG staff – analytical thinking, conceptual thinking and maintenance of relationship.

Information included in **Annex 4** to this report indicates that analytical thinking was evaluated on average by 3.8 points in the assessment of 2014 for the specialists classified in the occupation group 36 of the CoG which corresponds to the evaluation “very good”, while the average evaluation of the employees classified in the occupation group 21 was 3 or “good”. On the other hand, the competence “strategic vision” for the managers classified in the group 36 and 21 in 2014 was evaluated on average with 4 which corresponds to the evaluation “very good”. As it is mentioned above the competence “maintenance of relationship” is not evaluated for the staff of the CoG.

In 2014 the competence “analytical thinking” for the CSCC specialists was evaluated on average with 3.5 “very good”. The competence “maintenance of relationship” is not evaluated for the CSCC staff either, while “orientation on result” for managers is evaluated with 4 “very good”, but “strategic vision” with 4.5 “very good”.

The average evaluations of competences in the MoF structural units range from good to excellent. Thereby, the competence “establishment and maintenance of relations” is evaluated on average within the range from 3 “good” to 4.6 “excellent”, “analytical thinking” from 3 “good” to 4.5 “very good” and “conceptual thinking” from 3 “good” to 5 “excellent”. On the other hand, “conceptual thinking” for the low level managers of the MoF was evaluated on average with 4 “very good” and “obtaining of results” – 4 “very good”. ***Evaluations of the competences indicate that the action indicators characterizing performance of the competence of the analysed CoG specialists meet the set requirements or exceed them.***

The self-assessment of the interviewed CoG specialists also indicates that strategic planning and management competences of the employees are well developed. The CoG representative⁸ who has been invited to evaluate the strategic planning and management competences of the staff of

⁸ Interviews with the representative of the State administrative institution on January 14, 2015.

his institution specifies that *the average evaluation is 4, but certainly, there are people who may be evaluated with 3, as well as the ones who may be evaluated with 5. Everyone has his/her strengths and weaknesses. The strengths of the staff are used more instead of development of weaknesses. If everyone found his/her strength and used it, the institution would operate better in general.*"

Thereby, analysis of the competence assessment results and self-assessment of the representatives of the interviewed institutions indicates that actions of the CoG specialists meet the set requirements and their performance is evaluated by managers as good. However, the information included in the interview and Chapters 2.2.6 and 2.2.7 of this report on the staff assessment process indicates that such assessment could be misleading and does not correspond to the actual situation at all because managers not always treat the staff assessment process honestly. On the other hand, the high results of evaluation of competences could mean that it would be rather necessary to improve specific knowledge, skills and specific competences in the fields of strategic planning, policy coordination, performance monitoring, political and policy management and communication for successful performance of the CoG functions.

Since different competences are set in the CoG structural units (for example, maintenance of relations is set for the MoF) it is not possible to answer unequivocally if the HR of the relevant institutions have sufficient capacity for performance of the CoG functions. But in case of Latvia it is clear that in order to ensure successful operation of HR policy in the CoG the main emphasis should be upon attraction of highly qualified employees through the staff selection, as well as special training.

2.2.4. Human resource planning and selection

The position based civil service system has been strengthened in Latvia by implementing different civil service reforms where the emphasis is laid on selection of the most suitable applicant for recruitment for each position through external selection. A person may hold any position in such a system irrespective of the position hierarchy and without holding a lower position if the person meets the requirements set for the particular position.

By analysing the different approaches it is admitted that the advantage of the civil service position based system is an opportunity to involve employees in the state administration with a different, new, innovative vision of things. It is typical for the position based civil service system that education and study programmes are necessary in particular cases so that an official could acquire new or some special skills necessary for performance of the work duties. Thereby, the position based civil service is efficient in the situation when the State administration as an employer may not provide competitive employment conditions (namely, special advantages for the work in the State administration as compared with the benefits which may be obtained from the work in the private sector: As a result, the dysfunctional personnel turnover develops in such a system – the experienced employees retire for whom it is difficult to find a quick and equal substitutor from the internal State administration HR. Introduction and purposeful implementation of career management and rotation elements is hampered in such a system which is emphasized in the foreign research as one of the most essential HR policy elements in the context of CoG in order to prevent "burn out" of the staff, provide competence in different new priorities and promote cooperation and coordination between different institutions. For example, the Danish HR policy emphasizes *personnel rotation importance* inside and outside the CoG for maintenance of adequate skills. The research on the CoG shows that in Germany, Spain,

Portugal, Great Britain the CoG mainly consists of the staff moved from other ministries. On the other hand, in other countries only a small part of the CoG staff is obtained from other ministries. The staff moved from other ministries or external experts are concentrated in the particular structural units, especially in President or PM Office, policy development structural units, crisis management structural units or prior initiative performance teams. 10 of the countries analysed in the OECD research have permanent staff in the CoG and it does not recruit employees from other ministries (Report on the CoG in the EU Member States, 2015, OECD, 2014b). In the research for transfer of the staff from ministries to the CoG not only the positive, but also the negative aspect of such practice is specified. In such a way the transferred employees may continue to operate in line with the procedure of their ministry and thereby be less sensitive in terms of the needs of the Head of the Government regarding central coordination.

For the present, institutions in Latvia have an obligation in accordance with the valid regulation to organize *open* selection process only for the positions of officials. Currently, one of the State administration reform initiatives developed in the field of HR development (Concept of Human Resource Development of the State Administration; Draft law “Public Service Law”) envisages introduction of open competitions from 2016 not only for the positions of officials, but also employees, namely, for any position in the State administrative institutions. Thereby, it is planned to ensure the best selection of specialists by unifying both; the selection process of officials, and employees. The draft Public Service Law⁹ worked out by the SC and supported by the government envisages establishment of a unified public service in the future for all the employees of the State administration by developing unified relations of the Public Service and introducing open competitions of applicants to all positions.

The analysis of HR planning in the State administration in EUPAN countries shows that it is performed in a structured form in less than in a half of the countries - 15 of 26 countries which responded to the survey. Human resource planning is centralized in 10 of these 15 countries, in the rest 5 countries the ministries are responsible for development of HR plans. Such purposeful HR planning mainly takes place for the budgeting needs of ministries by primarily solving the issues related to HR quantity so as a ministry(-ies) could keep within the allocated budget. (EUPAN, 2013b) *HR quality planning of the State administration on a strategic level which envisages provision plans of HR competences according to the long-term goals is carried out only in particular countries* for example, in Great Britain but the trend to implement the HR strategies in order to ensure the competences necessary for the long-term goals is observed in other countries, as well (OECD, Huerta Melchor, 2013; EUPAN, 2013b).

The events of the recent years in HR planning of the State administration in Latvia may be rather characterized as activities in the HR surplus situation. Thereby, the financial crisis of 2008 and the relevant consequences facilitated decrease of the number of employees in the State administrative institutions. Only in recent years (2013 and 2014) discussions have been started again in the budget planning context about allocation of additional positions for achievement of strategically important goals. Thereby, during evaluation of the new policy initiatives additional financing was supported for establishment of four positions¹⁰ in the SC and implementation of the new policy initiative¹¹.

⁹ Reviewed in the CoM on September 16, 2014 (minutes of the CoM meeting No.49 41.§).

¹⁰ Interview with the representative of the State administrative institution on January 28, 2015.

¹¹ It is planned within the framework of the New policy initiative:

HR planning in the CoG institutions takes place in a *decentralized way* on an institution level. Analysis of the HR management practice in the SC, CSCC and MoF shows that it does not differ from the common planning system which is developed pursuant to the budgeting needs of ministries by primarily solving the issues related to HR quantity and planning positions according to the scope of the functions to be performed and using the so-called work place method. The researchers did not manage to obtain information if labour-intensity of functions is calculated and analysed in the HR planning or the necessary time consumption, although the summarized information indicates that records of the work time must be made by the employees working in all the CoG institutions. Thereby, it may be stated that uniform analytical information is not available in the CoG institutions which would be possible to analyse purposefully and use in the personnel planning in the CoG in general, as well as use in the institutions where recording of the work time has been introduced.

A staff segmentation analysis in the EU member states shows that HR are usually segmented for the planning needs on the ministry level according to formal indicators, namely, according to the status of an employee, groups of professions and work remuneration, gender, age groups, etc. In several countries ministries themselves decide how human resources should be segmented. It is not reported on the HR segmentation according to their potential; identification, development and retaining of specially skilled employees or “talents” take place in a non-systematized form (EUPAN, 2013b.) *However, such systematized talent management in the State administration would allow to use the existing HR more efficiently.* Some European countries start to use the talent management system in relation to the higher level civil service positions, for example, in Great Britain and Ireland (Department of Public Expenditure and Reform, 2014; OECD, 2010a). If talent management is often performed as an individualised approach to particular employees, the human resource segmentation according to their strategic investment or role and HR availability (costs) (Lavelle, 2007) allows to establish suitable HR policy for all HR segments. Such a HR segmentation type has not been introduced in the State administration for the present (OECD, 2010a), but is a useful tool in strategic HR management (OECD, Huerta Melchor, 2013, Report on the CoG in the EU member states, 2015).

Staff segmentation in the CoG institutions in Latvia takes place according to the requirements of the regulatory enactments according to formal indicators – work duties, level of the position, profession and occupation group by evaluating the work complexity, scope of work, necessary education level and experience.

After assessment of the knowledge, skills and competences necessary for particular position decision is made regarding organization of the selection process - either staff recruitment for the particular position using the rotation order, or organizing position competitions. The CoG institutions admit that the opportunity of the staff rotation prescribed in the regulatory enactments are used in practice. For example, in 2013 seven officials were moved from another institution to the MoF. Information provided by the institution indicates that the internal staff rotation takes place, as well, but such information is not systematically summarized and

1) making a regular and independent competitiveness assessment of Latvia and development of its introduction system;

2) Introduction and improvement of the Latvian competitiveness assessment and supervision model.

Within the framework of the activities it is planned to make two in-depth studies every year, once per 3 – 5 years by making complete assessment of the Latvian competitiveness.

analysed.¹² But in the CoG two employees were moved to other positions in 2014. A staff rotation analysis in the CSCC within the framework of the institution is not purposeful by taking into account its size. As it is mentioned above it is difficult to introduce staff rotation as a purposeful HR management practice in the position based civil service system. The legislative framework also envisages that staff rotation may take place only on a voluntary basis. One of the obstacles for development of this tool is the sectoral approach within the framework of institutions when managers assess good and professional employees in the conditions of limited resources and do not wish to lose such resources irrespective of the fact that the system would benefit in general in such a way. Taking into account the CoG cross-sectoral approach in performance of functions, it should be necessary to promote implementation of this tool by improving the HR recording in the beginning, identifying the CoG employees and using IT solutions in the career management analysis of such employees.

A foreign experience analysis on HR selection in the CoG institutions shows that in the most countries a special HR selection is not used in the CoG institutions. The differences in HR selection for the needs of administration and political management are more often observed. The *combined* human resource selection may be observed in a lot of countries on administration level (in Croatia, Cyprus, France, Greece, Hungary, Ireland, Lithuania, Malta, Netherlands, Norway, Romania, Slovenia). On the other hand, the distribution of decentralized and centralized human resource selection system in the CoG between the rest countries is similar. The *decentralized* CoG human resource selection is introduced in Austria, Bulgaria, Czech Republic, Estonia, Finland, Poland and Latvia, while the *centralized* system exists in Belgium, Germany, Italy, Luxemburg, Portugal, Slovakia and Turkey. In most countries no specific procedure exists for human resource selection for the CoG. The exceptions are Austria, Cyprus, Netherlands and Greece which report about a different CoG human resource selection approach, and Czech Republic, Italy and Spain which evaluate CoG human resource selection of their country as partially different.

For example, in Austria there are several stages in the selection process which depend on the importance of the position. Applicants usually have to pass a computer-assisted testing and work interview while the manager positions have a different selection procedure when an applicant must have an interview in front of the selection commission. The most progressive selection methods may be applied for further assessment of applicants, such as “Assessment centre”¹³. The most part of the CoG staff in Cyprus are the employees moved for a particular period from other State administrative institutions, the officials who have previously been selected according to the standard procedure for all civil service positions. In Greece, the experienced employees moved from ministries for a definite or indefinite period work in one of the most important CoG institutions – institution of the Chief Secretary in coordination affairs. Similarly, officials from other state administrative institutions in Italy are also selected for the work in CoG pursuant to particular needs and necessary skills. CoG human resource selection in the Czech Republic depends on each separate case (Report on the CoG in the EU member states, 2015).

According to the foreign practice three groups of countries are set in relation to selection of PM and minister office staff. The first group of countries (*Belgium, Croatia, France, Ireland,*

¹² The information provided by the MoF ON May 6, 2015, not published

¹³ “Assessment centre” is a type of complex applicant assessment when several special assessment methods are used – business games, psychological tests, group discussions, etc. in order to properly investigate professional suitability of applicants for the position (Armstrong, 2009).

Luxemburg, Netherlands, Norway, Poland, Slovakia, Turkey) where selection of the political management staff is not differentiated from the selection procedure of officials. In such a way it is possible to obtain higher administrative capacity and political neutrality. The second group of countries (*Bulgaria, Estonia, Germany, Italy, Malta, Portugal, Latvia*) where PM has an opportunity to select politically convenient employees but that may hamper interaction with a wider circle of persons involved in the State administration. The third group of countries (*Romania*) where different selection procedure exists for different MP's and minister's office positions which may be considered as an optimal variant in order to ensure efficient administrative and political support (Report on the CoG in the EU member states, 2015).

Analysis of foreign experience shows that the most frequently used practice in the countries where a different approach is used for selection of the CoG staff on administration level as compared to the common approach implemented in the State administration is the rotation procedure where the staff from the ministries in other sectors is transferred to work in the CoG. The Austrian experience regarding the use of the Assessment centre for personnel recruitment for strategically important positions where the staff with very specific knowledge and experience is necessary should be noted. Such a mechanism could obtain benefits especially in the position based civil service system where the aim is to select the best and most suitable applicants for the particular position.

As it is mentioned above, different practice exists in the CoG institutions in Latvia regarding organization of the HR selection. Selection of the MoF staff is ensured by a personnel management structural unit but in the case of the SC and CSCC centralization elements are observed because the Personnel Department of the SC performs administration of the CSCC personnel management documentation and participates in performance of personnel management functions by ensuring organization of the process, but leaves the decision-making process up to the head of institution. Organisation of an open competition for positions is a common practice in all institutions (MoF, CSCC, SC). In relation to the staff selection in the PM's Office the practice exists to select politically convenient employees coming from the political environment who often do not have knowledge and work experience in the State administration. Jill Rutter and Josh Harris emphasize the the success factor of such structural units is a team consisting of the staff with different skills. Both; experts and administration representatives (*Jill Rutter, Josh Harris, 2014*¹⁴).

Since the CoG faces the challenge to be a reliable intermediary, as well as provide expertise of various levels, it is important to find the correct balance in recruitment of the necessary employees. By concentrating the CoG personnel management processes in one administrative institution and centralizing selection and training of the constant HR, it would be possible to strengthen the CoG ability to influence by making a uniform team of highly qualified officials and professionals with the administrative culture necessary for the CoG functions. On the other hand, by maintaining decentralized selection process as flexible as possible HR with specific skills and experience may be recruited quicker, but it should be noted that such an approach is mainly used in order to recruit employees with the necessary knowledge and expertise within a short term in addition to the permanent CoG staff (Report on the CoG in the EU member states, 2015).

¹⁴ Jill Rutter, Josh Harris, 2014, The Special Ones, How to make central government units work, Institute for Government

Concerning introduction of centralized staff selection in the CoG institutions the opinions of representatives are different. A part of the interviewed personnel managers¹⁵ specify that personnel management structural units of ministries are able to select the staff individually and the staff selection process should not be centralized, while others support introduction of centralized staff selection in the CoG institutions, noting the capacity risks:

“centralized selection could be introduced in relation to the CoG staff. That could also help to introduce a career management system of such people and develop purposeful rotation within the framework of the State administration. The question about the risk is valid regarding remaining capacity in the institution in case a competent employee is rotated away to the institution where the relevant horizontal function is weak and where it is necessary to strengthen capacity in favour of the common aim – what is the substitute for the institution.”

The interviewed HR management specialist¹⁶ emphasizes the importance of the centralized selection just in formation of a team in his turn:

“If we wish to see the CoG as a team, the selection process may not be decentralized. The personnel management processes should take place in a unified and centralized way. Thus, it is possible to obtain a common approach, common vision and common principles.”

Currently, the staff selection process in the CoG institutions is organized in several rounds. At first, analysis, registration and verification of the documents (application/motivation letter, CV and education document) takes place. Suitability of the applicant is evaluated by the Assessment Commission. Depending on the advertised vacancy, the most suitable applicants are most often invited to the job interview after evaluation of the documents where the Commission checks the professional knowledge of the employee. The practice carried out in institutions is different. In the MoF examination of the professional knowledge is carried out concerning practically all positions within the selection process – the applicants to the position must perform all the practical examination tasks. The written tasks for evaluation of knowledge and skills depend on the specific character of the work to be performed. For example, the applicants for the position should make calculations in Excell, make analysis, evaluate data and prepare a decision, prepare a reply letter or reply to particular questions about the topic relevant to the position by analysing the given information, translate a text if it is necessary to deal with materials in a foreign language. The tasks for evaluation of the professional knowledge and skills are prepared by the line managers who have the best knowledge of the particular topic, afterwards the procedure is organized by the Personnel Department. During the selection interview questions are asked in order to evaluate professional knowledge. In the MoF professional knowledge necessary for a particular position is examined, for example, if a specialist in the field of budget is selected, knowledge about financial management, budgeting principles, legal framework in this field, State administration principles, etc. is examined.

During selection of applicants for the positions of higher level managers in the MoF competence evaluation is performed during a competence interview. In the CSCC professional knowledge of is examined in the selection interview. A representative of the CSCC¹⁷ admits that although competence interviews are not formalized, they still take place while selecting applicants for work in the CSCC because *“during the interview all the necessary competences are discussed,*

¹⁵ Interview with representatives of the State administrative institutions on November 28, 2014.

¹⁶ Interview with a human resource management expert on November 21, 2014.

¹⁷ Interview with a representative of the State administrative institution on January 14, 2015.

clearly expressed, as well as knowledge about the relevant field is tested, for example, if it is an applicant to the field of economics, the issues on economics theory are discussed.”

During selection of applicants for positions in the SC examination of the professional knowledge takes place as well. The applicants must perform the tasks or tests prepared by the relevant Heads of structural units in cooperation with the Assessment Commission, while the Assessment Commission asks questions in the selection interview in order to evaluate the professional knowledge. The SC representative recognizes that introduction of competences should be supported in the staff selection stage for the work in the CoG institutions, but also detailed guidelines must be worked out how to apply them. *“It is not enough to determine competences, there should be very properly developed support instruments – questions by which the relevant competence is evaluated.”* It should be noted that a uniform approach and guidelines would be particularly topical, if staff selection in the CoG institutions was organized in a decentralized way.

Therefore the future tasks identified in the State Administration Policy Development Guidelines 2014 – 2020 which envisage the introduction of the HR management systems based on the competence approach at all HR management stages (selection, training system, assessment, motivation) during this period of time, should be evaluated positively.

Analysis of foreign practice shows that combination of continuity with flexibility would contribute to efficient formation of the CoG staff (Report on the CoG in the EU member states, 2015). That corresponds to the combined personnel management strategy according to which the constant “nucleus” and changeable “periphery” form the staff of the institution which consists of political persons and experts.

2.2.5. Human resource development and training

HR development in the CoG institutions is ensured in two ways. Firstly, by offering the professional and career *growth* opportunities in the relevant institution or State administration in general, secondly, by offering *training* opportunities to the staff. Professional growth is ensured more often, while the employees who have proven themselves in the particular institution have an opportunity to apply for the positions of managers of different level or deputy managers. However, taking into account that a promotions system is not established in the position based civil service system, this may not be considered as systemic and planned HR development tool. The latest staff satisfaction results also indicate drawbacks of the existing career development opportunities in the State administration where 74% of respondents specify that the existing career opportunities do not ensure retaining of the best employees in the State administration (the SC survey results, 2014). Since the number of the leader positions is limited, development of the *horizontal rotation* possibilities could be particularly important in the professional development of the CoG staff. The staff employed in the CoG institutions admit in the informal communication that the previous work experience in different State administrative institutions and different positions may be considered as a benefit which extends the horizon and allows to find a complex solution to different intersectoral issues. The developed contacts and contact network are specified as especially valuable which allow to clarify and solve a lot of issues quicker. The interviewed representative of the institution also admits that *“perhaps, it would be possible to improve cooperation between institutions by the staff rotation, but it should not be turned into an end in itself. It would be good if it was possible to rotate to local governments, but how to obtain that due to the fact that our local governments are “autonomous”.*

The foreign analysis indicates that the staff rotation is more used in the countries where it is considered that the CoG has an active role in development of intersectoral strategies and programmes, while promotion of the internal staff mobility is a HR management tool which is more popular in the countries with a passive CoG.

The new draft Public Service Law envisages introduction of several tools which could be particularly important in the development of HR in the CoG institutions:

- 1) to introduce a capable mobility system within the framework of the State administration;
- 2) to extend rotation opportunities both; within the framework of the direct State administration, and envisage an opportunity to temporarily move an official or employee to the position in independent institutions, local authority or commercial company.

In general, such approach should be supported and could facilitate raising competence of experts and complete use of the HR available in the sector, but there is concern and uncertainty among the interviewed experts about the introduction tools of this mechanism. Introduction of such mechanisms and their development in the CoG institutions would be particularly important by facilitating staff rotation both; between the CoG institutions, and from the CoG institutions to the rest sectoral ministries thereby uniform understanding of the horizontal functions set by the CoG and introduction in all institutions. However, that requires development of the general and specific competences of different levels.

The intention included in the draft Public Service Law to develop the *talent management* programme of officials and employees should also be appreciated. The edition of the draft law envisages that the SC will coordinate the talent management programme of officials and employees in the State administration so as to offer competence development opportunities to the most talented officials and employees in the future (for example, development of the leadership, strategic planning, analytical thinking, etc. competences). The SC will determine the procedure by which the talent management programme of officials and employees is developed and implemented.

The foreign analysis shows that in general in the EU member states the CoG human resource training system is not emphasized. The CoG human resources have a different training system only in Greece. Three training methods in Greece which are most often used for the CoG human resource training is exchange of experience by going abroad, seminars (lectures and discussions), games and simulations (behaviour modelling, business games, role plays, situation analysis). The countries mainly use rather traditional methods which are primarily addressed to acquisition of new knowledge. The most popular method used in the CoG human resource training is seminars followed by lectures and exchange of experience by going abroad. There are countries where such staff development method is used as assigning special projects. However, other training methods improving the practical skills, for example, labour force rotation, mentoring, coaching, games and simulations are used less (Report on the CoG in the EU member states, 2015).

The situation analysis in Latvia indicates that the CoG staff most often have opportunities to extend their professional knowledge in the fields of activity of the relevant institution by becoming a highly qualified expert, as well as obtain cooperation experience in the international environment and participate in the work of EU institutions. the situation in the analysed CoG institutions indicates that currently two horizontal measures affect the HR development: Latvian presidency of the EU Council and preparation for membership in the OECD where the staff development takes place through participation in these activities and working groups.

At the same time, for example, the CSCC organizes seminars and working groups for policy planners where the topical problems are discussed and uniform solutions searched. Similar practice is also implemented by the SC by organizing exchange of experience and discussion of the topical issues about the HR management and quality management aspects.

A representative of the institution specifies¹⁸ that *“the necessity is felt that problems are discussed together in the fields where work is performed. Working groups are one of the most efficient tools. It is sometimes possible to obtain more from such activities than from organized training.”*

Implementation of exchange of experience initiated by the CoG institutions sets additional requirements to the CoG HR. They must have developed competences to manage and motivate a team, inspire colleagues and cooperation partners to changes, in addition to well-developed professional knowledge and good knowledge of their policy field. It may be said that the CoG people must be “agents of changes” who inspire their colleagues and promote implementation of reforms and horizontal issues in institutions.

Identification and summarization of the learning needs in the CoG institutions take place in a centralized way in the Electronic assessment form information system (NEVIS). This is a comparatively new practice which is introduced in the CoG institutions and has recently started to operate, from 2013. The interviews indicate¹⁹ that efficient functioning of this system not only in the CoG institutions depends on honest approach of managers and employees and their attitude to performance of this task. As it is specified by representatives of the institutions²⁰ *“identification of the learning needs takes place during the annual assessment. But it is an agreement of a manager and employee on the necessary improvement measures.”*

Representatives of the institutions specify that the professional qualification raising and growth opportunities are supported in the institutions as far as possible. However, in the conditions of the limited financing participation of the staff in training and development activities is characterized by the *ad-hoc* approach and training offered within the framework of the projects financed by the EU funds. But it is admitted that *“upon the agreement of an employee and manager it is possible to support the staff individually in the institution in the identified training and also within the framework of the institution budget”*.

The staff of the CoG institutions improve their knowledge in the courses and seminars organized by the LSPA and other training centres (see **Annex 3**), as well as participate in horizontal training which is organized within the framework of the EU presidency or oriented on capacity strengthening, for example, the Talent management programme LĪDAKA /PIKE/, etc.

Considerable capacity strengthening of the human resources employed in the State administration has taken place during the planning period of the EU funds 2007 – 2013 when in total 6381 State administration employees²¹ were trained in the projects implemented by the

¹⁸ Interview with a representative of the State administrative institution on January 14, 2015.

¹⁹ Interview with a representative of the State administrative institution on November 28, 2014 and January 28, 2015.

²⁰ Interview with a representative of the State administrative institution on November 28, 2014 and January 28, 2015.

²¹ Assessment of the impact of implementation of the Operational programme “Human Resources and Employment” and the activities implemented within the framework of its supplement 1.5.1 “Better Regulation Policy” and 1.5.2 “Capacity Building of Human Resources” within the planning period of 2007-2013 draft interim report 2 of 07.05.2015.

MoF and SC²² as of the moment of making the research. For example, in the project implemented by the MoF the staff has also had opportunities to improve their knowledge and raise its professional qualification during training and experience exchange visits abroad, for example, in the training course of DUKE university “Budget planning and financial management of the public sector” or in the course “Public financial management” organized by Harvard Kennedy School. Obtained knowledge may be used practically for planning and analysis of the State budget.

Table 9. An example on participation of the MoF staff in the training for strengthening analytical skills in the field of public financial management and macroeconomic analysis

Training course of DUKE University “Budget Planning and Financial Management of the Public Sector”	The course organized by Harvard Kennedy School “ Public Financial Management”
<p>The aim was to acquaint the participants with the importance of public finance in ensuring economic growth, development trends of the global economics and academic research in the issues of public financial management on academic level. The training course was organized in the form of academic lectures and group discussions. Broad and exhaustive information was obtained on the public financial management, including:</p> <ul style="list-style-type: none"> - Macroeconomic forecasting methods, Main choices of the macroeconomic strategies and their impact on the economic growth - Tax policy and tax revenue forecasting methods, - Budget framework of medium term and budget planning types - Assessment principles of investments and efficient capital expenditure planning and execution - Fiscal decentralization of public finance - Public debt management - Foreign financial assistance planning Planning of foreign financial assistance; - Conduct tactics and methods of negotiation 	<p>The aim was to acquaint the participants with the public financial management principles and methods, importance of public finance in ensuring economic growth. The training course included training modules and group work</p> <p>Broad and exhaustive information was obtained on the public financial management, including:</p> <ul style="list-style-type: none"> - Link of the budget and political economics and macroeconomics, - Budget classifications and accounts, - Tax policy and tax revenue forecasting, - Accounting and financial reports, - Financial information systems, - Budget execution, - Costs and cost determining factors - Budget execution and performance indicators - Budget planning and realization - Legal framework of the public finance; - Assessment and improvement of public finance management

Source: Made by the authors by using the information provided by the MoF (not published)

Information included in the **Table 9** illustrates specific training where the MoF staff has had opportunities to strengthen analytical skills in the field of public finance management and macroeconomic analysis. Thereby, it may be stated that within the EU Funds planning period

²² “Support of Reforms in the Field of Budget and Financial Policy”, “Support of Implementation of Structural Reforms and Strengthening of Analytical Skills in State Administration”

2007 - 2013 the MoF staff has built the capacity necessary for performance of the CoG functions. This specific competence should also be provided to the rest CoG employees. However, decentralized planning and accounting of training actually do not allow to develop such opportunities.

Information shows that in 2014 the MoF staff (in total 182 employees) most actively participated in the training. The policy planners (135 people) were the most active participants. That is followed by 39 medium level managers and 8 higher level managers. Information provided in the annex to this report demonstrates that different levels of specialists have improved their professional knowledge and skills in the training taking place in Latvia - learning English, data processing, basics of budgeting and risk management, as well as improved competences regarding setting of aims and its relation to the work result. 80 employees have had an opportunity to improve their knowledge and competences by participating in the training offered by the *European Institute of Public Administration* on the decision-making process in the EU, management of the EU institutional frameworks, meetings, conduct of negotiations and public speech which should be considered as the training in order to prepare for the activities regarding the presidency of EU Council.

In total, 118 employees from the SC have participated in the training in 2014. The training has mainly taken place in Latvia and the employees have improved their knowledge in the fields which are important in provision of the CoG functions – quality management, document management, calculation of administrative costs (in the financial terms) and reduction of the administrative burden, written communication. The employees have improved such competences as cooperation and change management. Information provided by institutions²³ indicates that 3 people from the CSCC staff have participated in the training, but the researchers did not have information about the topics of training. It should be noted that the representatives of institutions had difficulties to indicate the budget used for training, as well as the number of hours or days actually spent by an employee in training because such information is not stored in a systematized form.

The summarized practice in the CoG institutions shows that the employees themselves initiate and search for training, development activities where they could build their capacity. A personnel manager passively takes place in this process by reviewing the received offers, but specific things necessary for work are searched by the staff itself.

A representative of the LSPA²⁴ also mentions a non-systematic approach to planning of the learning needs as a problem by pointing out that the training in the State administration takes place in an unplanned way without providing accounting on who and where everybody has studied. The LSPA is responsible for development, updating and implementation of the training strategy. Currently, the basis of the training strategy includes improvement modules of professional knowledge and the courses to be taught within the framework of these modules are categorized (introductory course, basic course, in-depth course, specialized course, etc.), and oriented on different levels of professional hierarchy (for example, young officials and employees, specialists of different fields (public relations specialists, lawyers, clerks, accountants, etc.) medium level managers, higher level managers).

²³ The information provided by the SC, May 5, 2015, not published

²⁴ Interview with a representative of LSPA on January 6, 2015

However, in the conditions of the limited financing the LSPA strategy is mainly based on demand. Thereby, supply of training is based on the target groups that involve more HR. The statistics summarized by the LSPA indicates that in 2013 not a single training course took place in the module D “Action policy planning and implementation” because there was not the necessary number of participants. At least 7 people are necessary for the course. Therefore, it is clear that low demand is observed for long-term training topics, incl. the courses on policy planning and assessment. Such a situation could be explained with several aspects. Firstly, the developed course in the aforementioned training module is general and may be used more for improvement of the knowledge of the new employees. Secondly, the employees having long experience in State administration have taken the opportunities offered by the LSPA to acquire courses on “Impact assessment of policy planning documents” and “System of performance indicators”. Thereby, general information about the policy planning and implementation tools is not actual for the staff with a long experience in State administration work. They require more substantive courses, for example the courses on specific methods to be applied in the policy planning, implementation and assessment. That means that the *training oriented on acquisition of knowledge and competences necessary for a comparatively narrow circle of employees, which are strategically important in performance of horizontal functions, must be planned and ordered in a centralized way by allocating the necessary financing to them and determining the circle of employees who must participate in such training.* If the training plan is developed, financing must be provided for its implementation.

A representative of the CoG institution specifies²⁵ that *“the training should have a uniform approach from the systemic point of view but now the problem is that different institutions have different opportunities. The offer of the LSPA must be evaluated very individually, but the LSPA should mainly deal with the uniform competences necessary for everyone. But demands are different”*.

Foreign practice shows that complex training programmes are implemented in order to strengthen the CoG functions. For example, in Austria one of the greatest change and innovation processes of the Austrian administration is implemented through efficient administration management in 2015. That means that the implemented reforms are supplemented with a complex training programme by facilitating changes in the management culture both; in policy, and administration. **The basic principle in the changes is based on the transition from resource management to more intensive orientation on the result to be achieved.** The reform refers to the federal ministries and institutions, in total, 130 000 institutions subordinated to the public service. Discussions, training and seminars have an important role in this process which is offered by the Federal Academy of Public Administration. As in any process of changes, it is important to reach a common understanding and approval of reforms between the “key persons” of administration. The training is provided in the following topics:

- basics of efficient administration;
- efficient evaluation of consequences;
- efficient introduction of administration in a particular structural unit of a sector;
- criticism of the tasks and optimisation of functions;

²⁵ Interview with a representative of the State administrative institution on January 14, 2015.

- how to introduce the new model in particular structural units. (Verwaltungsakademie des Bundes, 2015)

The interviewed experts²⁶ mention motivation to learn and attitude to training of the staff of institutions as a very large problem. Training is often not treated as a prior task in the conditions of limited time.

“In order to obtain results, there should be a training schedule observed by everyone and studies/training should reach the level of values.”

2.2.6. Assessment and motivation of Human Resources

Assessment of personnel in the CoG institutions is implemented in compliance with the order prescribed by the Cabinet Regulation No. 494 “Regulation on the assessment of work performance of the employees of direct administrative institutions of the state” of 10 July 2012; the competences and necessary improvements of employees are assessed within the framework of this regulation, including, the measures to be taken for the development and further direction of the career.

The representatives of the CoG institutions note that computerised forms of assessment in the information system (NEVIS) is a good tool for a supervisor which ensures that once a year an employee and a supervisor have a possibility *“to sit down and discuss what has been done”*. *“The system provides a possibility to determine the objectives to be reached and to make a respective assessment of their fulfilment. The system indicates the competences although the question arises if there are sufficient guidelines how to perform the evaluation of competences”*.

One of the CoG institutions has developed practice to make the evaluation of work intensity on monthly basis when employees make self-assessment of what has been done.

Paragraph 55 Cabinet Regulation No. 494 “Regulation on the assessment of work performance of the employees of direct administrative institutions of the state” envisages the duty for both head of the institution and employee to develop necessary skills, knowledge and competences to foster the achievement of objectives and the quality of the fulfilment of duties.

Interviewed heads of personnel from the institutions admit that it would be helpful to receive methodological support which could be provided by the State Chancellery in order to make the process of HR management easier, including, personnel recruitment and assessment of work performance. *“For example, ready-made lists of questions and guidelines how to perform specific things would be useful so that it was not necessary to contemplate for a long time what questions should be asked for the evaluation of specific competences. It would also avert the situation when competences are assessed differently in each institution”*.

The analysis of the situation reveals that in all institutions (the MoF, the SC and the CSCC) problems are caused by changeability of employees²⁷ which is a particularly gross for specialist positions. Experts admit²⁸ that professional employees are still the highest value *“there is competition for personnel between ministries and between subordinate institutions”*.

²⁶ Interview with representatives of the State administrative institutions on January 6 and 14, 2015.

²⁷ For example, changeability of MoF personnel in 2013 was keeping stable at 14%.

²⁸ Interview with the representatives of state administration institutions on 28 November 2014.

The representatives of institutions admit that it is a topical problem how to involve and keep university graduates to work for state administration.

“The reason for this problem is low level salaries again. Besides, the new so called “generation Y” is looking for better paid workplaces and do not think that they would have to work for the same employer for a long time”.

Studies made until this moment concerning differences of generations in business structures reveal that^{29,30} representatives of generation Y have an expressed **desire to change something**. They hold the view that the success of business cannot be characterised only by financial indicators and that the emphasis must be put on the improvement of the needs of the society. Although an important aspect is that the representatives of generation Y **are more ready to go their own way** and it has to be taken into account when planning and developing HR management policy in the CoG institutions. Approximately 70% of the respondents confirm³¹ that most likely they would be ready to work independently rather than be employed by a traditional organisation. It must be taken into account that the main aspects that determine the choice for staying at their workplace for the representatives of generation Y are the same as for the representatives of other generations although the priorities of their importance differ. Employees from generation Y primarily point out the support and recognition. The representatives of generation Y expect to receive more support and feedback; they would also like to be a part of an including team. Flexibility regarding place of work and how much they work is one of the determining factors for generation Y to be satisfied. This view differs from the opinion of other generations that put more emphasis on salary and development prospects. Employees of generation Y expect from the organisation a working environment that fosters personal and professional development.

The fact that the motivation differs for various generations is an important aspect which has to be taken into account when planning and implementing the CoG HR policy since studies show that various generations are driven by different needs that have to be considered. For example, **generation X** is viewed as the best educated generation in the history of the humankind (Don Tapscott, 1998). The employees of this generation are characterised by the wish to be independent; they want to receive a swift assessment of their work; they are aggressive communicators largely focussed on media (Don Tapscott, 1998). In the meanwhile, the representatives of this generation appreciate informal attitude and balance between work and family (Fineman, 2012). However, **generation Y** is capable of adjusting swiftly. They like to learn, they are impatient and they are not afraid of challenges. They are familiar with technologies. At work, they highly appreciate cooperation as well as a swift and regular feedback. Personal development, flexibility and freedom in decision making are really important to them; they are willing to master new skills (Fineman, 2011, 2012). In such a way, it can be stated that the factors that influence motivation and work performance, to which attention should be paid when planning and implementing HR management policy in the CoG institutions, are different for employees of various generations.

²⁹ PwC's Next Gen: A global generational study 2013, www.pwc.lv

³⁰ Big Demands and High Expectations The Deloitte Millennial Survey, January 2014, available at: <http://www2.deloitte.com/global/en/pages/about-deloitte/articles/2014-millennial-survey-positive-impact.html>, [viewed on 28.01.2014.]

³¹ The same

Conclusions

- The existing number of employees in the CoG HR structural units can be assessed as sufficient in order to ensure HR management functions that are necessary for the CoG. The number of HR structural units in the SC and the MoF corresponds to generally accepted proportion in HR management: one employee in the HR management structural unit per 50 to 100 employees of the institution. The HR structural units of the CoG mainly implement operational management of the personnel; there is insufficient participation in the implementation of such tactic and strategic management tasks as planning and implementation of development and rotational elements of employees, career management, development of new motivation instruments, participation in the analysis of future tendencies and in change management as well as in the improvement of the quality of work life.
- It can be concluded on the basis of the study on the size of the CoGs made in the EU member states (Report on the CoG in the EU member states, 2015) that the total number of employees of the CoG institutions in Latvia is quite small by taking into account the importance of the functions determined for these institutions. The SC and the CSCC perform functions that include strategic planning, development of state administration reforms and supervision over their implementation as well as strategic human resource management and performance improvement in the state administration; the CoG of other EU member states employ more than 200 officials for the fulfilment of these functions.
- A large number of officials in the composition of the CoG HR can be assessed as a positive situation for the preservation of political neutrality and administrative consistency.
- Average age of CoG personnel is relatively low which means that a flexible and individual approach to motivation of employees should be applied which might require taking into account the needs of various generations in planning and implementation of the CoG HR policy.
- HR policy in the CoG institutions is determined by common trends in HR management in the State administration. The planned reforms envisage to implement and to develop various instruments that might have a decisive role in the implementation of CoG functions regarding promotion of inter-sectoral and inter-institutional issues and improvement of the work performance and services of institutions. Draft regulations envisage developing mobility at various levels of State administration, organisation of internal contests, and extending rotation possibilities. These will be challenges that will require development of implementation mechanisms that are capable of operation.
- The analysis of education of the CoG employees reveals a great variety, which corresponds to the conclusions of foreign studies that the Centre of Government must employ people with a possibly wide spectrum of education. The analysis at the level of structural units shows that the specialists of the MoF with education in finances and economics might form the larger proportion, although it should be assessed in more detailed way by analysing the duties and requirements determined for each position. However, the SC lacks employees with education in finances and economics that might become particularly topical in the context of analysis of competitiveness assessment and administrative burden. But the specialists of the CSCC have the widest spectrum of education which corresponds to the CoG theoretical guidelines.

- It is not possible to draw conclusions from the information obtained concerning the compliance of selection procedures to the needs of the CoG. However, by taking into account that recruitment for the system of civil service must serve as the principal instrument for the recruitment of best employees, this HR management process should be particularly strengthened. Foreign practice, which operates successfully, should be applied, where the centres of evaluation and excellence are used for recruitment of employees for strategically important positions that require employees with a very specific knowledge and experience. If the CoG Human Resource management processes were concentrated in one administrative institution and permanent HR recruitment and training processes were centralized, it would be possible to strengthen the influential capacity of the CoG and to develop a united team of highly qualified officials and professionals having the administrative culture necessary for the CoG functions, the authors of this study believe.
- Since different competences are determined for the structural units of the CoG, it is difficult to assess the overall capacity of employees. United requirements are to be determined for all CoG employees depending on the level and taking into account the spectrum of the functions to be performed,:
 - For groups of higher level managing officials: political awareness, its development and influence, ability to unite political, social, financial, economic and environment related processes for making efficient decisions;
 - For groups of wide profile specialists: ability to cooperate with involved parties, to cognise and comply with these interests when making proposals and activities, ability to establish cross-sectoral teams and to work in various ways.
- The assessment of the CoG functions and the CoG HR capacity shows that the capacity is to be strengthened by conducting specific training on the methods of strategic planning, political coordination, improvement of performance and supervision, and action policy management methods by combining the training that is based on theory and practice as well as by implementing the measures of experience exchange and mobility with the structural units of the CoG from other countries and by developing internal mobility measures between structural units of the CoG.
- Taking into account economic, social and technological aspects, the CoG HR policy must be aimed at keeping and development of professional HR as well as planning of succession. However, when evaluating the career system of civil service in the context of the CoG functions, the authors of the study have noticed several deficiencies. Encumbered implementation and development of the rotation element as a part of purposeful career management in the CoG institutions is one of them.
- In the CoG institutions prevails fragmented and unplanned system of training similar to the training approach characteristic to the State administration in general (State administration development guidelines for 2014 – 2020).
- It was detected that the involvement of the heads of personnel in the analysis of training needs and fostering aimful professional development of employees is insufficient. There is a lack of systemic storage and analysis of available information concerning the results of implemented HR policy (internal rotation of employees, number of days and hours spent for training, budget spent for the training of one employee, etc.). It means that it is necessary to strengthen the role of the officials involved in personnel management not only in the implementation of HR policy but also in its development.

- The LSPA offers courses organised in form of modules for perfection of professional knowledge. Planned courses within these modules are categorized and focussed on various levels of professional hierarchy. However, the training offer is based on the largest target groups of HR. As a result, there is no training conducted for narrow specific target groups that is necessary in a long term, e.g., “Planning and implementation of policy”.

3. Description of the role, status and liability of the Prime Minister and ministers in the implementation of the functions and tasks of the current Centre of Government

The status of the PM in the Constitutions of various countries has always caused discussions; in the relative power division model, it has always been undetermined, changing and has caused basis for the statement on the approximation of the position of the Prime Minister to the position of the President by taking into account the trends of leadership and administration challenges (Strangio, & Hart, 2013, pp. 80-84). Even British legal literature raises the question if the position of the prime minister can be characterised as *primus inter pares* (first among the similar ones) or *inter stellas luna minores* (the moon among smaller stars) and provides the answer that the role of the Prime Minister will always be dominant over other ministers due to the fact that “ministers are nothing without the prime minister”. However, up to a large extent the influence of the Prime Minister is determined not only by legal scripts but by the personality and support provided by their political party (Bhagwan, & Bhushan, 2009, p.53).

The composition of the government depends on the results of the elections and the views of the Prime Minister. The work of the government is organised in a collegial way but with the elements of competition; besides, in the meanwhile, work of ministers must be focussed on undivided support to the Prime Minister (Colomer, 2008, p. 38). At the same time, it must be taken into account that the governments of coalition determine various restrictions for the work of the Prime Minister by limiting his/her importance with the creation of the government but as concerns the other issues, the Prime Minister is supposed to tackle them in close communication with the coalition (Blondel, 1982, pp. 60-61; 77).

The CoM in Latvia is organised as the parliamentary government where the ministers, solidary all together, have to report to the Saeima concerning general policy of the government and each individually concerning his/her personal activities (Purgals, 1921). However, this model does not arise from written legal norms as much as it is based on the concept of traditional parliamentary principles and constitutional traditions that have been developed during both parliamentary period between the wars and after the renewal of the power of Constitution in full volume. The experts group of the State President for the perfection of administration has indicated that the parliamentary perfection by moving towards the model of cabinet government first of all depends on the readiness of political parties and separate persons who implement their constitutional powers is separate state administration institutions to accept the creation of new constitutional traditions and to change the traditional practice for creation and control of the CoM (Group of experts, p. 3).

It is indicated in the legal literature of Latvia that there are possibilities to use typical instruments for the cabinet government, namely, in order to reach coordinated activities of CoM as collegial body, the PM has been granted wider scope of powers than other ministers. Aforementioned arises from the fact that the PM has the right to demand the resignation of any of the ministers (Dišlers, 1931, pp.162-164). The role of the PM is “not determined as outstanding” in the Constitution although it arises from PM’s leading and determining role in the Cabinet (Dišlers, 1932, p.184).

In the legal literature, it has also been indicated that the PM of Latvia agrees to determine the direction of government policy on the merits and the other ministers are supposed to adjust to this direction. The PM is the key determiner of the Cabinet policy (Dišlers, 1930, p. 189) which provides wider possibilities to determine also the direction of the CoM matters, for example, at any moment to proclaim any issue as the matter in the competence of the CoM, also the issues that have not been examined by the MSS and CoM committee (Constitutional Court, 2000). The competence of the PM has not been determined in a detailed way although it is the task of the PM to determine the principal political directions of the government by taking into account the opinion of other members of the government who will have to implement this policy (Lēbels, & Bišers, 1998, p.142).

The experts group of the State President for the improvement of administration has admitted that strengthening of the position of the Prime Minister does not contradict the parliamentary traditions (Group of experts, p. 6).

In such a way, the status of the PM which arises from the Constitution permits to determine at the level of the law wide powers of the PM – the right of issuing political guidelines and the right of the CoG institutions to solve horizontal issues.

There are no amendments to the Constitution required in order to implement the proposals. However, if such were prepared, the authors of this study support the proposal of the experts group of the State President to define the transition from parliamentary government to cabinet government which would include the principle that the parliament expresses the trust only to the Prime Minister but the ministers of the cabinet are appointed and dismissed by the head of the state on the basis of the proposal made by the Prime Minister as it is, for example, in Germany, Poland, Estonia, Lithuania, Czech Republic, Finland, Hungary and Italy. This would avert the tendency that some ministers manage their sector in the interests of the political party represented by them and that the common policy of the CoM is frequently ignored (Group of experts, p. 6).

Conclusions

- In order to achieve that the CoM acts in a coordinated way as a collegial body, the PM is granted larger scope of powers than other ministers and has the determining role in the Cabinet.
- The competence of the PM is not determined in a detailed way; however, the task of the PM is to determine the main political directions of the government by taking into account the opinion of other members of the government who will have to implement this policy.
- The status of the PM which arises from the Constitution permits to determine wide scope of powers for the PM at the level of the legislation – the right to issue political guidelines and the right of the CoG institutions to solve horizontal issues.
- The authors of this study support the proposal of the experts group of the State President to define the transition from parliamentary government to cabinet government which would include the principle that the parliament expresses the trust only to the PM but the ministers of the cabinet are appointed and dismissed by the head of the state on the basis of the proposal made by the PM. It would permit to minimise negative influence of the coalition management model on the coordination of activities.

4. Description of the quality and performance of State Secretary institution, and description of recruitment of state secretaries for the implementation of the Centre of Government functions in Latvia

For the purpose of this study, the institution of State Secretary means:

- In accordance with Section 23 of the State Administration Structure Law, the SS is the administrative head of the ministry who is in charge of not only managing administrative work of the ministry but also of the whole sector as well as of the course of policy planning and implementation in the ministry and in the whole sector;
- The MSS is a collegial institution which works in accordance with the order prescribed by the Regulation of the CoM.

A conceptual model has been developed for describing the quality and performance of SS institution; the model consists of the elements characterising the performance of SS individually and the team (see **picture 3**)

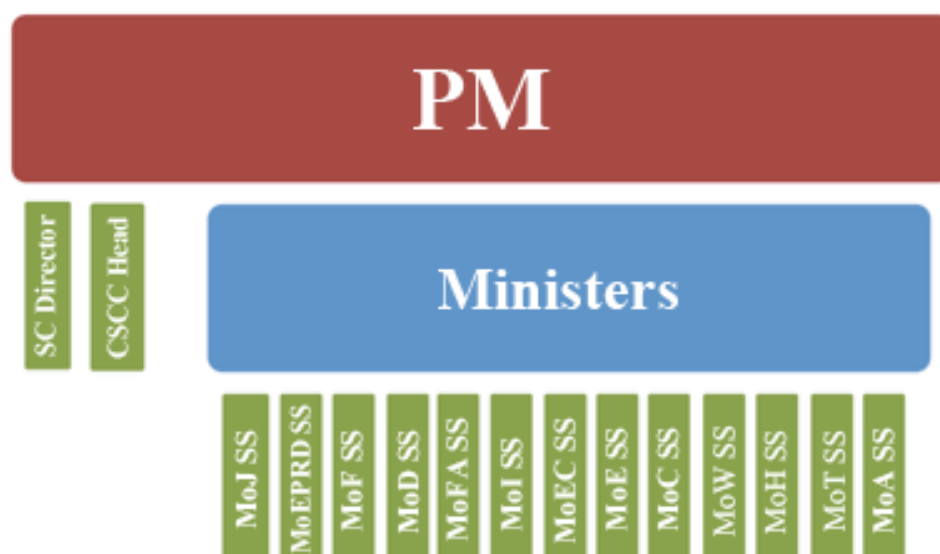


Picture 3. Elements characterising the performance of the SS

Further, this chapter provides the analysis of elements characterising the quality and performance of SS institution on the basis of analysis of regulatory enactments and foreign experience as well as interviews with current and former SS.

4.1. Description of the institutional system of State Secretaries

Currently, the duties of SSs are performed by thirteen SS, one Director of SC and one Head of the CSCC, which correspond to the level of the SS in accordance with the level of the position, competence, liability and the volume of duties to be performed. The management structure of SSs is depicted in **Picture 4**. It shows that the forms of subordination of the Director of SC and the Head of the CSCC differ from State Secretaries. Respectively, the Director of the SC and the Head of the CSCC report directly to the PM but SSs to the ministers.



Picture 4. The SS administration structure

Foreign studies show that contemporary changes and public administration processes require such higher level administrators who are able to ensure performance based administration, to ensure balance between ministries and at the same time to maintain politically neutral and professional image of state administration. Due to this reason, the highest level of the state civil service must ensure the link between politicians and administration. They are in charge of implementation of legal instruments and policies. Likewise they are in charge of coordination, efficiency and compliance of the work of the government. Due to this reason, the capacity of highest level administrators in the majority of the world countries has become one of the key issues on the development of the state administration (OECD, 2009).

The collected information³² reveals that one SS has obtained PhD and eleven SS have Master's degrees. Four SS have education in legal science, four – in the management science, public administration and economics, one in political science, agriculture and history. The division of positions by genders depict balance: 52%/48%, respectively, the State Secretary institution is represented by 8 men and 7 women.

³² Data provided by the MoF regarding SS on 31.12.2014., unpublished

On 31 December 2014, an average period of time of one SS working in the position of the SS in the represented ministry was 3.4 years but the total time worked in the position of SS comprised 4.3 years. It shows that the experience and professional knowledge of SS in state administration work is ensured by the principle of SS rotation.

The career of the current SS has been made in state administration or municipal institutions or also in state owned enterprises. One of the current SSs – the SS of MoE, Sandra Liepiņa – has gained a considerable experience in the international environment which is related to the experience in a wide scope of policy development, coordination and implementation of reforms in European and Central Asian as well as in Eastern Asian and Oceanian countries. In such a way, it can be concluded that *in most cases there is a practice to appoint for SS positions the officials who have previous experience in the work of state administration.*

Although the experience that has been gained in work for the state administration is very important, the status and role of the SS is vitally important in the development of the career of the SS which, in turn, determines what competences the SS is required to have for performing his/her professional duties.

The status of the SS depends largely on the system of the civil service in the respective country. There are two types of SS status in EU member states. In some countries, such as Germany, Greece, France, Italy and Sweden, the SS is a political person who usually is changed after the elections; the other model applied in Denmark, Great Britain, Ireland, and Estonia where the SS is a state official who is appointed for this position for definite or indefinite duration.

The analysis of the countries included in the study shows that the highest level officials have a great influence on decision making in the government due to the fact that the authority of the officials is based on their experience and knowledge of state administration. *In Denmark*, the permanent State Secretaries of ministries are usually the officials who have worked for the state administration for a long time which usually exceeds 10 years. *Lately a trend can be noticed that permanent secretaries change more frequently.* The central state administration system in Denmark practically does not have politically appointed officials or employees, except for the ministers. However, in accordance with the regulation on the civil service, the minister has the right to dismiss a permanent secretary at his/her own discretion and in this case, financial guarantees or similar position is ensured for the dismissed official (Grønnegaard Christensen, 2006). Some type of hierarchy can be observed among permanent secretaries – the most influential permanent secretaries are the permanent secretaries of the bureau of the Prime Minister and the Ministry of Finances³³. According to Copenhagen university professor, Knudsen, these officials have a great influence on the prime minister and the minister of finances respectively.

The experience gained in *Finland* shows that crisis at the beginning 1990s fostered strengthening of the power of the state officials when highest level officials were invited to take part in the preparation of the government declaration while solving the economic problems. Since that time, the influence of the officials on the contents of government declaration and action plan is being accepted. It is admitted that the enhancement of the role of the officials has also been fostered by larger political stability (government stability because in such circumstances the government is focussed on long-term plans). Negotiations between the ministers and their highest officials in

³³ Interview with the professor from the University of Copenhagen, Tim Knudsen, on 08 January 2015.

Finland are recognised as an important form of preparation of decisions. The capabilities of the highest officials of the MoF are particularly emphasized. (Karvonen, 2014)

In *Germany*, the State Secretaries are subordinated to the Civil Service Law and are the state officials for their lifetime. In such a way, the duration of work in the position does not depend on the time during which the minister is in the position. However, due to the fact that the State Secretaries are political officials, they can be dismissed at any time without special reason for it. It is justified by the fact that State Secretaries are supposed to act in line with the aims of the government (Bundesbeamtengesetz, 2015).

The duties and competence of SS are determined by Sections 17 and 23 of the State Administration Structure Law. Respectively, the SS is the head of administrative work at the ministry who is subordinated to the minister. The SS organises that the record keeping and documents handed over by the previous minister to the SS are handed over to the new minister as well as organises and is responsible for the fulfilment of the functions of the institution, manages administrative work of the ministry by ensuring its continuity, usefulness and legitimacy. In line with the regulations stipulated by regulatory enactments, the SS ensures administrative management of the ministry, development of work plan, resource planning and supervision as well as the development of the system of internal control and its supervision. It means that *the framework envisaged by the regulatory enactments, primarily determines the need of the SS for highly developed management competences*. The practice shows that frequently the SS is supposed to be aware of and to get involved in the matters related to sectoral policy and contents which are influenced by the political agenda of the specific minister.

In accordance with the job duties of the SS, the representatives of this position must have conceptual and administrative skills developed as well good professional knowledge in the sectors represented by the ministries. The views of the person interviewed differ if the SS must be an administrator or expert in the respective sector. The experts of the state administration³⁴ hold the view *“that the minister is a political appointment but the SS must ensure the process”*. *“The SS does not have to be an expert in the respective sector but a good administrator who can define goals and achieve result due to the fact that professionals operate at micro-level. If you are not within the system, it is easier to understand the matters from the conceptual perspective.”* Although politicians hold the view³⁵ that *“the SS must be a “content based person”, administration must be delegated to deputies”*. A former SS admits³⁶ that *“the functions of the SS are understood in various ways: the SS as a coordinator or SS as an expert”*.

In such a way, it can be stated that *the SS primarily must have well developed planning, administrative and coordination skills, respectively, the ability to set aims for the employees and to motivate the employees for the fulfilment of the goals; however, it is really important that the SS and the minister are able to cooperate and to move towards a result.”*

Interviewed experts point out the following competences that are important and vitally necessary for the SS:

- ability to make decisions and assume responsibility;
- developing and maintaining relations;

³⁴ Interview with state administration experts on 27 November 2014 and on 06 January 2015

³⁵ Interview with a politician, former minister on 11 December 2014

³⁶ Interview with a former state secretary on 24 November 2014

- management of the change;
- focus on result achievement;
- focus on development.

It is a topical question if the SS primarily has to be to an administrator or a leader or both of the aforementioned in one person? The values and mission of an administrator is a driving force in their work. They arise from the management style of the administrator and from the aspect *administrator vs leader*. If leader's role in state administration is underlined, the topicality of such values as focussing on result with ability to captivate and motivate colleagues (in wider meaning, including, cooperation partners) and subordinates for achieving the result. The qualities of a leader that can be also transformed as values are honesty and decency, awareness of a vision, inspiration for work, ability to challenge as well as communication. By demonstrating the aforementioned values and qualities, the administrator becomes efficient by gaining the respect and loyalty from colleagues and subordinates. The principal difference between the leader and administrator is that the leader will have employees who follow them but the administrator will have employees who work under their subordination.

The strengthening of the leadership role of the higher level administrators determines new development trends in HR management. Respectively, the HR management policy, which differs from the overall system in the civil service, is applied to higher level administrators. However, *the application of different terms and principles for HR management in the recruitment, result evaluation and development of higher level administrators is not yet an indicator for the quality of their management and for their performance*. Such a practice has already developed and is applied in a number of countries in the world, for example, in Estonia, the Netherlands as well as in Great Britain (OECD, 2009). Besides, during the following three years, it is planned to put the emphasis on developing and implementation of the process of analysis of higher level administrators in Ireland (Department of Public Expenditure and Reform, 2014).

The Concept for Human Resource Development in State Administration (hereinafter referred to as the Concept) the aim of which are professional, motivated and honest employees of the State administration determine establishing of the highest level civil service and enhancing its competence as one of directions of activity. In order to achieve the aforementioned goal, it is planned to introduce a centralized recruitment of the highest level administrators and enhancing their competency. Currently, the LSPA offers to develop and perfect leadership skills and competences for the highest level administrators in one training module "Management skills in the state administration (Development programs for administrators)". For example, within the framework of Project "Support to implementation of structural reforms in the state administration" (identification No. 1DP/1.5.1.1.1./10/IPIA/CFLA/004/002) Activity 3.3 "Enhancement of analytical capabilities in the state administration" the program for the development of competences of highest level administrators was conducted from 25 February 2015 to 17 April; it was aimed at improving the performance of the highest level administrators, enhancement of efficient working skills, and fostering of reaching short term and long term goals in the state administration by the assistance of the competence development program of administrators.

The analysis of foreign experience shows that the systems where recruitment, evaluation and development of the higher officials are performed at the same place operate successfully. For example, in *Estonia* the Government Bureau has developed *The Centre of Excellence* of the highest officials which is in charge of evaluation and development of the highest officials. The

recent study conducted by the OECD points this out as particularly successful practice/initiative in the motion towards strengthening of the government capacity for reaching the strategic aims. One of the development perspectives of the Centre of Excellence developed in Estonia is the view at the highest level administrators as the leaders with common values who devote themselves for developing their country from the overall perspective of the government (OECD, 2015b).

The head of the Centre of Excellence indicates³⁷ that they are still facing substantial challenges although the situation was much more complicated in 2005 when the centre started its operation. The challenges mentioned are the same as in Latvia: deficiency of suitable candidates, the salaries of higher level administrators in the state administration are much lower than in private sector, and difficulties to ensure efficient training. In order to minimise these problems, several initiatives were launched:

- ***The talent management program** was established in a similar way as in Latvia (in Estonian: Juhtimistalentide programm); the aim of this program is to involve young and talented employees in work for the state administration and their training so that they could take over the duties of current leading employees in the future. In 2012, 146 people applied for this program; out of them, seven candidates were selected. The length of the program is 1.5 years and all participants currently – when the program has finished – continue to work for the state administration. There has also **Newton's Program** been established; the aim of this program is to identify management potential among the officials (medium level administrators and state administration specialists) and to prepare them for work in the highest level administrative positions. In order to motivate young people to apply for work, more attractive forms of job advertisements are being sought.*

Potential candidates are invited to apply for respective positions although in this case it cannot be referred to the traditional "headhunting".

When offering training programs to leading employees, Estonia faces the problem of a "small country" when the existing trainers are too well known and up to a certain extent the target group has "got tired" of them but young trainers are not sufficiently qualified and competent. In order to involve young, high level trainers, the employees of the centre actively participate in international conferences and cooperation networks. In the meanwhile, they admit that the highest level administrators face difficulties to find time for training which is the same problem as in Latvia.

The development of the highest officials in Estonia is based on the performance evaluation of the officials. The head of the Centre of Excellence indicate³⁸ that *"The development process of the highest officials is organised step by step. The evaluation of the officials is performed on the basis of the model of competences (Top Civil Service Excellence Centre, 2015). This platform serves as the bases for defining the training needs. The task of the Centre of Excellence further is to find the most suitable training events for the needs of the specific official. Such activities are purposefully performed every year. Since the competences are defined in sufficiently detailed way, this model works comparatively efficiently.*

³⁷ Interview with the head of the Centre of Excellence for Highest Officials, Eve Limbach-Pirn, on 23 January 2015.

³⁸ Interview with the head of the Centre of Excellence for Highest Officials, Eve Limbach-Pirn, on 23 January 2015.

The offered development activities can be structured in the following way:

- *Personal development activities which foster individual perfection of the competences of the person. For example, the Centre of Excellence offers to its officials an administrative trainer or a mentor, offers a possibility to attend individually a specific training (foreign languages). The official is offered a possibility to “shade” a colleague or to participate in experience exchange at a colleague abroad.*
- *The development activities that are aimed at the development of cooperation in civil service and creation of a united management approach. They include intensive training programs, annual conferences of highest state officials, experience exchange working groups where people can speak about their experience, enhance their cooperation skills as well as establish such opportunities.*

Development activities are not mandatory due to the fact that the needs of a specific state official might differ from the needs of their colleagues. Nevertheless the highest state officials in Estonia use this opportunity in quite an active way”.

The recruitment of SS is the instrument how to ensure high quality of the SS institution. In accordance with the theoretical literature, the following *components* are essential in the recruitment of suitable candidates for the position of SS: 1) defined needs for the professional level of candidates, including competences; 2) a circle of potentially suitable candidates; 3) the process of evaluation of suitability of candidates – applicable methods and technique, the sequence of their use, assessors; 4) compilation of the obtained information about the candidate; 5) the selection of the most suitable candidate: priority criteria, the procedure of making end decision. Due to this reason, the description of the recruitment of the SS on the basis of these components is provided further.

1) Defined requirements for the level of professionalism of the candidate

The mandatory requirements to be fulfilled by the candidate of SS position are laid down in Section 7 paragraph one of the State Civil Service Law. From professional criteria, it includes the requirement to be fluent in the Latvian language and to have a higher education. When the concourse is organised, a specific list of requirements for the candidates is drawn up on the basis of the job description (Section 8 paragraph two of the State Civil Service Law). The job description of the SS, including higher education and professional experience required for fulfilling the duties of the respective position are approved by the minister (Section 20 paragraph two of the State Civil Service Law). The suitability of a candidate in relation to the requirements set out in a job description for the SS position shall be assessed, observing the criteria for examination of the SS position, which are determined by this minister upon approval of the SC (Section 9 paragraph two of the State Civil Service Law) are laid down in the job description of the SS. Starting from 01 September 2015, the order for determining requirements for the position of the SS will be prescribed by the COM (in accordance with amendments to Section 9 paragraph two prim of the State Civil Service Law dated with 29.05.2014).

In case the state official is transferred to another position, the minister has to motivate the admissibility and usefulness of the transfer of the state official (Section 37 paragraph one of the State Civil Service Law).

When listening to the opinions of experts during the interviews, it was unambiguously concluded that the SS must be the highest state official in the ministry. The SS does not have to become a

political state official: the SS must be classic official of the state civil service. “The belonging to the political parties of various ministers is the factor which impedes decision making and coordination of initiatives³⁹”.

As it was indicated earlier, there is no unanimity in the opinions of experts if the SS must be a good administrator or the specialist in the respective sector. On the one hand, **experience in administrative work**, particularly in the public sector, is emphasized: “...*Experience in local government, state owned enterprise, port and etc. would also be suitable but experience in private sector ...would be less valuable due to the fact that the work of the SS consists of organising processes, and in order to organise them, the person must be aware of these processes.*⁴⁰”; “*If the SS is the head of administration, it is not necessary to be expert in the particular sector. The knowledge about the state administration is required ... The selection criteria must be: administrative capacity, ability to coordinate processes, team, and to motivate employees.*⁴¹”.

On the other hand, the experts emphasize also the important of **knowledge about the respective sector** in the work of the SS: “*I would look at practical work experience and evaluate experience in various sectors as an advantage.*⁴²”; “*The SS must have specific knowledge about the sector because it makes the decision making easier. In the process of SS recruitment, the candidate must have knowledge about the sector, must be professional and then, in the course of work, they acquire knowledge about the system of the state administration, or just the opposite: must have understanding about state administration and to master the specifics of the respective sector later.*⁴³”.

Due to the fact that the SS position is included in the group of administrative positions, the administrative competences are primary ones. Besides these administrative competences must correspond not only to the specifics of administration of a large organisation but also to the needs of inter-sector and inter-institutional cooperation so that further interaction with the representatives of the SC was fostered. Awareness of the sector is an essential prerequisite for making efficient administrative decisions.

Advantages of the current practice:

- The minimum of the requirements determined.
- Allows a large flexibility in the formulation of job qualification for the SS in compliance with the needs of the minister which is a prerequisite for successful cooperation between the minister and the SS.
- In case of an open concourse of the candidates, the coordination of the examination criteria for the SS position offered by the minister permits to extend the quality of these criteria, i.e., to make these criteria suitable for the values and administrative culture of the civil service, including, suitable for the requirement of efficient cooperation with the requirements of the SC.

³⁹ Interview with an expert in the state administration on 19 November 2014.

⁴⁰ Interview with former SS on 24 November 2014.

⁴¹ Interview with state administration expert on 27 November 2014.

⁴² Interview with former SS on 24 November 2014.

⁴³ Interview with two experts in the state administration on 28 November 2014.

Disadvantages of the current practice:

- The requirements for education laid down in Section 7 paragraph one of the State Civil Service Law are general, i.e., there is no indication on the level of the higher education required. In accordance with Section 4 paragraph two of the Vocational Education Law, the first level professional higher education (college education) is also classified as the “higher education” although the value of qualification obtained in college substantially differs from the value of master’s degree obtained in higher educational institution.
- Due to the fact that the development and approval of the qualification requirements for the SS position is decentralized and largely depends on the view of the minister, some requirements can be adjusted for specific candidates and narrowly focussed political goals.

2) The circle of potentially suitable candidates

In accordance with Section 8 and Section 37 of the State Civil Service Law, the candidate for the SS position can be selected in an open concourse of candidates or the candidate can be selected from the circle of state officials. The current practice shows that in most cases the second option is used, namely, if the state official who selected by the minister expresses his/her consent, the state official is transferred into the position of the SS (Section 37 paragraph three of the State Civil Service Law) upon his/her approval in CoM (Section 11 paragraph three of the State Civil Service Law). Section 37 paragraph three of the State Civil Service Law envisages also that there is an evaluation made of the view of the ministry and institution from which the state official is transferred although it is *not clear how such an evaluation should be organised and what is the role of the human resource management structural unit of the ministry*. In case a concourse is organised, there is no maximum number of candidates permitted to be recommended to the minister determined; in accordance with Section 9 paragraph three of the State Civil Service Law, it could also be one candidate.

Despite the fact that the state administration experts support centralized SS selection procedure, the majority admit that it would be much more efficient to select the candidate for the SS position from the civil service: *“A traditional civil service must be applied to the SS besides there must be a possibility envisaged to keep them in reserve.”⁴⁴*; *“This person must be a career civil servant. It is very unlikely to find such a person in an open competition.”⁴⁵*; *“...it would not be right to refuse alternative possibility; it must be allowed for the SS “to grow” within the framework of the team in the same way as for the candidate for any other position”⁴⁶*; *“...Rotation would be much more logical than a new concourse ... The rotation must be planned, not accidental.”⁴⁷*. Nevertheless there is sometimes opinion expressed that it is difficult to find an employee who corresponds to the job requirements fully in the state administration therefore *“... involvement of external service would be supported also in the “initial phase” – when seeking for the candidates who are ready to apply for this position, including the candidates from the private sector and from academic circles, etc.”⁴⁸*.

⁴⁴ Interview with an expert in the state administration on 08 December 2014.

⁴⁵ Interview with an expert in the state administration on 09 December 2014.

⁴⁶ Interview with a former SS on 24 November 2014.

⁴⁷ Interview with a politician, the representative of the state administration on 20 January 2015.

⁴⁸ Interview with a former SS on 24 November 2014.

In comparison with external HR, the *internal* HR of the state administration have several priorities: they have an understanding of the system of the state administration, as well as of the style of work and cooperation which helps to adapt and make administrative decisions faster when the person is transferred to another position; the suitability of the internal candidates for the position can be determined faster therefore the decision on the appointment for the position of the SS is safer; the SS, who is selected from the circle of the civil service, easier gains respect at the ministry because this person is perceived as “one of us”.

The advantage of the candidate, who is selected from *external* labour market, might be possible talent of an administrator or a unique cross-sectoral experience within the framework of the specific area or various areas nevertheless it must be taken into account that so called “culture of hierarchy” typical to civil service (i.e., such where following the regulations, stability and control are the most essential aspects) (Bradley & Parker, 2007) might be difficult to accept for people with high professional ambitions and for the people who are used to work independently. Besides, the facts that salaries of SSs are lower than the salaries in similar positions in private sector and cooperation with the political heads and constant public attention does not motivate external professionals to apply for the vacancies of the SS.

Advantages of the current practice:

- The minister addresses the state official with whom an efficient cooperation can be established.
- Selection of the candidate from the circle of the civil servants permits to choose the person with necessary experience in state administration and in the sector who, due to this, can be better respected by the employees of the ministry rather than an external candidate.

Disadvantages of the current practice:

- The person who is politically comfortable for the minister and who focuses more on the political benefit of the decision rather than the development of the sector can be appointed as the SS.

3) The evaluation process of the candidates

In case an open concourse for candidates is organised, the suitability of the candidates to the position of the SS is regulated by Sections 9, 11 and 12 of the State Civil Service Law but in case of transferring the civil servant – Sections 11 and Article 37 (from paragraph one to paragraph three) of the State Civil Service Law. Under conditions of an open concourse of candidates, the applicable order for the examination of the suitability of the candidate for the position of the SS envisages that the candidate is evaluated by the Commission for Evaluation of Civil Servants which is established by the minister and approved by the CoM (Section 9 paragraph one of the State Civil Service Law). Starting from 01 September 2015, the order for recruitment planning and evaluation of candidates for the positions of the SS will be determined by CoM, but the recruitment will be performed by the SC (in accordance with amendments to the State Civil Service Law dated with 29.05.2014; Section 4 paragraph two part 4 and Section 9 paragraph two prim).

As it was already indicated earlier, most of the interviewed representatives of the state administration and experts support the order of centralised recruitment of the SSs: “*The order of*

centralised recruitment of SS is correct. It must be performed at one place.⁴⁹”; “... The recruitment process which is organised in a centralized way will ensure transparency ...⁵⁰”; “The reform of centralized recruitment of SS is logical because it is a step towards professional civil service with less politics involved.⁵¹”. There were some preconditions expressed under which, in the opinion of experts, centralized recruitment would be acceptable: “Centralized recruitment of SSs is an acceptable idea but the minister must be given the chance to refuse the candidate.⁵²”; “...centralized recruitment is supported if there is a data base where information is stored about good professionals whom the state administration does not want to lose and for whom it is considered that they have a perspective in the future. But in general, the centralized recruitment is under question due to the fact that there is no clarity how long the recruitment process will take.⁵³”, “... it is important that the recruitment is performed swiftly ...⁵⁴”. There is also concern that ministers could be politically influenced in the result of the centralized recruitment: “...There is also the question who controls the recruitment and if there would be political influence made on the minister.⁵⁵”.

In general, centralized recruitment of SS corresponds to the idea of establishing a united team of highest level civil service administration but it must be really transparent and objective so that it justified its importance.

Advantages of the current practice:

- A simple procedure of examination of suitability of candidates permits to make the recruitment process faster.

Disadvantages of the current practice:

- Simplicity of the recruitment process, for example, evaluation of the candidates on the basis of the description of their work and life experience and the results of job interview give overall impression about the candidate but, in the meanwhile, it gives only approximate information about the specific competences and abilities of the candidate which causes a high risk in selection of the candidate.

4) Compilation of the information obtained about the specific candidate

There is no prescribed way in which information about the candidates for the position of the SS is collected in order to assess which candidate is the most suitable. Nevertheless in case of a concourse, the evaluation commission of the candidates and civil servants is to give a recommendation to the minister upon performing the evaluation of the suitability of candidates for the position of the SS (Section 9 paragraph three of the State Civil Service Law).

Advantages of the current practice:

⁴⁹ Interview with an expert in the state administration on 14 November 2014.

⁵⁰ Interview with former SS on 24 November 2014.

⁵¹ Interview with an expert in the state administration on 08 December 2014.

⁵² Interview with a politician, a representative of state administration on 20 January 2015.

⁵³ Interview with an expert in the state administration on 28 November 2014.

⁵⁴ Interview with an expert in the state administration and human resource management on 06 January 2015.

⁵⁵ Interview with the SS on 28 November 2014.

- Recommendation in a free form is a flexible way how to justify the advantages of a specific candidate in comparison with other candidates (if any) by taking into account the professional characteristics of the candidate in whole.

Disadvantages of the current practice:

- There is a larger risk that less suitable candidate will be recommended for the position of the SS when the candidates are not compared on the basis of the importance of examination criteria, adaptation abilities of candidates, training needs and development potential.

5) The selection of the most suitable candidate

In accordance with Section 11 paragraph three of the State Civil Service Law, the candidate is appointed in the position of the SS by the minister when the candidate is approved by the CoM. In accordance with the applicable order for examination of the candidates for the position of the SS, the minister has a large influence on the recruitment process and the end result.

The representatives of the state administration and experts unilaterally hold the view that *“working with the aim to achieve the result”* is possible when there is *trustful relations, cooperation and collaboration* between the minister and the SS⁵⁶. As it was emphasized by some interviewed experts, due to this reason it is important that the minister can influence at least the end stage of the recruitment of the SS and their dismissal from the position: *“Ministers must have their hands free with regard to the exchange of state secretaries.”*⁵⁷; *“It must not be the case when the rotation of the state secretary is determined by the coalition or coalition party.”*⁵⁸; *“The Cabinet of Ministers must not influence the solution chosen by the minister with regard to the career of the State Secretary ...”*⁵⁹.

As it is admitted by experts, the SS is poorly legally protected and their leaving from the state administration is a *loss of the resource*. Due to this reason, it is recommended not to waste the experience gained by the SS in case they have to leave their position due to the fact that they cannot cooperate with a specific minister. It would be possible to create something like a reserve of heads or *“a reserve of experts”*⁶⁰ which permits to transfer the SS to institution (group) which performs the CoG functions or permits to appoint this person in rotational order in the position of the SS some period of time after leaving the position even in the case if at the given moment the respective person is not a civil servant.

Advantages of the current practice:

- The minister appoints such candidate/civil servant with whom an efficient cooperation can be established.

Disadvantages of the current practice:

- If the SS leaves work at state administration due to the fact that they cannot cooperate with the minister, it is a loss of a valuable human resource.

⁵⁶ Interview with the SS on 28 November 2014, and an expert in the state administration on 09 December 2014, and with a politician, a former minister on 11 December 2014.

⁵⁷ Interview with an expert in the state administration on 19 November 2014.

⁵⁸ Interview with an expert in the state administration on 9 December 2014.

⁵⁹ Interview with a politician, the representative of state administration on 20 January 2015.

⁶⁰ Interview with an expert in the state administration on 19 November 2014, and with SS on 28 November 2014.

The authors of this study recommend to withdraw from the system where the SSs are approved by the CoM and to give sole powers to the minister. It would also concern rotation of the SS. The cooperation between the minister and the SS is essential and there must not be a possibility for the CoM to object transferring. In some case when such a situation occurred, objections usually were made by the coalition cooperation council and the SS was not transferred. In one case, there was a notice of termination of own choice submitted, but in the other case – the civil service relations were terminated in accordance with a disciplinary proceedings. Nevertheless during the time while there were substantial disputes between the minister and State Secretary, it was not possible to ensure efficient work of the ministry.

The aforementioned proposal does not automatically envisage that the term of service of the SS is related to the term of service of the minister or that the SS were deprived of their current status. The status is determined by the scope of powers not by the procedure of approval. Both approval by the CoM and the decision made by the minister would permit the SS perform all current functions and ensure liability for their fulfilment. The proposal emphasizes the importance of cooperation between the minister and the SS. In case the opinion of other ministers was seen as the only way how to protect the SS from political influence, the current model is not the right solution. The SS as an official must be politically neutral disregarding who appoints them in their position – one politician, several politicians, or on the basis of the proposal of one politician. If the SS could not cooperate with the minister or other way round, it should not be the priority to preserve the position of the SS due to the fact that the minister implements the mandate given by the voters to the political party. In order to minimize the possibility “to reckon with” an uncomfortable SS, there could be a restriction determined by the law that transfer to a different position must not refer to a lower position than the head or deputy head of an institution, or the director of the department. If there was a reserve team of heads and experts established in the civil service, then the SS could be transferred to this team.

The result of work of the SS is characterised not only by professionalism but also by the results of their individual work as well as by the results of the institution led by them. Foreign practice shows that particular attention is paid to the evaluation of highest level administrators in EU Member States. For example, in *Ireland* it is planned to put emphasis on a consequent and single improvement of the system of evaluation of the highest level administrators: a) to introduce so called performance agreements⁶¹, b) to apply the performance evaluation process which includes the feedback of 360 degree method and which provides the assessment of achieving the goals of the institution and civil service, c) to involve professional experts in order to ensure that the evaluation process is conducted confidentially, d) to publish the goals determined every year, e) to report about the performance to the Accountability Board (Civil Service Renewal plan, 2014).

Evaluation of work performance is one of very essential performance management elements the aim of which is to determine the individual goals and objectives that are aimed at achieving the results which correspond to the goals and objectives of the institution, and to evaluate the work performance of the employee on the basis of the evaluation criteria as well as to determine the possibilities for professional growth of the employee and the needs for training and development.

⁶¹ Such agreements usually envisage the goals to be reached within the following years. These goals are usually linked with programs/plans of the government, the goals of the institution, and individual development needs.

The system of the performance evaluation of the employees of the institutions of direct administration, which was implemented in Latvia in 2013⁶², envisages that:

- at least once per each two years, the performance of the head of the institution is evaluated by an assessment commission which consists of not less than five members;
- the performance of the employee for the previous period is evaluated by analysing and assessing it on the basis of criteria of results and contribution. *The criteria of results* include goal achievement and task fulfilment as well as the fulfilment of the professional duties according to the requirements. *The criteria of contribution* include the level of compliance with the level of competence development and compliance with professional qualification;
- At least five from the following competences are evaluated for the highest level administrators:
 - establishing and maintenance of relationship;
 - motivation and development of employees;
 - team management;
 - awareness of organisational values;
 - orientation towards development;
 - orientation towards result achievement;
 - change management;
 - ability to make decisions and assume responsibility;
 - strategic vision.
 - In addition to the aforementioned, “ethics” is determined as the competence which is to be evaluated mandatory.
- In addition there can be extended (360 degree) evaluation made while performing the evaluation of the head of the institution;

Due to the fact that *NEVIS* evaluation system is new and it operates only since 2013, it is difficult to provide systemic analysis concerning the evaluation results of SSs due to the fact that such information is not available about all SSs. Nevertheless analysis of the current practice show that the 360 degree evaluation has not been used as an instrument for the evaluation of SSs. The interviewed experts⁶³ also indicated that with regard to SSs, this very important instrument does not fulfil its primary functions and is not fully used as performance management tool.

“The strengthening of the role and capacity of the centre of government includes the question concerning the goals. Who determines the goals for whom, and who supervises their achievement? It cannot be the case when the SS defines the goals for themselves. The SS must have united higher goals that are defined by the PM. Currently, the SS reports to the minister but minister does not report to anyone. Why does the SS is to be evaluated once per two years but employees once a year?”

„The Cabinet Regulation envisage 360 degree evaluation but it is not used in practice. It is not used also for the heads. In general, the Cabinet Regulation is not envisaged for the evaluation of

⁶² Cabinet Regulation No. 494 “Regulation on the assessment of work performance of the employees of direct administrative institutions of the state” of 10 July 2012, part IV

⁶³ Interview with the expert in state administration on 06 January 2015 and a representative of the institution of state administration on 28 January 2015.

heads due to the fact that it is a close system which, for example, does not provide the opportunity that the head is evaluated by cooperation partners.”

Theoretical literature depicts that one of very important issues for strengthening the CoG is cross-sectoral and cross-institutional cooperation. The experts interviewed⁶⁴ indicated determining cross-sectoral goals for several SS as one of the possibilities for strengthening such cooperation. *“If there is an intention to solve cross-sectoral and cross-institutional issues, there must be also cross-sectoral goals determined and achievement of these goals must be evaluated. In such a way, if several SS had inter-related cross-sectoral goals, the administrative team would be established.”*

4.2. Meetings of State Secretaries – a horizontal coordination instrument

Determining and evaluation cross-sectoral and cross-institutional goals might be a particularly important instrument for fostering the role and tasks determined for the CoG. Strengthening of horizontal coordination in foreign practice is mentioned as one of the ways for perfection of the management of reform implementation, improvement of performance quality and efficiency of the state administration, ensuring more qualitative services and improvement of the quality of life of the residents.

In Latvia, the MSS is one of horizontal coordination instruments. Foreign analysis shows that 17 out of 28 countries represented in EUPAN working group indicate the MSS as one of the instruments that has been used within last five years for making the horizontal cooperation stronger and more efficient. However, the frequency of these meetings differ. For example, they are called once a month in Finland; in Denmark, they are called irregularly, upon necessity. It is difficult to make the assessment of the influence of MSS in EU member states. In response to the question *“Which institutions do you coordinate with a new political initiative such as a draft regulatory enactment or a draft policy planning document so that it was handed over for discussion in the CoM in your country?”* less than a half or 10 out of 27 countries responded that the matter is to be coordinated with the MSS (Report on the CoG in EU Member States, 2015).

In Latvia the competence of MSS as well as the procedure for its preparation and organisation is strictly regulated and is performed in compliance with the terms laid down in the CoM Rules of Procedure, part VII. In accordance with Section 65 of the CoM Rules of Procedure, the MSS decides proclamation and further direction of planning documents, draft informative notifications and draft regulatory enactments. The MSS examines also draft regulatory enactments for which agreement has not been reached in the process of coordination, approves the list of projects that are revoked and are not handed over for examination in the CoM and examine issues concerning fulfilment of the tasks indicated in laws, the decisions of the Saeima, regulatory enactments and PM orders as well as other issues that are topical for state administration institutions.

The MSS is one of the stages of coordination of regulatory enactments during which the ministries of different sectors and other institutions have a possibility to get acquainted and express their opinion. In this stage, the opinion is provided not only by ministries but also by non-governmental institutions and social partners.

⁶⁴ Interview with the expert in state administration on 06 January 2015.

The interviewed state administration experts indicate that *“Our SS institution can serve as an example for other countries; I do not see the necessity to change this situation.”*⁶⁵ It can be stated that the MSS is the forum where discussions are held concerning the direction of issues and documents that are important for the development of the state as well as issues and draft regulatory enactments that have cross-sectoral character in order to achieve maximum understanding of the ministries of all sectors concerning the necessity of forwarding and development of the issues. Nevertheless the views of experts differ concerning the capabilities of the MSS to make decisions on conceptually important issues in the process of policy planning or coordination of regulatory enactments in which there are different views of various fields. The interviewed experts⁶⁶ indicate that the role of the MSS can be strengthened due to the fact that solving disputes during the processes of coordination is inefficient: the level is too low and there is incapability to hold a qualitative discussion within the framework of the highest civil service, including, conceptual discussions before the preparation of regulatory enactment.

The interviewed participant of the Meeting of State Secretaries indicate that *“currently, the MSS has proven its efficiency. It is possible to discuss these issues, there is a possibility to share experience, to make decisions swiftly as well as to solve practical issues. They follow actively and offer solutions for holding distance meetings. Thus it is an efficient tool for the communication of state secretaries, for sharing experience and, of course, for solving problems.”*

The MSS usually is called once a week (on Thursdays) at the SC. The MSS is called, its agenda is approved and the meeting is chaired by the director of the SC or the official who replaces for this position.

The director and the SS of the SC participates in the MSS with the right to vote. The following participants of the meeting have the right of advisors: head of the CSCC or the representative appointed by him/her, parliamentary secretaries, the head of PM bureau, SC officials, the representative of the Bureau of Combating and Prevention of Corruption, the representative of the state auditor, the representative of the Prosecutor General Office, the representative of the Association of Local Governments of Latvia, the representative of the Public Service Regulation Commission, the representative of the National Tri-lateral Cooperation Council, the representative of the Competition Board, ombudsman or the person authorized by him/her, the representative of Regional Planning Development Council, and the authorised representative of the implementation of non-governmental organisations and CoM cooperation memorandum, the representative of non-governmental organisations.

In order to make the work of MSS more efficient, the SC currently is working at IT solution to ensure that the development and coordination of draft regulatory enactments could be implemented from a distance in the future. It means that it would be possible to put a larger emphasis on the discussion of horizontal, contextual issues during the MSS in the future.

“The MSS should have an important role in the coordination of politics by looking at its contents rather than just a formal process of forwarding regulatory enactments.”

⁶⁵ Interview with the expert in state administration on 03 November 2014.

⁶⁶ Interviews with the expert in state administration on 14 November 2014, 08 December 2014, and 14 January 2014.

“The MSS should not have only the format of forwarding the regulatory enactments but there must be issues considered on the basis of substance which frequently is not done.”

The interviewed experts admit⁶⁷ that the SC is trying to fulfil the MSS with the function of *debates*, namely, the possibility to discuss important matters at the level of SS. However, due to the fact that only some of the participants of MSS are state secretaries but others are deputies or the directors of departments and the fact that meetings are planned very short and technical, frequently there is a case that these debates do not develop.

When the process of coordination of draft regulatory enactments from a distance using IT tools will be introduced, it can be assumed that the role of the chairperson of the MSS will potentially increase regarding definition of agenda and proactive organisation of discussions, forwarding horizontal issues that are important for the state administration and including them in the agenda of the MSS.

Foreign studies show that *the status of highest level administrators is one of the factors that determines influential capacity of SC*. It is indicated that the influential capacity of the SC does not depend so much on formal power rather than informal administrative capability. The experts in the state administration also indicate⁶⁸[1] that informal events are important for strengthening the cooperation of SS institution and work of SS team. Due to this reason, it would be important to consider the development of the MSS as informal discussion forum of SS and experts concerning forwarding important issues that for the state administration.

The information collected reveals that the MSS in Latvia can be evaluated as a horizontal coordination instrument with operational capacity which mainly ensures the process of coordination of new political initiatives, draft regulatory enactments or planning documents. It must be noted that the advantage of the MSS is the possibility for the ministries from various sectors to get acquainted and express their opinion about draft regulatory enactments due to the fact that in this period of time the opinions are provided not only by ministries but also by non-governmental organisations and social partners. Likewise a positive assessment is given to the regularity of the meetings when the SS have a possibility to meet in person and to discuss various issues. However, insufficiently efficient process of solving disputes and coordination process must be noted mainly as the disadvantage of the MSS which requires strengthening of the role of the MSS especially when discussing the initiatives prior termination of their development and submission for examination to the MSS or the CoM which averts the objections of ministries for later coordination.

Conclusions

- During the interviews opinion was expressed that the status of the SS must be preserved; the SS must be the highest civil servant in the ministry. The SS must not become a political appointment; the SS must be a traditional civil servant. However, there is a possibility to make some improvements.
- Appointment and dismissal of the SS as well as change in the career of the SS must fall in the competence of the minister. To achieve it, it is necessary to make amendments to Section 11 of the State Civil Service Law.

⁶⁷ Interview with the expert in state administration on 24 November 2014.

⁶⁸ Interview with the expert in state administration on 14 November 2014.

- The development of the highest level heads, including the SS, is one of the issues to which a particular attention is paid in the process of HR development in the State administration due to the fact that common work of State administration and its performance results depend on higher level heads, their activities and leadership potential. Several initiatives have been launched, including, implementation of centralised recruitment of SSs, training programs that are supposed to foster professional, responsive and result oriented development of the highest level administrators in the state administration.
- However, the assessment of performance and quality of SS marks several challenges:
 - there is insufficient use made of the assessment of the results of SS work performance;
 - the tool of 360 degrees is not used in the assessment of the SS;
 - the development of the SS is not based on the results of the assessment;
 - the process of result assessment does not foster setting and assessment of cross-sectoral and cross-institutional goals;
- The MSS is not recognised as an efficient horizontal coordination instrument although it is indicated that there is insufficient involvement of this forum in discussions of substance – involvement in the contents of politics, resolution of disputes concerning the issues of contents and the process of coordination is not efficient enough.
- It is noted that there is a necessity to strengthen the role of the MSS. The head of the CSCC participates in the MSS with the right of an advisor; besides there is frequently the case when only a part of the participants of the MSS are State Secretaries but others are deputies or the directors of departments.

5. Study on the possibilities to increase efficiency of the Bureau of the Prime Minister and the institutions of the Bureau of the Prime Minister in order to ensure efficient implementation of reforms

5.1. Bureau of the member of CoM (a minister); its human resources and recruitment

Article 24 of the State Administration Structure Law envisages that in order to ensure his or her activities, a member of the Cabinet may hire advisory officials and employees for the time period of his or her term of office, and establish an office. The competence of advisory officials in the institution of direct administration shall be determined by the member of the Cabinet. The office of the Minister shall be a unit of the Ministry. The office of the Prime Minister and the Deputy Prime Minister shall be a unit of the State Chancellery. There are no more detailed requirements or indications concerning the operation of these structural units prescribed in the legislation.

The role of the PM and the Bureau of the Minister is to be the messengers of political guidelines, performers of administrative control functions; they also have to be intermediators and “interpreters” between civil servants and politicians in the Saeima. Their goal is to make work of civil servants easier by ensuring the link between politicians and administrative officials⁶⁹.

The Bureau of the Minister must ensure mandatory competences, namely, “attentive” lawyer for the control of documents and powerful public relations specialist who works directly for the minister as well as at least two advisors of the sector. In addition to the aforementioned, there must be a parliamentary secretary and the head of the Bureau of the Minister. The head of the Bureau of Minister must have good contacts, understanding about the process of political planning, good intuition, basic knowledge about the state administration; this person can also be a civil servant⁷⁰. In many cases, the recruitment for the bureaus of the members of the CoM is made on purely political basis which does not ensure professionalism as well as the link between civil servants and politicians⁷¹. The model of the German chancellor Kohl, which is indicated further, depicts that politicisation of the Centre of Government makes work of the CoG inefficient from professional aspect which consequently leads to the situation when work of the government is inefficient.

The composition of the Bureau of the Minister usually depends largely on political views of the minister and weaknesses of the ministry. If the minister is strong, there is no need for a powerful Bureau of the Minister with a large number of advisors. Accumulation of information, processing function and listening to various people is particularly important for the Bureau of the Minister. The function of control of administrative officials is important. There is usually one person to whom the minister trusts in the bureau and this person fulfils the most important tasks. Up to a certain extent, each bureau is autonomous⁷².

⁶⁹ Interview with R. Bērziņš on 19 November 2014, J. Pleps and L. Muciņš on 08 December 2014.

⁷⁰ Interview with I. Austere on 10 December 2014.

⁷¹ Interview with A. Grīnberga on 13 November 2014.

⁷² Interview with I. Druvieta on 09 December 2014.

The bureau of the member of the CoM together with the SS determine the performance capability of the politician. Recruitment of the employees for the bureau of the member of the CoM must be performed on the basis of competences, not belonging to a political party. There must be an advisor and such consultant in the sector who has “historic memory” in the respective area⁷³.

There is often case when the Bureau of the Minister does not hand over the information about the decisions made in the Coalition Cooperation Council to the State Secretary or other civil servants although the priority must be given to this task – to provide information about the political activities that influence work of administrative official⁷⁴.

Involvement of *contract advisors* for providing a specific expertise is considered as a good solution. However, this possibility must not be used “*in order to improve the possibilities of an employee who lacks liquidity in labour market*”⁷⁵. Contract advisors in the bureau are useful because they frequently work without remuneration or receive minimum remuneration and the motif why they share their knowledge is idealism, or the aim to obtain additional contacts and influence as well as access to information. It is mutually beneficial solution which usually helps to save state budget resources and involve an expert who does not want to be permanently employed for one specific politician⁷⁶. Although Article 25, paragraph 4 of the State Administration Structure Law envisage such a possibility, in practice, this regulation is applied together with other terms of the State Administration Structure Law; the draft State Administration Structure Law no more envisages the possibility that a civil servant might be temporary transferred to work for the bureau of the member of the CoM because “neutrality is not preserved” in such a way⁷⁷.

Nevertheless *temporary rotation* of civil servants in the bureaus of the ministers is absolutely important, for example, by using the experience of the Ministry of Foreign Affairs concerning advisors in foreign affairs - politicians⁷⁸. There must be such a possibility because consultation of the members of the CoM is not and cannot be the prerogative of politically selected persons⁷⁹. Temporary transfer of officials to work for the Bureau of the Minister widens the view of the civil servant and permits the minister to obtain a qualified specialist in the team. Work for the Bureau of the Minister does not mean belonging to a political party. Therefore, it would be logical to create the same system as in Great Britain that the Bureau of the Minister employs two types of consultative officials: political and administrative. Preparation of analytical information if the function of state administration which ensures succession⁸⁰.

Thus it is recommended to define competences that are to be taken into account when making recruitment of the human resources of the Bureau of the member of CoM as well as by indicating that there can be both political and administrative officials in the bureau.

⁷³ Interview with I. Viņķele on 11 December 2014.

⁷⁴ Interview with M. Lazdovskis on 28 November 2014.

⁷⁵ Interview with I. Viņķele on 11 December 2014.

⁷⁶ Interview with I. Austere on 10 December 2014.

⁷⁷ Interview with E. Upīte on 27 November 2014.

⁷⁸ Interview with I. Viņķele on 11 December 2014.

⁷⁹ Interview with L. Straujuma on 20 January 2015.

⁸⁰ Interview with G. Veismanis on 14 November 2014.

5.2. Bureau of the PM

All aforementioned conclusions are attributable to the Bureau of the PM; in addition, it must be indicated that this bureau is the most important institution of the Centre of Government which has to ensure that the PM receives all necessary analytical support; it must be able to assess the agenda of the meeting of the CoM and other topical issue; it has to obtain information directly from ministries and other institutions and supervise work of other ministers in order to submit proposals to the PM.

In case the position of the minister is vacant and it is replaced by another minister for a long time, it is often the case that such a replacement is merely formal and unproductive. In case of a long term replacement, when the position of a minister is vacant, the legal status of the Bureau of the Minister is uncertain and its work efficiency is low in the result of it. There must be a possibility to establish a permanent bureau for a vacant position⁸¹.

5.3. Parliamentary secretary and the parliamentary secretary of the PM

Article 22 of the State Administration Structure Law envisages that the Parliamentary Secretary shall ensure the link between the member of the Cabinet and the *Saeima*; the Parliamentary Secretary can issue orders to state administrative officials and perform other tasks in accordance with the prescribed order. Article 24 of the Cabinet of Ministers Structure Law does not envisage appointment of the parliamentary secretary as mandatory. In case a member of the CoM wants that there is such a position, the parliamentary secretary is selected from the members of the Saeima or from the officials of their bureau.

The institute of the parliamentary secretary is really important provided that it is used actively and meaningfully. There is often the case when it is unused possibility with a real work and powers to one more political official in the ministry⁸². Currently, there is no single practice of parliamentary secretary; there are several ways of usage for this position: supervision, subsidized job for a member of the political party or a real and active work. The parliamentary secretary from another political party is unproductive⁸³.

The parliamentary secretary must have another status. As a minimum, they must be appointed by the PM or CoM or as maximum (if the minister wants it) approved by the Saeima (but in such a case it is difficult to combine this position with the position of the member of the Saeima and in such a case the position of the parliamentary secretaries would not be taken by the members of the Saeima) which would permit to ensure successful replacement for the minister during their absence or on the basis of the task assigned by the minister⁸⁴. It would also solve the issue in relation to the absence of ministers in the result of which decision making is encumbered in the CoM.

The parliamentary secretary of the PM is unused possibility in the State Administration Structure of Latvia; other tasks are usually entrusted to the person in this position rather than the tasks that would suit to this position the best. The parliamentary secretary of the PM would ensure the representation of the government position in the government, especially in the cases when draft

⁸¹ Interview with I. Austere on 10 December 2014.

⁸² Interview with R. Bērziņš on 19 November 2014.

⁸³ Interview with I. Viņķele on 11 December 2014.

⁸⁴ Interview with R. Bērziņš on 19 November 2014, J. Pleps and L. Muciņa on 08 December 2014.

legislation submitted by the minister to the CoM is substantially amended and due to this reason the minister is no more interested to represent the common opinion of the government in the parliament. The parliamentary secretary of the PM would also have to coordinate the initiatives of ministers when draft legislation has been supported by the CoM and has been transferred to the Saeima⁸⁵. Currently, it is not done, for example, in comparison with work usually performed in the Parliament by the legislative advisors of the state president.

There should not be the requirement determined for the PM to have a specific higher education but the requirement for experience in legislative work in the State administration. ***The parliamentary secretary from another political party cannot ensure the representation of the interests of the PM in the Saeima in an objective way.*** Organising of the meetings of parliamentary secretaries would be a good practice if all parliamentary secretaries made and discussed the proposals during these meetings that are submitted by the ministries for the second and third reading. It is often the case when these proposals exceed the initial scope of draft legislation submitted by the CoM. Within the framework of the CoG, it is the task of the parliamentary secretary to ensure the control over the implementation of the decisions made by the Coalition Cooperation Council and the representation of the position of the CoM and PM in the Saeima which until this moment was performed when the parliamentary secretary of the PM was Jānis Bordāns in the government led by Valdis Dombrovskis.

Conclusions

- When the recruitment for the bureaus of the members of the CoM is made on political basis it is often the case it does not ensure professionalism and the link between the civil service and politicians.
- One of the tasks of the Bureau of the Minister is to provide information about political activities influencing work of the officials of the State administration.
- There should be a possibility for temporary rotation for the officials of the Bureaus of Ministers in order widen the horizon of the official and allow ministers obtaining qualified specialists in their team. Alternatively there should be a possibility to appoint permanently for work at the Bureau of the Minister a competent administrative official who does not work at the Bureau of the Minister as an advisor.
- It is necessary to define competences that must be taken into account when recruiting the human resource of the Bureaus of the members of CoM (for example, understanding about the development planning or experience in State administration). There can be both political and administrative officials in the Bureau, the scope of responsibility should be defined (for example, legal or communicative).
- It is recommended to choose whether to approve the parliamentary secretary in the Saeima that would allow this person obtaining the status of the associate of the minister and the right to replace the minister fully. This would ensure improvement of the decision making process in the CoM especially in cases when the minister is replaced.

⁸⁵ Interview with R. Bērziņš on 19 November 2014, M. Lazdovskis on 28 November 2014.

- In Latvia's State administration structure the parliamentary secretary of the PM is not used to coordinate the initiatives of the ministers when draft legislation, which is supported by the CoM, is handed over to the Saeima, and to represent the opinion of the CoM.
- The meeting of the parliamentary secretaries would have to follow the activity of ministries in the Saeima during the second and third reading of draft legislation since the proposals of ministries often exceed the initial scope of a legislative project submitted by the CoM.

6. The role and place of the Coalition Council in the Center of Government

In order to promote cooperation and harmonization of the most important decisions between the Government-forming parties a special format usually is created. In Latvia it is often defined as the **Coalition Cooperation Council**. It is not a public institution, but an informal discussion place for political parties to get prepared for formal decision-making, to reduce mutual public disputes and discuss the most important issues in a closed format. Presence of such format is typical for other countries too, which will be discussed below in the text. That in itself is not contrary to the Republic of Latvia Satversme (Pleps, Pastars, & Plakane 2014, p. 218), however, it is not acceptable that the members of Parliament are given binding tasks, in such a format⁸⁶. Such discretion could be wider for coordination of CoM activities, and it could be used as an opportunity to learn ahead about parties' attitudes towards any political initiatives, its positive momentum⁸⁷.

Although the role of the Coalition Cooperation Council is consultations and *coordination of activities*, the crafty politicians often make out of it a format through which it is possible to quickly push a new issue, thus creating unnecessary urgency, including the issues for the Cabinet of Ministers meeting taking place the next day⁸⁸.

In the Coalition Cooperation Council meetings not only politicians, but also senior officials are normally involved, which are reasoning their opinions successfully⁸⁹. However, this practice is being considered controversial because politicians themselves should be able to justify their opinions in front of their counterparts - policymakers⁹⁰. The Coalition Cooperation Council should have nothing to do with officials, this is the place where politicians agree or disagree⁹¹. Coalition working group politicians offer much less themselves but act more as referees between officials⁹².

In the situation when politicians often lack competences themselves, participation of officials gives more professional contribution to the discussion⁹³. Practice in other EU countries basically confirms that officials usually do not participate in the regular meetings of ruling coalition with the exception of Hungary, Greece, Romania and Croatia (Conducted by researches EUPAN survey).

The role of the Coalition Cooperation Council has significantly increased due to the fact that the CoM meets in public, which does not comply with the European practice⁹⁴. Range of participants in the Coalition Council differs from the CoM composition. This means that the

⁸⁶ Interview with J. Plēpis and L. Muciņū on december 8, 2014

⁸⁷ Interview with M. Lazdovskis on November 28, 2014

⁸⁸ Interview with L. Straujuma on January 20, 2015

⁸⁹ Interview with I. Bite on December 2, 2014

⁹⁰ Interview with A. Antonovs on November 22, 2014

⁹¹ Interview with G. Veismane on November 14, 2014

⁹² Interview with M. Kučinskis on December 8, 2014

⁹³ Interview with I. Viņķele on December 11, 2014

⁹⁴ Interview with B. Pētersone on November 3, 2014, L. Straujuma on January 20, 2015

ministers as a team are not given regular opportunities to communicate informally. In turn, all ministers never take part in the Coalition Council⁹⁵.

Consequently, to eliminate adoption of unbalanced decisions, in Latvia's circumstances, it would be advisable for officials to participate in the Coalition Cooperation Council as rarely as possible, only regarding some narrow issues, and it would apply to senior officials such as SS. The common informal ministerial meetings should be held regularly.

The work of the Coalition Cooperation Council is recorded in minutes. The minutes are signed by the representatives of the parties. This has been introduced and used to ensure that the parties fulfill promises made in the Council meetings⁹⁶. These minutes are stored and managed by the PM Office. In practice, they are used to ensure progress of regulatory decisions⁹⁷. In other EU member countries the Coalition meeting minutes are prepared, however, this is more an exception, for example in Bulgaria, Croatia, Greece, the Netherlands and Ireland (Conducted by researcher EUPAN survey).

Officials should not be recipients of such minutes, because they contain political arrangements, which may not be binding for the "outside". The text of such minutes should not contain direct administrative instructions. *There has to be an official in the State administration who coordinates further fulfillment of parties' agreement on the basis of the minutes signed.* This could be the Head of CoG (for example, Head of PM Office), who would transfer information directly (letter, electronic mail, phone call) or by means of PM's and ministers' resolutions. Implementation of such arrangements which require involvement of the executive power and the parliament could be coordinated by the PM Parliamentary Secretary - an official with high enough status and powers, including submission of draft legislative proposals. For example, in *Lithuania* the links between the CoG and coalition is ensured by the Prime Minister' politically appointed official. In countries where the coalition meetings are attended by all ministers, they also transmit information to the ministries.

Other countries' practice in general shows that regular formal meetings of the ruling coalition take place in various formats (eg, Greece, Bulgaria, Hungary, Portugal, Romania, Slovenia, Croatia, Austria). In some of these countries senior officials or at least the Head of Government Secretariate (SC) take part in relevant meetings (Conducted by researches EUPAN survey). Necessity of such formal meetings is apparent for coalition governments, including the aim to make the work of the CoG more efficient and to achieve better coordination (OECD, 2004, p. 9). There are countries in which this type of coordination is conducted through one of the Government committees (such as Denmark) (SIGMA, 1998, p. 37). For example, *in Germany* the coalition council is meant to coordinate work between the coalition partners in the government and parliament. Depending on the agreement, the council meetings are convened on a regular basis, or as needed. Council members are usually the government, fractions and government forming parties' representatives. The SS do not take part in the Coalition council meetings, council meetings are not recorded. Chancellor office does not communicate council conclusions to the responsible ministers. If agenda of the council concerns a ministry, usually they themselves can participate in the meetings of the council; the Coalition council decisions can be re-approved by the CoM (Rudzio, 2008, S. 11 f., Kropp, 2003, S. 23-31). Over time, the

⁹⁵ Interview with I. Druviete on December 9, 2014

⁹⁶ Interview with I. Bite on December 2, 2014

⁹⁷ Interview with I. Viņķele on December 11, 2014

council has evolved into, to some extent, informal decision-making organ with a broad competence (Schreckenberger, 1994, S. 334);

Coalition agreements are political and not legal acts, and therefore their conclusion and execution do not take place on the basis of law. Failure to execute them does not lead to legal consequences. Coalition Council decides issues related to the fulfillment of the government declaration. However, decisions of the Council can be implemented only if they are supported by all government forming fractions, or at least the majority of them (Lēber, & Bišers, 1998, 57-58. P.). Coalition agreement⁹⁸, for example, is the main operating framework of the *German* Chancellor. It is sufficiently detailed and contains national policies and tasks. The agreement does not contain general wishes that the country has to develop, but rather determines the tasks to be performed up to such detail, as the optimal number of soldiers in military service for effective national defense, or to create a single public administration website in which persons can find information about the national government and use at least 100 different e-government services given today's information technology development, or how to combine in the judicial system the reimbursement claims for unlawful actions permitted by the State that are currently divided into two judicial branches. The before mentioned content of the agreement, in authors' view, indicates that the very coalition agreement (let alone Chancellor's further guidelines and other tools) is a real tool for the CoG activities.

Similarly, German researchers indicate that the initial policy development planning stage is also essential for the single policy-making process, namely, creation of the National Development Plan, where the branch ministries develop initial strategic vision in line with their competences. This is further assessed and harmonized by the MSS or "Green Office" with additional involvement of an interministerial working group, formed by the Heads of ministries departments. In this way reasonable and efficient cross-sectoral conflict management is achieved, because these structures serve as a place for qualitative discussion of problem issues. An essential role in the drafting process of the National Development Plan belongs to the Chancellor's authority (in case of Latvia – the CSCC) because it bears the ultimate responsibility for the strategy and its development process. Thus, the German researchers emphasize that the actual and real, unified and integrated CoG policy begins already with the drafting of the National Development Plan (Bornemann, 2011, S.166, 167).

In Latvia these functions in drafting of the National Development Plan are performed by CSCC.

Conclusions

- In Latvia the Coalition Cooperation Council has been established in order to promote cooperation and harmonization of the most important decisions between the Government-forming parties. It is an informal discussion place for the political parties to get prepared for formal decision-making, to reduce mutual public disputes and discuss the most important issues in a closed format.

⁹⁸Deutschlands Zukunft gestalten. Koalitionsvertrag zwischen CDU, CSU und SPD. Available: http://www.bundesregierung.de/Content/DE/_Anlagen/2013/2013-12-17-koalitionsvertrag.pdf;jsessionid=F0FAE812B05A821E61041450FE40230B.s2t2?__blob=publicationFile&v=2.

- Coalition Cooperation Council is often used as a format for agile politicians to quickly push a new issue, thus creating unnecessary urgency, including the issues for the Cabinet of Ministers meeting taking place the next day.
- In Latvia it would be advisable for officials to participate in the Coalition Cooperation Council as rarely as possible, only regarding some narrow issues. It should also apply to senior officials such as SS. The joint informal ministerial meetings should be held regularly.
- Foreign practices show that coalition agreements are an effective tool for the CoG activities.

7. Legal assessment and recommendations for more effective use of instruments in the Center of Government

The main CoG instruments are process of giving of opinions, various coordination measures, provision of information, databases, professional network maintenance, methodical materials⁹⁹. Details and degree of use of current horizontal policy instruments and their legal justification are described in Annex 1. Horizontal policy coordination instruments can be divided into strategic instruments (policy implementation plans, institutional operational strategies, impact assessments, policy guidelines, databases, methodological aids, etc.) and institutional structures (interagency councils, MSS, collegial authorities, etc.).

Although one of the conclusions that emerged from the evaluation matrix of the Latvia's CoG development stages (see. Annex 1) was the finding that the communication functions of the CoG is already in an optimized stage from the point of view of its legal aspect, during the interviews the authors found confirmation that *there is lack of informal communication* among the SS and between ministries¹⁰⁰. The format for discussing and deciding regarding the relevant public administration issues without involvement of political level is not sufficiently developed.

Circulation of legislative acts historically dominated in the MSS. However, the regulatory level permits and is possible in practice to put emphasis on substantive discussions and reached conclusions, which later could be used for coordination of actions.

The role of the MSS could be strengthened because the dispute resolution during the harmonization processes is inefficient. This instrument within the framework of senior officials does not have sufficient capacity to discuss the disputable issues in a qualitative and timely manner, including conceptual issues before preparation of legislative act¹⁰¹. *The MSS should not be limited to circulation of legislative acts, but should also discuss issues of substance, which is not done often*¹⁰².

The authors believe that *after establishment of the MSS it is no longer relevant to discuss renewal of several CoM committees* in such format as they existed before 2002, i.e., with the same competence that is being carried out by one CoM committee now. This approach strengthens the role of the PM¹⁰³.

At the same time, the authors would like to draw attention to the solution **on collegial authority of CoM members** once offered to the Saeima by the CoM and prepared by the State Chancellery. During the 9th Saeima it has not been evaluated in detail and was excluded from the draft law on CoM structure. In these institutions other persons than ministers should not take part. Their purpose is to decide only some issues concerning ministers. They are not advisory

⁹⁹ Interview with B. Pētersone on November 3, 2014.

¹⁰⁰ Interview with G. Veismane on November 14, 2014, I. Druviete December 9, 2014, J.Plepis and L.Muciņš on December 8, 2014.

¹⁰¹ Interview with M. Kučinskis on December 8, 2014

¹⁰² Interview with P. Vilks on January 14, 2015

¹⁰³ Interview with G. Veismane November 14, 2014, J.Plepis and L.Muciņš on December 08, 2014.

bodies but rather decision making, which take the final decision, rather than being a prephase before the CoM meetings.

Approved by the CoM Order No. 344 of May 16, 2006 the Concept on the CoM Law defined that the law should determine the status and purpose of establishment for the *collegial bodies* created by the CoM. The collegial bodies of the CoM should be established as consultative bodies for cross-sectoral issues. Such collegial bodies should not aim at the prior examination of CoM meeting agenda or compulsory circulation of legislative acts, but provide independent expertise, such as coordinating policy planning and implementation in one or more areas. Of course, it should be taken into account that such institutions with an independent administrative jurisdiction are possible, but their competence is limited, because they certainly can not take binding decisions outside public administration, e.g., issue of external laws and regulations.

Compared to the present advisory bodies which are set up on basis of the Article 13, the State Administration Structure Law, *wider powers could be delegated to the collegial authorities of the CoM members, which would be not purely advisory*. The CoM is the only constitutional body, which is allowed to carry out delegation of its functions further - to public administration, with the exception of issue external laws and normative acts (KTK 31.05.2011. opinion www.president.lv).

As mentioned above, the strengthening of the MSS competence, expanding it in the CoM Rules of Procedure and improvement of practice, is one of the daily horizontal co-operation tools. During the MSS the SS directly, instead of the parliamentary secretary (because exactly ministries officials are the ones who prepare bills) should inform of the proposals submitted by the ministries to the Saeima on draft bill supported by the CoM. The task would be not so much provision of information, because the ministries can also obtain it by other means, but *obligation* to inform personally that the ministry nevertheless complemented its own or other ministries' developed draft bill, together with motivation. This could reduce such cases and assist the SS discuss the issue because often the dispute between the ministries moves to Saeima, which in turn asks the CoM opinion. This is not a sign of effective cooperation.

Also the MSS CoM Rules of Procedure should define competence to discuss implementation differences of good governance principles in ministries and decide on the best solution, including recommended uniform interpretation of a controversial law in all ministries, such as officials evaluation, remuneration.

The PM and ministerial cooperation is not always sufficient. This largely depends on the PM's personality and work style. As tradition should be introduced **regular ministerial reports** within the PM presence that already existed during some former PM terms¹⁰⁴ . Introduction of such tradition or even its inclusion to the regulatory framework is essential also for reason that the CoM Declaration on the intended activities often does not include all agenda, and ministers promote issues, which are not usually discussed with the PM¹⁰⁵ . Nor there are clear instruments how to organize the work of the state administration, if there were fundamental changes after signature of the Declaration priorities, or if a policy implemented by a minister is inconsistent with the policies adopted by the government, but politically it is not logical to remove this ministers from the office (friendly and more effective solution are required, not just threats). The PM Laimdota Straujuma acknowledged in the interview that the PM is and should be able to

¹⁰⁴ Interview with I. Viņķele on December 11, 2014

¹⁰⁵ Interview with A. Grīnberga on November 13, 2014, M. Kučinskis on December 8, 2014

influence the individual ministers' priorities, for example this can be done by giving the task with *resolution* or by calling a minister to *talks*¹⁰⁶. If the minister has not fulfilled his task, the PM may decide on his removal from office. If the expert group's, set up by the President, recommendations are supported, the PM could appoint a new minister without Saeima vote, on basis of the President's order.

Therefore, in addition to the possibilities for the PM to require meetings with each minister to discuss and evaluate his/her priorities at least on a quarterly basis as per the CoM Rules of Procedure, the authors of the study would like to offer one more tool that can be observed *in Germany*, namely the PM's **political guidelines**. Although it is somewhat similar to the PM's resolution, such significant issue as PM's rights to influence ministers' work priorities should be established by law, not only by the CoM Rules of Procedure. It should concern the development planning system in parallel to the legal framework regarding the binding force of the Declaration. Such political guidelines should not interfere with the functions of the ministries' administrative head.

The competence of the PM's policy guidelines is described in more detail in the Annex (see. Germany). Further information is provided in order to outline briefly the content and issuance process.

PM policy guidelines

Chancellor shall establish internal and external policies guidelines and bears responsibility for them (the so-called *guideline competence or chancellor principle*). The issuance of guidelines ensures chancellor's rights to decide on critical decisions for the state policy, which usually form the real framework for ministers' actions. Colloquially this competence is described as: *Chancellor issues guidelines, but does not implement them himself*. Within this framework, each federal minister independently (and with own responsibility) runs his own sector (*departmental principle*). In case of difference in ministers' opinions the decision is made by the cabinet as a collegial body (*cabinet or the principle of collegiality*) (Schmidt, 2014, S.214).

Competence of the guidelines may often come into conflict with the departmental principle, namely, there is a question how far the chancellor is entitled to identify specific issues as "a boss" and how far the chancellor can give the ministers clear instructions.

For example, as the German education system can not provide the economy with the necessary number of IT specialists, the cabinet adopts a program to attract foreign IT specialists on a fixed term and work permit basis (the so-called "*green card*" model). This program is implemented by the Minister of Economy. Whereas, according to the chancellor's view, the industry minister introduces this program unprofessionally and ignores the chancellor's proposals, the chancellor, with reference to his guidelines competence, orders the minister to establish a "green card" section in the Ministry of Economy.

In order to assess whether there has been interference with the minister's of economy competence by the chancellor, the constitutional framework which determines issuance of policy guidelines by the chancellor must be taken into account. From the constitution it can not be clearly deduced, what is meant by "guidelines". However, here we talk about radical, key national political governance decisions, which usually mean "frame decisions" for ministers, in

¹⁰⁶ Interview with L. Straujuma on January 20, 2015

other words, they are *programmatic directives*. The guidelines do not imply decisions for specific cases (orders, institutional decisions).

On the other hand, according to the constitution the chancellor is responsible to parliament for all work of the government, therefore the chancellor should also be able to some extent affect the government's work. That means that the chancellor, depending on the circumstances, if the pressing need so requires, should be able to issue decisions on specific matters. Such decisions respectively intervene with the ministers' competence and thus the departmental principle is offended. In order to ensure balance between the chancellor's guidelines principle and departmental principle such decisions on specific matters should be limited to the essential government or national issues. Decision whether a particular case is a serious national issue, is the chancellor's action or decision-making freedom.

It is concluded that the chancellor issues general policy guidelines. Within these guidelines each minister runs his own sector. That is expressed in such a way that the chancellor must leave an action field for the sectoral ministers, which they have to complete on their own. Thus, one can speak of a certain core which the chancellor can not touch.

In the example of the establishment of the green card department, the chancellor with his order has intervened so far the minister's competence, that the minister has no other choice as to implement the chancellor's guidelines. Hence, the minister's own responsibility has been reduced to zero. Therefore, the chancellor's order in this specific case has violated the competence of the chancellor's guidelines, thus is unlawful.

From the above the reverse conclusion can be made that the sectoral minister by his actions and decisions can not violate the framework of the chancellor's guidelines.

In practice, the conflict between all three of the above principles (chancellor, departments and cabinet), is addressed by the principle of *hierarchy*, namely chancellor policy guidelines take precedence over the decisions of the cabinet and the departments (ministries). Decisions of the ministers with granted special powers (german - *Minister mit der Sonderrecht*) take precedence over the cabinet and other ministers decisions. In turn, the cabinet decisions take precedence over sectoral ministers (german. - *Fachminister*) decisions (Schmidt, 2014, S.218). For example, if such issues are addressed, which affect a number of sectors, as for example questions of general economic interest, and the government decides differently than the industry minister, then the government's decision takes precedence over the sectoral ministerial decision on the matter in question, and the government decision is binding for the industry minister.

So the laws envisage the possibility for the PM to issue policy guidelines to the minister in specific areas of responsibility of the minister in order to specify or determine work priorities and directions.

*Regarding issues under the competence of the CoG there should be possibility for the CoG institution to provide **suspensory right of veto** on issues discussed by the CoM, namely, to request to postpone the matter for at least the next government meeting, if the subject requires more detailed research. This would reduce the hasty and uninformed decisions and enable further consultations, if these were not sufficient. Such possibility for the institutions of the CoG is provided in several countries, including Estonia, Italy, the Netherlands, Norway (EUPAN survey conducted within the research).*

In addition it should be pointed out that in practice introduction of chancellor's guidelines is monitored by the chancellor's authority (in case of Latvia – the SC), which is determined by the Rules of Procedure (König, 2011, S.64). To assess whether the chancellor's guidelines are implemented according to their content, the SC employees have to determine their content from variety of information sources: coalition agreements, government declarations, chancellor speeches, orders, precedents, etc.

Thus, if the PM's political guidelines were accepted as a policy control tool in Latvia, it would be necessary to strengthen the SC's capacity to coordinate and monitor implementation of policy guidelines in line ministries.

Ministerial regulations

Introduction of **ministerial regulations** should be considered as an effective CoG political governance tool.

During discussion of the interim results of this study it was concluded that the report has to be supplemented with an assessment of the possibility of issuance of minister's regulations. Since now it is evaluated by the Ministry of Justice and is not the subject of the research, this report will provide insight into possible solutions that could be used in finding solutions.

For efficient operation of the CoM it is necessary to relieve it of the tasks that could be legally performed at a lower level. Formal governmental approval without debate on the submitted draft legislation essentially means that the actual decision has been taken, but the government only formalizes it. However, the CoM and CoG institutions should focus on policy matters to be discussed rather than formal legislative progress in the government. Therefore possibility should be assessed to envisage a legal framework for delegation of issues, which do not require government political decision, to the members of the government, namely, ministers themselves.

Article 1 of Satversme provides: "Latvia is an independent democratic Republic", and Article 64 of Satversme provides: "The legislative power belongs to the Saeima, as well as people, according to procedure and extent provided in this Satversme ". The Satversme Court in its practice has recognized that Article 64 of the Satversme can not be considered in isolation from the Article 1 of Satversme (*see. Satversme Court October 1, 1999, case no. 03-05 (99) concluding part article 1*).

Satversme Court has held that the requirement that the legislator himself solves all issues by way of legislative procedure, has become difficult to implement in the complicated conditions of modern society life (..) In order to ensure a more efficient exercise of public authority it is permitted to deviate from the requirement that the legislator has to solve all questions completely by itself. This efficiency is achieved when the legislator in the legislative process decides the major issues, but more detailed development of the law is delegated to the CoM or other state institutions (*see. Satversme Court judgment in case No. 2007-04-03 art. 15 of October 9, 2007*).

Duty of the legislator to resolve the most important issues of public life results from the theory of relevance that is contained in the Article 1 of Satversme, which in turn follows from the principle of separation of powers and the fact that the parliament has a higher degree of democratic political legitimacy than the government in parliamentary democracy (*see.: Opinion of the Commission on Constitutional Law "On the constitutionality of the possible minister regulations." May 31, 2011. Published in: the President Constitutional Law Committee. Opinions: 2008-2011. Riga: Latvijas Vēstnesis, 2011, paragraph 30*).

The Ministry of Justice further stated that every citizen, including those who are not familiar with the case-law and do not know how to carry out complex legal interpretation of certain provisions of Satversme has the right to find out from the written text of Satversme what is the system of state institutions and what national authorities may issue generally binding legislation. (*see. Ministry of Justice an informative report of January 11, 2011 on the right to issue external regulatory enactments, page 21. Available: www.tm.gov.lv*).

The CoM or other institution may be asked to develop regulatory framework necessary for implementation of law, however, such normative acts may not contain provisions which are not regarded as aids for implementation of norms of law (*see. Satversme Court judgment in case No. 2007-04-03 art. 14 of October 9, 2007*).

The President's Constitutional Law Commission has recognized that in a democratic and law-based state a public body is authorized to pass external normative legislation only if it is part of the democratic legitimization chain which connects it to the will of the sovereign power carrier - the people. Such requirement is deduced from the nature of a democratic state in which citizens must be able to influence legislation or general political program. (*see.: Constitutional law commission opinion "On the constitutionality of the possible minister regulations." May 31, 2011. Published in: the President Constitutional law committee. Opinions: 2008-2011. Riga: Latvijas Vēstnesis, 2011, paragraph 6, 8 and 10*)

But it is not the only requirement that must be met in a democratic and the rule of law state in order for anyone to be entitled to issue external regulatory enactments. The rights to issue external normative acts must be *expressis verbis* provided for in Satversme or, exceptionally, it must be allowed, Satversme tacit, for example, accepting constitutional tradition, as it is with the CoM rights to issue sub-law rules that further specify the law in such a way that it can be put into practice (*see.: Opinion of the Commission on constitutional law "On the constitutionality of the possible minister regulations". May 31, 2011. Published in: the President Constitutional law committee. Opinions: 2008-2011. Riga: Latvijas Vēstnesis, 2011, paragraph 40, 45*).

The Ministry of Justice has concluded that the procedure of issuing regulations by the ministers would speed up and facilitate process of creation of normative acts within the competence of each minister, reducing the administrative burden of creation of normative acts on the CoM, but not reducing the volume of regulatory framework and not ensuring its quality (*see.: Informative report "Proposals for reduction of external normative acts amendments number and volume" approved by the CoM on August 26, 2014*).

The Ministry of Justice has concluded: the CoM is indirectly already legitimated, then each individual minister is indirectly legitimated too. Moreover, in most of the European countries there is such type of an external normative act, that may be issued by the minister. For example, in Lithuania, Estonia and the Czech Republic the minister has the right to issue external normative acts (*see: informative report "On the subjects who have the right to issue external normative acts" approved by the Cabinet fo Ministers at its meeting of June 21, 2011 for further consideration in the meeting*).

Both the Constitutional Law Commission established by the President and the Ministry of Justice has recognized that the minister could in principle issue external normative acts, because it is politically legitimated. However, the greatest doubts for both institutions created another fact, namely, that they are not provided for in the formal Constitution or may not be derived from the substantive understanding of the Constitution.

These doubts can not be accepted for several reasons. First, during the inter-war period, the ministers issued external normative acts - instructions. Consequently, during that period they were not considered contrary to the provisions of Satversme. Second, the Supreme Court has held that within the autonomous competence of authorities defined in law, they are entitled to issue external normative acts which could serve as basis for imposition of administrative penalty (*see. Supreme Court Administrative Cases Department, Case No. SKA - 40/2006 of February 14, 2006*). It is also defined in the law, although it is unlikely that it could be inferred from substantive understanding of Satversme. Third, to argue that the municipal, autonomous bodies and the CoM may issue regulations, although Satversme doesn't say anything about it, but yet it is an appropriate action, but the Minister's regulations - no, is an evidence of prejudiced attitudes. In other words, utility is being evaluated, but this is replaced with legal arguments.

The authors of the report agree with the Ministry of Justice concerns expressed in both the above reports that utility benefits and risks should be carefully considered, but see no legal obstacles for introduction of Minister's regulations to the law. In any case, coordination of such normative acts will have to be preserved at least regarding matters of the rule of law and financial impact.

The authors of the report also call not to focus only on the association of the minister's regulations with the "technical regulations". The Constitutional Law Committee established by the President commented very critically on it in the report. The Ministry of Justice also pointed out that "comprehension of the content of notion 'minister's regulations' must be wider than understanding of the content of 'technical regulations'."

In addition, it should be noted that it is not possible to exclude an issue from the competence of the CoM by an individual law, if it complies with characteristics of Article 61 of Satversme, namely, affects several ministries competence.

So delegation must not be in each law, but in one – the Law on CoM. *The Law on CoM could provide for general cases when a minister can issue regulations and also to provide for possibility that the CoM could itself in cases defined by the Law on CoM transfer an issue further for decision to a particular minister, who would do it by issuing minister's regulations.* This principle is already included in the last sentence of Article 11 of the Administrative Procedure Law, which allows the CoM to transfer given mandate not as a whole, but a part of it further to a municipality. The same approach should be used for the minister's regulations.

Article 31 of the Law on CoM could be complemented by cases when a minister is authorized to issue an independent external normative act and mandate, that the CoM may transfer execution of a part of the given mandate for the minister's regulations. These cases could be related to the formats and models of documents (object), criteria (conditions) for allocation of ministerial funds for project tenders and non-governmental organizations, price lists for services provided by institutions and for regulation of such technical requirements, that do not affect competence of other ministries. It is possible that the range of such cases could be extended after conduct of a more detailed assessment.

However, this package of documents is already quite extensive, for example, criteria for organization of tenders. Institutions are constantly short of law reservations regarding the acts of the external regulatory enactment and principle of law priority provisions, as a result, law should be amended to provide for delegation, and then CoM regulations are issued. The same with the price lists for services provided by institutions - their approval and amendment at the level of minister regulations would relieve the CoM.

Minister regulations should be mandatory coordinated at least with the Ministry of Justice and MoF. If opinion is not taken into account, the issue should be considered in the MSS, which makes the final decision.

An effective CoG action tool could be the **regular weekly meetings** of the CoG core, as for example, *in Germany*. In Germany the CoG core is formed by the chancellor, his headquarters, the head of the chancellor authority, the state ministers and the SS. These persons meet every week in the meeting to discuss strategic policy issues. Thus, the current government policy issues and challenges are discussed regularly and timely.

The authors also consider that another effective policy instrument of the CoG would be **scientific research expertise**, studies, on the basis of which the CoG could form government policy and adopt strategically important decisions. As an example of such scientific research being a base for the CoG work, can be mentioned *Germany*, where the chancellor institution has seconded *science and policy fund* (see. www.swp-berlin.org), which supports German international policy and security research institutes (german - *Deutsche Institut für Internationale Politik und Sicherheit*). The Institute performs scientific research and advises German federal government and federal parliament (german - *Bundestag*) on its basis on foreign and security policy issues. The Institute is one of the most influential among such institutes in Germany and is the biggest in Europe.

Since such institute conducts research for both the CoG and the Parliament, a common policy is achieved not only on the level of the CoG, but also on the level of parliament as the main legislative organ, which in turn leads to formation of a unified state policy in adoption of law and its implementation process.

The importance of scientific research expertise is also recognized in *Ireland*, where the Governmental Economic and Evaluation service was created, which is a horizontal inter-ministerial service and where employees are rotated through the analytical departments of the ministries. More detailed description of this service is attached (see. Ireland). German and Irish example shows that the evaluation tradition is a measure that should be strengthened in the medium or long term, but in case of Estonia a solution was found how to provide in-depth ex-ante evaluation in ministries. There was created a "Smart Decision Fund", co-funded by the European Social Fund. Funding is used for further studies in cases when an in-depth analysis is required. Improvement of the evaluation quality is achieved through regular training for ministry officials, as well as periodic review and analysis of previous evaluation practices.

Conclusions

- The main policy instruments currently used by the CoG are process of giving opinions, various cross-sectoral horizontal coordination measures, exchange of information between institutions, databases, professional networks, as well as various methodical aids, which the CoG uses to carry out its functions in accordance with the nature of its activities.
- Although from the legal point of view the communication functions in the CoG in Latvia is at optimized stage, it was emphasized during interviews that both among the SS and between the ministries there is a lack of informal communication and a lack of format for decision of issues relevant for state administration without involvement of political level.
- The MSS as a coordination instrument does not have sufficient capacity to discuss the disputable issues in a qualitative and timely manner, including conceptual issues before

preparation of legislative act. Study on the CoG in the EU Member States shows that the MSS is viewed as horizontal coordination tool in some countries. Latvia case study shows that it is necessary to strengthen the MSS role, because at the moment the issues are not sufficiently discussed in terms of substance. In fact, this situation was confirmed by the focus group discussion process in the MSS. During the meeting issues regarding purpose of the study on the CoG and nature of such an instrument were brought up, which had to be discussed during the coordination process of the State Administration Policy Development Guidelines for 2014 - 2020.

- The CoM collegial bodies should be established as decision making, rather than consultative bodies, for solution of cross-sectoral issues. They should be with independent competence, such as coordination of policy planning and implementation in one or more areas.
- Regular meetings where the ministers report to the PM, which existed during some former PMs' terms, should be introduced as a tradition.
- Such significant issue as the PM's rights to influence ministers' work priorities should be established by the law, not only by the CoM Rules of Procedure. It should concern the development planning system in parallel to the legal framework regarding the binding force of the Declaration. Such political guidelines should not interfere with the functions of the ministries' administrative head.
- Regarding issues under the competence of the CoG there should be possibility for the CoG institution to provide **suspensory right of veto** on issues discussed by the CoM, namely, to request to postpone the matter for at least the next government meeting, if the subject requires more detailed research.
- Introduction of ministerial regulations should be considered as an effective CoG political management tool.
- Scientific research expertise is an efficient CoG policy tool that provides evidence-based decision-making process for the CoG. In Latvia introduction of both long-term ex-post evaluation practice should be considered using German or Irish experience, as well as allocation of ad-hoc funds for ex-ante evaluations, as is the case of Estonia. Although the regulatory framework provides for policy evaluations at different stages of implementation, in practice they are often only formal due to the lack of financial resources, human resources and time.

8. Proposals for strengthening of the Centre of Government and improvement of human resources management system in Latvia

Proposals put forward by the researchers are based on the relevant sections of the report and foreign experience and the matrix in the Annex 1. They are organised under several directions and, if necessary, subdirections in accordance with the structure of this report.

Taking into account tasks, functions of the CoG and foreign experience in performance of these tasks described in the theoretical literature, we propose the following definition for the CoG in Latvia (**task 1.1**):

The Center of Government - totality of governance functions, which include consultations to the Prime Minister, provision of the Cabinet of Ministers function, connection of policy planning and budgeting, fiscal discipline, policy coordination, government communication, improvement of governance, strategic management of reforms, risks and human resources policy.

According to the analysis of the structure of the CoG in Latvia presented in the matrix in Annex 1 the CoG is at optimized stage regarding the *first criterion*, since the functions that are performed by each of CoG institutions are clearly defined. At the same time a substantial drawback is the fact that the structures of the CoG do not have mechanism how to conduct or use results of scientific research expertise, or how the CoG should be linked to a scientific research structure as it is in other countries. Thus, under the **task 1.2** in addition to the update of the existing functions of the SC, the CSCC and the MoF in line with the definition of the CoG, the CSCC should be assigned responsibility for coordination of scientific research expertise for cross-sectoral and national level policies (**task 1.3**). Analytical capacity of the CSCC should be strengthened both in terms of ensuring cooperation mechanism with scientific research institutes, as well as CSCC HR's ability to carry out in-depth assessment of cross-sectoral and national level policies, using as far as possible, either the state budget or the EU funds, as it is the case in Estonia (**task 5.2.5**).

Evaluation of the CoG according to the *second criterion* in the matrix, which analyzes political influence of the CoG, found out that in practice the head of government does not always have the highest political influence, although the legislation provides so. There are occasions when the ministers use coalition meetings to resist the Prime Minister's policy. Suspensory right of veto in matters of CoG competence (**task 1.4**) would be an effective tool for horizontal cooperation as it would give mandate to the authorities of the CoG to request suspension of an issue discussed at the CoM with a view to conduct a more detailed study. **Tasks 4.1. and 4.2. and subdirection 6.1** are aimed at strengthening the political influence of the CoG.

In order to ensure compliance of the CoG with the optimized stage according to the third criterion (**Administrative capacity and added value**), i.e., the *employees of the CoG have sufficient experience, competence and ability to cooperate horizontally with all priority sectors by providing their added value to improvement of their work*, proposals are made aimed to increase professionalism and potential of the human resource of CoG, and their use for creation of horizontal cooperation in all priority sectors (**directions 2, 3 and 5**).

In order to ensure compliance of the CoG with the optimized stage according to the eight criterion (**General government approach to objectives of priority, horizontal co-operation**), i.e., the *CoG runs periodic interministerial meetings where ministries engage in horizontal planning and consultations with related parties, receive useful expertise*, proposals are made aimed at organization of different meetings between the institutions and units of the CoG (**tasks 1.5, 4.3 and 4.4, subdirections 6.2 and 6.3**).

The above proposals are summarized in **Table 9** along with the responsible institutions and indicative execution time.

Table 9. Proposals for strengthening of the institutional capacity and HR of the CoG

Direction 1. To define the institutional structure, functions and tasks of the CoG		
Task	The responsible institution	Term
1.1. To include the definition of the CoG in the Law on CoM	SC	2016
1.2. Regulations concerning the institutions and units forming the CoG should be specified concerning the functions (consultations to the PM, provision of the CoM operation, connection of policy planning and budgeting, provision of fiscal discipline, coordination of policies, government communication, governance improvement, reform management, risk management or HR policy strategic management) carried out within the CoG, including detailed provisions.	SC	2016
1.3. Responsibility for coordination of scientific research in cross-sectional and national level policies should be included in the CSCC regulations	CSCC	2016
1.4. To provide for institutions or structural units of the CoG suspensory right of veto or postponement right regarding issues presented in the CoG that would work automatically and independently of ministers' will in the CoM Rules of Procedure	SC	2016
1.5. The institutions or structural units of the CoG should organize weekly or monthly working meetings on topical issues in order to coordinate opinions, particularly in relation to the matters under consideration during the CoM sessions.	SC	2015
Direction 2. To improve work and selection procedure of State Secretary		
2.1. Subdirection To strengthen SS institutions by performance evaluation and management improvement		
Task	The responsible institution	Term
2.1.1. To establish uniform guidelines for definition of SS's objectives and results. During the assessment of the SS's work, the CoM should undertake complex evaluation of	PM	2016

achieved policy or program outcomes and institution's work results and personal performance.		
2.1.2. To introduce and implement 360 degree assessment of SS as a mandatory practice.	SC and all ministries	2016
2.1.3. To introduce evaluation of SS once a year.	SC and all ministries	2016
2.1.4. To publish SS's stated objectives to be achieved every year.	SC and all ministries	2016
2.1.5. To identify and nominate horizontal objectives to be achieved by the SS, which are directed at achievement of horizontal policy objectives and results of the government.	PM, SC	2016
2.2. Subdirection. <i>To strengthen SS's professional growth and development through excellence and leadership</i>		
Task	The responsible institution	Term
2.2.1. To plan SS's development utilizing NEVIS tool.	SC, MoF	Continuously
2.2.2. To use the MSS forum to strengthen the SS as a single group of leaders who direct their subordinates to change, introducing and implementing such SSs' team building events, as for example, SS and senior managers annual meetings or conferences, exchanges of experience events, working groups devoted to the presentation of new horizontal initiatives, discussions and exchange of views.	SC	Continuously
2.3. Subdirection <i>To strengthen the MSS status</i>		
Task	The responsible institution	Term
2.3.1. To provide in the CoM Rules of Procedure, that the MSS agrees on the recommended application of the legal norms regarding good governance practices on issues of competence that concern several ministries.	SC	2017
2.3.2. To amend the Article 63 of the CoM Rules of Procedure providing that in the Head of the CSCC, or its authorized representative participates in the meetings with voting rights	SK, CSCC	2017
2.3.3. To provide in CoM Rules of Procedure that the MSS discusses new initiatives in sector policies prior to their submission for consideration.	SC	2017
2.3.4. The SC should promote development of the MSS as a discussion partner and decision-maker regarding significant issues of state governance, including discussing reform plans before submitting them to the CoM, as well as reach consensus regarding different practices and interpretations	SC in collaboration with CSCC	2016

of issues concerning ministries, not only circulation of legal acts in the CoM. In order to implement the mentioned tasks, it is necessary to review the MSS procedures and regularity. The SC and the CSCC should take more proactive role in the development of agenda.		
2.4. Subdirection. <i>To strengthen the MSS institution through optimization of SS' selection</i>		
Task	The responsible institution	Term
2.4.1. To amend procedures for appointment and transfer of SS. It should performed by the minister himself, rather than the CoM, while maintaining the coordinating role of the SC in SS' selection, which is contained in the State Civil Service Law, State Service Bill, CoM regulation "Selection procedure of direct state administration heads".	SC	2017
Direction 3. To improve effectiveness of the Prime Minister's and ministers' offices		
3.1. Subdirection. <i>Strengthening of status of the CoM members office</i>		
Task	The responsible institution	Term
3.1.1. To establish compulsory competencies that must be ensured by the CoM members offices in the CoM Rules of Procedure	SC	2016
3.1.2. To keep in the State Service Law provision of the State Civil Service Law, that officials may be temporarily transferred to the CoM member office or to provide that there will be permanently assigned expert to work with the minister's office.	SC	2016
3.2. Subdirection. <i>Strengthening of performance quality of the CoM members' offices</i>		
Task	The responsible institution	Term
3.2.1. To determine demand for higher education and experience in public administration matters for the Head of the CoM member's office.	SC	2016
3.2.2. To develop methodological recommendations for staffing of the CoM member's office, which would reflect work to be conducted and good practices.	SC	2016
Direction 4. To clarify the role of the Coalition Council in the CoG		
Task	The responsible institution	Term

4.1. In the regulations on the SC the Head of the CoG regarding the PM office should be imposed an obligation to coordinate enforcement of political decision accepted by the government-forming political parties and MPs.	SC	2016
4.2. To agree on restrictions of access to the Coalition Cooperation Council minutes, stating that the Head of the CoG should coordinate circulation and execution of the minutes.	PM Office	2015
4.3. To agree on a regular schedule of ministers' meetings with the PM, and implement systematic informal meetings of ministers.	PM Office	Continuously
4.4. To reduce participation of officials in the Coalition Cooperation Council meetings. This would be allowed only for the SS and only in exceptional cases, defining in the Code of Ethics that other action of officials would be unethical.	PM Office	Continuously
Direction 5. To strengthen and improve the Human Resource management system of the CoG		
5.1. Subdirection: <i>Methodological guidance and career management</i>		
Task	The responsible institution	Term
5.1.1. To create and develop CoG institutions as a "pilot ground" for implementation of new HR management tools. E.g., initial implementation of rotation and mobility mechanisms, talent management programme provided in the State Service Law etc.	SC, in co-operation with CSCC and MoF	Starting from 2016 continuously
5.1.2. To identify positions that perform CoG functions and to accumulate information on employee development in a uniformed manner.	SC, in co-operation with CSCC and MoF	2016
5.1.3. To develop and implement common HR management standards in the CoG institutions for staff selection, remuneration, job performance evaluation, development and training, strengthening methodological guidance during HR policy implementation phases.	SC, in co-operation with CSCC and MoF	2016
5.1.4. To develop common competence framework for the employees of CoG institutions, breaking it down into two parts - shared competence (same for everyone), and specific areas of expertise (different, appropriate for the core functions of the group). To create common competence structure on two levels, each higher level should cover prior level competences: Level 1 - specialists, Level 2 - managers. Consequently, common competences should be for all levels - ethics and care for order, accuracy and quality; for specialists and managers - analytical thinking, relationship	SC, in co-operation with CSCC and MoF	2016

<p>building and maintenance; for managers - staff motivation and development.</p> <p>Specific competences</p> <ul style="list-style-type: none"> • conceptual and flexible thinking, planning and organizing, relationship maintenance - for positions in policy advising and support; • strategic vision, conceptual and flexible thinking, creative thinking and innovation, relationship maintenance - for positions in long-term policy or strategies development; • strategic vision, conceptual and flexible thinking, planning and organizing, change management, relationship maintenance - for positions in policy coordination field; • conceptual thinking, planning and organizing, relationship maintenance - for positions in policy implementation monitoring field; • flexible thinking, creative thinking and innovation, planning and organization, relationship maintenance - for positions in communication and external relations field. 		
5.1.5. The higher management of the MoF should have competence of staff motivation and development	FM	2016
5.1.6. To strengthen the role of the SC in career planning of CoG employees and focused implementation of rotation instrument, design and implement ICT career management solutions.	SC	2017
5.1.7. To strengthen capacity of the SC, attract employees with knowledge in economics and finance	SC	2016
5.2. Sub-direction: <i>Development</i>		
Task	The responsible institution	Term
5.2.1. To strengthen capacity and professionalism of the CoG staff (specialists and managers), develop such competencies as analytical and conceptual thinking, strategic vision, change management, relationship building and maintenance, employee development, creative thinking and innovation, using such instruments as mobility in other governmental centers, setting up training courses, where experience is combined with practice, participation in conferences, exhibitions, forums, working groups (expands horizons and develop creativity / innovation), participation in special projects including participation in various working groups, as well as coaching.	LSPA in collaboration with SC	2016 – 2020

<p>5.2.2. To create development modules of professional knowledge that include categorized courses (basic, in-depth, expert course, etc.) in all areas of the CoG functions. Courses should focus on knowledge and skills, including interdisciplinary skills, variety of analytical methods and tools applicable to various strategic planning, performance measurement and efficiency measurement stages. Theoretical knowledge should be combined with experience-based learning in the in-depth courses. The expert course is intended for a limited number of employees who are identified as drivers of change in the specific field. This course should incorporate several stages: 1) participation in similar training seminars that are offered abroad on a particular topic, such as <i>Public Administration International</i> (PAI, 2015), etc.); 2) to organize training of experts in ensuring effective learning and motivation of participants; 3) to facilitate the transfer of knowledge gained through effective interpersonal communication, experience and practice-based working groups and discussion and, as well as to promote good public administration expert knowledge transfer, becoming LSPA lecturers.</p>	<p>LSPA in collaboration with SC</p>	<p>2016 – 2020</p>
<p>5.2.3. To plan and allocate centrally necessary funding for such training, which is necessary for acquisition of knowledge and competences for relatively narrow circle of employees and which are of strategic importance to the provision of horizontal functions (eg, policy planning and evaluation, performance management, planning of performance indicators, monitoring and evaluation, qualitative and quantitative research methods, etc.).</p>	<p>SC in collaboration with LSPA</p>	<p>2017</p>
<p>5.2.4. To develop cooperation networks with CoG institutions in other countries and to promote staff mobility to CoG institutions in other states.</p>	<p>LSPA and CoG human resource managers</p>	<p>2016 – 2020</p>
<p>5.2.5. To build and strengthen the SC as the Center of Excellence:</p> <p>1) using cutting-edge selection methods in respect of CoG personnel, such as developing the SC as an assessment center for filling in strategically important positions, at the same time involving CoG institutions in the decision making.</p> <p>2) perform horizontal role in information gathering and analysis of staff training and professional development of the CoG;</p> <p>3) use SC capacity to ensure specialization of the Human Resources in the CoG, i.e., develop curriculum and course</p>	<p>SC</p>	<p>2016 – 2018</p>

plans, organize experience exchange groups, design competence profiles and / or advise other CoG institutions.		
5.2.6. To improve "The position catalogue of State and local government institutions " and add an obligation to carry out impact assessment to the 12.2 sub-family State fiscal policy planning and execution I-IV level	SC	2016
Direction 6. To improve effectiveness of CoG in cross-sectoral issues		
6.1. Subdirection. <i>Strengthening of PM's and ministers' role</i>		
Task	The responsible institution	Term
6.1.1. To include the institution of PM's political guidelines in the Law on CoM, and define the PM as a policy setter in the CoM.	SC	2016
6.1.2. To include the minister regulations in the Law on CoM, provided that these external acts could be issued only in cases prescribed by this law, not by special laws, e.g., price lists for services, criteria for tenders and allocation of financial resources, document samples and technical issues, without prejudice to the competence of several ministries, and without interference in other ministers' matters of competence (eg., internal organization of a ministry). To provide provisions in Law on Official Publications and Legal Information regarding minister regulations hierarchy and coming into effect order of external normative acts legal	SC, MoJ	2016
6.1.3. To include provisions in the Law on CoM that the parliamentary secretary, whose office has been approved by Saeima at PM's and ministers' initiative, has the right to replace a minister, including the right to vote in the CoM meeting in minister's absence.	SC	2016
6.2. Subdirection. <i>Strengthening the role of the CoG institutions</i>		
Task	The responsible institution	Term
6.2.1. To issue internal regulations on modalities of cooperation between the CoG institutions and structural units. It should describe the current practice, collaboration between the CSCC, the MPBR, the MoF and the SC (including briefings, meetings, exchange of information), thus defining the details of cooperation in normative procedures.	PM office, SC, CSCC, MoF	2016
6.2.2. To coordinate process of requests from sector	CSCC	2018 – 2020

ministries of budgetary funds for in-depth research during the stage of cross-sectoral policy development, on basis of Estonian experience		
6.2.3. In order to facilitate informal culture of cooperation it would be advisable to use widely rotation of state administration officials, especially within the CoG institutional framework. Analysis of the foreign practice shows that interinstitutional cooperation promotes greater flexibility in the horizontal coordination and increases overall adaptability of the state administration.	SC, CSCC, MoF, Ministries	Continuously
6.3. Subdirection. <i>Improvement of horizontal coordination</i>		
Task	The responsible institution	Term
6.3.1. Organise weekly or monthly working meetings for the officials of the CoG institutions or structural units on topical issues in order to coordinate opinions, particularly in relation to the matters under consideration during the CoM meetings.	SC	2015
6.3.2. To include in the CoM Rule of Procedure an obligation for the SS to report in the MSS on proposal for the second or third reading of the draft law presented by his/her ministries, which has been submitted by CoM, among others, including proposal clarification (annotation).	SC	2016

Annexes

Annex 1. Matrix for evaluating the development stages of CoG of Latvia

Prerequisites for effective fulfilment of all functions			
Indicator showing the fulfilment of a function	CoG in formative stage	CoG in development stage	Optimised CoG
1. Clarity on roles and responsibilities	Formal assignment of responsibilities between structures constituting the CoG that often overlap in practice. General formulations, “disruption” in the fulfilment of functions.	Assignment of responsibilities and expected performance in CoG is generally understood by all employees but there are still some functions that are duplicated or missing.	Clearly defined responsibilities and mandates among structures and individuals that allow to achieve the necessary tasks. All functions are optimally adjusted for effective operations of CoG.
<p>In laws and regulations (State Administration Law (SAL) in Article 26, Development Planning System Law in Article 12, Constitution of the Cabinet of Ministers in Articles 6 and 15, Law On Budget and Financial Management in Articles 16, 16.², 28, 29 and following Articles, Regulation of the Cabinet of Ministers (Regulation of The Cabinet) on 7 April 2009 N° 300 „Cabinet Rules of Order” in Paragraph 35, 40, 48 and others, Regulation of The Cabinet on October 19 2011 N° 816 “By-law of Cross-Sectoral Coordination Centre” (Regulation of CSCC) in Paragraph 3 and 4, Regulation of The Cabinet on 20 May 2003 N° 263 „By-law of State Chancellery” (By-law of SC) in Paragraph 3 and 4, and in Paragraph 14 and 18, as well as Regulation of The Cabinet on 29 April 2003 N° 239 „By-law of Ministry of Finance” (By-law of MoF) in Paragraph 4 - 6, Regulation of The Cabinet on 29 April 2003 N° 243 "By-law of Ministry of Justice" (By-law of MoJ) Subparagraph 6.2, Regulation of The Cabinet on 29 March 2011 N° 233 " By-law of Environmental Protection and Regional Development Ministry" Subparagraph 1.2., 1.5., 4.1.6., 5.6., Regulation of The Cabinet on 21 January 2014 N° 38 "By-law of National Development Council" in Paragraph 1 and 2, Regulation of The Cabinet on 2 December 2014 N° 737 „Regulation of drawing up and assessment of impact of development programming documents”, Regulation of The Cabinet on 11 December 2012 N° 867 „Procedure for the determination of the maximum permissible total amount of the State budget expenditure and the maximum permissible total amount of the State budget expenditure for each ministry and other central government institutions for the medium term”, Resolution of The Cabinet on 12 May 2015 (§28) the functions pertaining to CoG are adequately determined.</p> <p>In this chapter only a brief synoptic list of functions and concentrated conclusions stemming from them are reviewed, while in the following chapters a detailed description with expanded analysis of regulations and interviews conducted during the research is given. The functions that arise from the laws and regulations are:</p> <ol style="list-style-type: none"> 1) National strategic planning (coordinating the development of the State’s vision and national agenda) (Declaration of proposed actions of the Cabinet and development of the government action plan, coordination etc.) (CSCC, SC, MoF); 2) Synchronization of planning and budgeting (allocation of financial resources according to the national development plan and priorities set by the government) (according to assignment and guidelines the SC and The Cabinet take part in planning the government politics, MoF and The Cabinet cooperate on planning the budget and reviewing and approving new political initiatives); 3) Coordination of policy and legislation (coordination between Ministry, subordinate institutions, agencies and Commissions of Parliament in implementing interbranch policies, ensuring compliance 			

of said interbranch policies with priorities set by the State) (CSCC and SC, Prime Minister's Office (PMO) can sometimes take part in certain affairs, if it concerns PM, but more often consultations are carried out with members of PM's party; except in cases where the PM has an active parliamentary secretary);

- 4) Management of governmental programs (coordination of implementing government executive programs; preventing political disagreements between involved sides, administrative coordination of governmental bodies, preparing the information for The Cabinet about implementation of the reforms and the implementation of national development planning documents) (CSCC and PMO);
- 5) Improving the effectiveness of bodies (developing the regulating framework for bodies to ensure responsible and transparent government) (SC);
- 6) Development of government administration and human resources policy, strategic management of HR (SC);
- 7) Improving the quality of services (SC and MEPRD);
- 8) The administrative facilities of the Cabinet, the PM, especially – in organising the meetings of the Cabinet, ensuring the preparation of documents in accordance with procedural arrangements as outlined in laws and regulations (SC);
- 9) Communication in the government (SC);
- 10) Legal expertise of legislation which is directed towards the PM (SC) meanwhile compulsory generalised expertise is focused towards any legislation (MoJ) while the CSCC gives opinions to the PM in order to align horizontal issues with the mid-term priorities and political guidelines outlined in hierarchically higher development planning documents, identify the impact they would have on the State's competitiveness, place and role in carrying out the structural reforms, how to divert the resources (financial instruments) in accordance with the State's development priorities and political guidelines;
- 11) Supporting PM in regional development issues (MEPDR is responsible for planning the regional development and evaluation, while CSCC can provide information for PM during the planning period);
- 12) To ensure long term planning of national development and evaluation an National Development Council has been established, which also encourages carrying out structural reforms in the State's government to promote connecting the long term planning with financial planning and the consistency in the decisions made by national and regional bodies (Regulation of The Cabinet on 21 January 2014 N° 38 "By-law of National Development Council" Paragraph 1). CSCC carries out secretariat duties for the Council.
- 13) Performance monitoring (MoF is required to audit the functions of bodies while according to the Resolution of The Cabinet on 12 May 2015 (§28) CSCC is responsible for ensuring the implementation of the new political initiative "The Latvian Competitiveness Assessment and Monitoring System" while also making a report about the competitiveness of Latvia. With this order CSCC is also defined as the coordinating institution of public capital company and the State's share capital.

It can therefore be **concluded** that the regulations define the functions of the CoG and tasks that must be carried out by its employees. These are clearly defined and are not overlapping. Furthermore, the data gained from the research does not indicate any issues in determining or understanding the functions of bodies that are part of CoG.

Interviews have indicated that the assignment of developing policies in regards to HR to SC was viewed as positive, due to its decisive role in creating sustainable development. It was also found that overall, the roles of MoJ, MoF, SC, and CSCC were seen as crucial in maintaining the everyday functioning of the government. Members of MoF also indicated that a certain overlap exists between SC and MoJ in regards to legal expertise, but as stated previously and analysed further in the section about legal expertise, the researchers argue that each institution has different contents and aims for their expertise, therefore there is no overlap between their

functions in this field.

This leads to the conclusion that as regarding functions defined in the normative base the CoG is in **optimised state**.

2. The political influence of CoG	Several ministers, senior officials and other members do not see CoG as legitimate instrument of the Head of Government. They collaborate with him/her directly circumventing CoG procedures.	The Head of Government provides political support for structures of CoG. Regardless, certain ministers or members of the coalition often circumvent CoG in planning and implementing policies.	Structures and officials of CoG can speak in the name of government, the Ministry understands the policies of CoG recognizing that all actions of CoG are approved by the Head of Government.
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By virtue of The Constitution of the Republic of Latvia (Satversme) in Article 55 The Cabinet consists of PM and ministers appointed by her/him. In accordance with the “State Administration Law” of Article 6 Part 1, PM directs The Cabinet work and by virtue of Constitution Article 60, PM chairs the sitting and in her/his absence – a minister appointed by her/him. In accordance with the “Cabinet Rules of Order” Article 46 PM has the highest seniority, followed by the Deputy Prime Minister, and ministers/ ministers of special affairs. The workplaces of the cabinet colleagues are also determined according to their rank. Ranks of The Cabinet are determined by the President during the Cabinet Committee or Cabinet Sitting giving the floor during debates about the issue at hand and by determining which member of The Cabinet will countersign (Second signature) the regulation of the draft (“Cabinet Rules of Order” Paragraph 48).

It can be **concluded** from the legislation that the hierarchy between the Head of Government and other members of government are clearly determined, providing that the highest ranking official is the Head of Government therefore also outlining her/his political influence. Thusly the Head of Government has the highest political authority.

Nevertheless, in practice this is often dependent on the support that the Head of Government can muster in her/his own party as well as from his/her personal authority. Interviews indicate that it is not preferable to include such bodies in CoG where there are different political memberships due to this causing the paralysis of the work of the CoG. Sometimes different ministers use the sittings of coalition parties in order to disobey PM’s political course. For example, a member of MoF pointed out that the already historic tradition of Latvia to choose the PM and the Minister of Finance from the same party, has contributed to harmonisation of issues and progress in the government for the MoF as well as the capability of government to make decisive decisions during critical periods of economic crisis. It was also mentioned that the capabilities of CoG to carry out coordinating functions are directly dependant on the political priorities set out by the PM.

In line with aforementioned it can be argued that in relation to the political influence of the Head of Government the CoG is in **optimised state**, because, while the laws and regulations determine that the PM is the highest ranking official, in practice this often depends on the particular Head of Government and the way the current government has been formed (how many and which of the ministers are coming from the political party of the PM).

3. Administrative capacity and added value	Although the personnel of CoG have certain knowledge, they lack adequate experience to be reliable partners in relation to interbranch issues and be evaluated accordingly by Ministry.	Employees of CoG are experienced enough to be able to communicate with the Ministry at least in relation to their respective frameworks and be seen as equal partners.	The employees of CoG have enough skills and experience to horizontally cooperate with all prioritised sectors providing the added value to improve their work.
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In accordance with State Civil Service Law, most employees of CoG are civil servants who are required to conform to standards outlined in State Civil Service Law in Article 7 including the requirement to have excellent command of Latvian language and possess post-secondary education. All employees of CoG hold either academic or professional degree while 1 worker of MoF and four employees of CSCC have degree of a

candidate of sciences or a doctorate. Education level analysis which was carried out in CoG confirms that employees hold diverse range of degrees which is also suggested by international research where it is emphasised that the employees of CoG should hold widest possible spectrum of education. The factors that strengthen the professionalism of HR in CoG are the funding available from EU for the development and strengthening of MoF and CoG administrative capacity during the period of 2007 – 2013 (Regulations of The Cabinet No 494 “Regulations on public administration institutions employees performance evaluation”) that also includes the assessment of employees competence as well as planning of training and development. LSPA offers modules for improving the expertise that contains courses that are oriented towards different levels of professional hierarchy. Employees of CoG have the opportunity to expand their knowledge in relation to the particular area in the institution therefore becoming highly qualified experts as well as gaining experience in cooperation in international environment and take part in the work of EU institutions.

On the other hand, the professional development of HR in the CoG can be hindered by the choice of the competencies that are subjected to assessment that does not sufficiently emphasise the importance of interaction between the parties concerned as well as the fact that the assessment of employee’s competencies are not always carried out in good will. This can arise from vague wording (due to a lack of detailed methodological material) as well as from the desire to retain the employee. The decentralisation of training planning and the limited budget of the bodies creates situations where the employees do not pass through training that is crucial for maintaining CoG functions in the longer term. At a time of financial constraint LSPA strategy is mainly dependant on the demand. Therefore the learning provision is based on the target groups that are the largest while in the CoG bodies where the position requires specific knowledge the employees are looking for learning opportunities and development possibilities to increase their capacity by themselves.

The added value of HR of the CoG is dependant not only on the level of professionalism but also on the actual impact. Although the rights and responsibilities of HR of the CoG are determined in State Civil Service Law, in practice they are often much wider, especially so when the principle of transparency, neutrality and generality needs to be reconciled with issues of interpersonal coordination and not always positive perception from the Ministry. Main hurdles for creating CoG as a highly qualified team of public servants and professionals with administrative culture needed for ensuring normal working of CoG are the underdeveloped planning of succession and rotation as part of targeted career management in the bodies of CoG. However, the planned HR management reforms in the government foresees enacting and developing several instruments which could have determining role in carrying out CoG functions, advancing the interbranch and intersectoral issues, improving the performance of institutions and services. Draft laws and regulations foresee developing the mobility in different levels of government, hold internal tenders, and widen rotation options that could become very essential in maintaining and developing the functions of CoG.

In regards to aforementioned, it can be deduced that the professionalism and potential of CoG employees are at a medium high level but they are not sufficiently used in all priority sectors. So it can be concluded that CoG is still in the **development stage** in this area.

Function 1. Policy planning

4. Declaration by the Government (political guidelines)	Declaration by the Government exists only as overall statements without clear priorities or the priorities are not expressed as results that has measurable results.	Declaration by the Government has measurable results, but CoG has only limited influence on policies of the Ministry or the indicators of results are not in accordance with the aim.	There are Declarations about the planned actions of The Cabinet and governments action plan for carrying it out which includes commitment to ensure achieving the indicators of the National development plan.
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In accordance with the Development Planning System Law Article 9, the highest hierarchically long term development planning document is the Sustainable Development Strategy of Latvia. Hierarchically highest mid-term development planning document is the National Development Plan. In accordance with part 2 and 3 of the Article 11 of the aforementioned law, the drafting of said documents is the responsibility of The Cabinet. The part 4 of the Article outlines that the drafting of development planning documents must be done by taking in account the relevant level of administration (for example, Declaration on planned actions of The Cabinet) which sets the tasks for the State’s and regional institutions. During drafting of the political outlines their

consistency with Sustainable Development Strategy of Latvia and National Development Plan must be ensured or their revisions must be offered.

Constitution of The Cabinet in Article 15 determines that Prime Ministerial candidate ensures the drawing up of the Declaration of intended goals of The Cabinet. The Declaration is a guideline document for policies which is drawn up for the term of The Cabinet in accordance with highest hierarchically long term and middle term planning documents and national safety planning documents to depict the priorities, achievable goals and results as set out by The Cabinet. On the basis of the Declaration, an action plan with specific tasks is drawn up and approved to ensure implementation of the Declaration. The drafting of aforementioned documents is coordinated by CSCC, the execution of documents is controlled by the PM who then reports to Parliament about the work already done by the Cabinet and further actions.

In drafting of the Declaration and action plan a case continuity is to be ensured, which means that information is included about the current accomplishments and tasks that are directed towards achieving goals set out by National Development Plan in the respective field of the Cabinet member that needs to be continued. (Aforementioned law Article 22). Deriving from the aforementioned law part 1 Article 6, the PM manages the Cabinet work and determines the main political guidelines the drafting of the Declaration and its implementation as well as the action plan for execution of the Declaration. It derives from the part 3 of Article 9 that the member of the Cabinet carries out her/his competency by taking account of the Declaration main political guidelines set out by the PM while also ensuring that action plan for implementing the Declaration is drafted and implemented. The decrees of Ministries determine that the Ministries are responsible for drawing up the legislation concerning the regulation of the sector and draft planning documents.

It can then be **established** from the laws and regulations that the Declaration and action plan of the Government is drafted by the PM, while CSCC coordinates its drafting. They must be consistent with hierarchically highest policy planning documents - Sustainable Development Strategy of Latvia and National Development Plan. In turn the Ministries are required to act in accordance with the Declaration and action plan. Therefore it can be concluded that CoG determines overall political guidelines i.e. framework which determines how the policies of CoG and Ministry are going to be carried out. The Ministries are required to act in according with that. This leads to conclusion that in this matter the CoG is in **optimised state**.

5. Clarity and responsibility of development planning	CoG provides general guidelines for planning sectoral priorities	CoG together with Ministry defines priority goals but is unable to ensure that all sectors or planning documents of the Ministry are in accordance with intentions of the Head of Government	CoG provides the connection between the sectoral goals and the goals set by the government (National Development Plan).
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It transpires from the Constitution of the Cabinet of Ministers Article 6 part 1 that the work of The Cabinet is administered by the PM who is in charge of its main political guidelines, drafting and implementing the Declaration, implementing the action plan to enact the Declaration. It transpires from Article 9 part 3 that members of The Cabinet exercise her/his competence by taking in account the Declaration, main political guidelines set out by PM and ensure that an action plan for enacting the Declaration is drafted and implemented. Provided by Development Planning System Law Article 12 part 6 national regulatory authorities ensure the accordance of development planning documents that are within their competency with hierarchically higher planning documents as well as with the legislation regulation of development planning system. It transpires from decrees of the Ministries that Ministries are drafting the legislation and policy planning documents for regulating their sector.

During the research current PM pointed out that the PM needs to have means for influencing priorities of individual ministers, for example, by setting out tasks for them in resolution, invite them for a meeting. It can be determined that possessing such rights for PM transpires from aforementioned Constitution of the Cabinet of Ministers Article 6 part 1 according to which the PM is in charge of The Cabinet work. Still to accentuate these powers of the PM and eliminate the doubt regulation should be implemented in the legislation about the rights of the PM to set out political guidelines (this is explored in detail below and above in the main text at CoG instruments). In addition, the place of these guidelines in development planning system should be set out in the Development Planning System Law, namely, it should be aligned to the Declaration but as only being able to contradict the Declaration after PM reports to the Parliament about changes in the government's priorities in

case of significant change of circumstances (for example, in case of sharp economic downturn).

It was also argued in the interviews that there is a possibility for each ministry to work with the Parliament directly when planning the sectoral priorities.

Therefore, it can be **determined** that during the development planning process the CoG works together with the Ministries. Namely, by approving the Declaration and action plan the PM with ministers negotiate the policy of the government and main priorities to ensure the accordance of sectoral goals with government plans. Pursuant to this it can be **concluded** that it transpires from the legislation that in the matter of development planning the CoG is in **optimised state**.

6. Coherence of government priorities and the budget	Budget is not linked with the government priorities or the budget is <i>de facto</i> plan of the government.	Government priorities determines the allocation of budget but these decisions are rarely based on proof that would characterise the actual impact budget would have on the priorities set out in previous years.	Budget of Ministries are coherent with the Government priorities as a result of annual working together, where Ministries cooperate with the CoG in the process of planning the budget. This includes the <i>value for money</i> analysis of programs from previous year. Strategies for the activities of the bodies are created.
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In accordance with the Law on Budget and Financial Management in Articles 1 and 2, the budget is a means for implementation of the State policy through financial methods. The budget is the foundation for financial activities and management of the government. The purpose of the budget is to determine and substantiate the means required for the government, other State authorities and local governments to perform the State duties whose financing is determined by legislative acts, ensuring that within the period for which these funds are provided for the expenditure is covered by corresponding revenues. In developing the budget, it is important to ensure the overall economic balance. The Cabinet shall ensure the formulation and implementation of the State budget, as well as determine the procedure for financial activities of local governments and bodies non-financed from the budget, issue orders, instructions and recommendations for the detailed application of this Law. It transpires from aforementioned law Article 5 part 10 that the Cabinet shall determine the procedure by which Ministry and other central State institutions shall plan, implement, supervise and account for the results of the State budget programme (sub-programme) and the indicators thereof, as well as provide reports regarding them. Mid-term state budget planning is a process in which the resources accessible for the mid-term are determined and the use of these resources is ensured in conformity with the priorities determined by the government.

Part 2 and 3 of Article 16.¹ in the law states that a Ministry can only submit the new policy initiatives if in subsequent financial years according to most recent macro-economic forecast there will be funds available for financing said initiatives. The Ministry and other central State institutions shall prepare the new policy initiatives on the basis of the priorities and purposes determined in the National Development Plan and National Defence Conception.

Procedure for the Ministries and other central State institutions to submit proposals for new policy initiatives is defined in The regulation of the Cabinet No 867 11 December 2012 “Procedure for the determination of the maximum permissible total amount of the State budget expenditure and the maximum permissible total amount of the State budget expenditure for each ministry and other central government institutions for the medium term”.

It transpires from the Law on Budget and Financial Management Articles 16.2 part 1 and 3 point 1 and 7 that the Minister for Finance shall develop the Draft Mid-Term Budget Framework Law for the subsequent three financial years and submit it to the Cabinet in accordance with the Schedule for the Development and Submission of the Draft Mid-Term Budget Framework Law and the Draft Annual State Budget Law. In the Mid-Term Budget Framework Law for each year of the law period the medium term budget objectives and

priority development directions for the achievement of the purposes and introduction of the priorities determined in the National Development Plan and National Defence Conception as well as the maximum permissible total amount of the State budget expenditure for each ministry and other central State institution needs to be specified. The referred values in Draft Mid-Term Budget Framework Law for first and second year shall be determined, also taking into account the changes forecasted in the macroeconomic situation (fifth paragraph).

Principles of fiscal policy, its planning and implementation tools, monitoring of compliance with the fiscal discipline, fiscal conditions that needs to be taken in account in preparing and execution of Mid-Term Budget Framework Law, as well as the annual State Budget Law and its amendments is determined by Fiscal Discipline Law (hereinafter - FDL). According to this law Article 21 Fiscal Discipline Council must monitor the compliance with the FDL. Council must prepare a monitoring report for fiscal discipline before the budget framework law is presented to the Parliament (Saeima). The report is attached to the draft of budget framework law and submitted to the Parliament. The report is also published in the webpage of Ministry of Finance. If violations of said law is discovered by the Council or it comes to its knowledge, it prepares an irregularity report that contains recommendations for averting the inadequacies. Irregularity report must be prepared as soon as the inadequacy is discovered and submitted to the Cabinet and the Parliament as well as published in the web page of MoF (Article 29). The council monitors the compliance with the FDL provisions in the budget framework law and the annual state budget law during their preparation, execution, and amendment. Council monitors the compliance with the FDL conditions with the estimated summary fiscal indicators during the execution of the annual state budget law, the consolidated local government budget, and derived public person budgets (Article 28 paragraph 1 and 3).

In accordance with The Cabinet Regulations Concerning Drafting and Impact of Development Planning Documents in 2 December 2014 No 737 Title VIII the strategies of institutions are the document of institution management that ensures planning of institution's actions according to priorities of the sector and planned total amount of institution's expenditure from the State budget for the medium term.

It can be **determined** from the legislation that there exists connection between the budget and priority goals, the budgets of ministries are coherent with the Government's priorities. There also exists institutions that monitor the planning and executing of fiscal policy and there are fiscal conditions that need to be considered during preparation, and amendment.

In practice it can be established that the Council assessments are currently rather negative. Institutions do not always plan for expenses in mid-term, therefore these activities need to be implemented using provisions allocated for handling the consequences of unforeseen incidents which therefore affects the State's capabilities to react in situations of crisis. Although evaluation of legislation shows that the mechanism of fiscal monitoring is working efficiently, the problems that are outlined above show that certain improvements can still be made in the process of budget planning and execution. In addition, it does not derive from legislation that *value for money* in relation to previous year budget programs is not applied in relation to planning the current budget for medium term. It is mostly used to ensure the efficient use of the propositions for the public - private partnerships, which is not a part of the functions of the CoG. Therefore, it can be concluded that in coherence of government priorities and the budget, the CoG is in transition from **developing to optimised state**.

7. Development forecast and ability to adapt to a changing environment	There is no structure for carrying out development forecasts, they either exist only formally or only in few sectors, for example, analysis of the macroeconomic data, but their work does not affect the Government plans.	At least in some policy areas there are effective development forecast mechanisms but the priority goals are consider only briefly, for example, during budget amendments. There is no mechanism for including changes in policy planning documents.	The procedure is comprehensively described and used in practice as well as for necessary changes in policy planning documents.
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FDL Article 20 defines that macro-economic medium-term forecasts including gross domestic product (GDP) growth forecasts, gross domestic product deflator forecasts and Potential gross domestic product forecasts, are drafted by the MoF. Macroeconomic forecast is coordinated with the Latvian Bank and Ministry of Economics. In the light of the above as well as the issue described above, it can be concluded that there are mechanisms, structures for carrying out development forecasts they are relatively effective since smart, critical analysis about budget issues is presented, albeit the changes can be incorporated only during the budget amendment

period.

In the Regulation of The Cabinet on 2 December 2014 N° 737 „Regulation of drawing up and assessment of impact of development programming documents” Title VII a detailed description of order of the updating of the policy planning documents is set out. Still, the mere existence of a regulated policy planning updating procedure does not mean that it is carried out effectively in practice because the policy planning document updating process is cumbersome. Furthermore, the beginning of the new 2014-20 Structural Fund programming period revealed a tendency to draft the planning documents with the aim of absorbing EU funding due to the constraints of the State budget which makes the realisation of fundamental and development oriented policies impossible. This leads to the conclusion that in the coming years the adjusting of planning documents to the State budget will not happen in practice due to the fact that in most cases the tasks that are described in these documents are carried out using EU structural funds.

It can therefore be **concluded** that in this matter CoG is **in transition state from developing to optimised state**.

Function 2 Coordination of policy

8. Overall government approach to priority objectives, horizontal cooperation	CoG does not establish standards or does not foster horizontal cooperation between ministries. Thus, the priorities are mainly under the aegis of ministry itself.	Ministries cooperate on certain objectives, but CoG has not succeeded in making this cooperation regular and extended to all priority sectors.	CoG chairs periodic interministerial meetings where the ministries engage in horizontal planning and receive useful expertise while consulting with the involved stakeholders.
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In accordance with Constitution of the Cabinet of Ministers Part 4 of Article 15 and CSCC Regulation in Subparagraph 3.4 the CSCC coordinates the execution of the Declaration and its action plan. In accordance with the regulation Subparagraph 4.2 CSCC coordinates the cooperation between ministries and other national regulatory authorities about the drafting of the National development plan, ensures the monitoring of the implementing of the national development objectives, priorities (including the territorial development priorities) and the result to be achieved, (including macro-level) as well as the priorities of each course of action and the attainable results of the policies.

Cabinet Rules of Order Paragraph 35 state that within one month after the Parliament has carried out confidence vote to the new Cabinet each ministry in collaboration with the social and cooperation partners, and the non-governmental organizations representing the sector prepare a draft of the measures of the Action Plan and submit it electronically to the CSCC. It derives from Cabinet Rules of Order Paragraph 40 that after the information from all ministries about the measures to execute the Declaration has been received the CSCC compiles the action plan project and submits it to the PM. In accordance with Paragraph 41 and 42 ministries in accordance with the Cabinet regulations mentioned in Paragraph 40 of these rules must prepare information about the progress of the measures that have been envisaged in the action plan. Information is indicated by filling in the respective box in the action plan and filing it electronically to CSCC which, after receiving said information, compiles it and submits it to the PM.

Interviews made during the course of the research indicate that in practice CSCC and SC usually already take part in the period of inter-ministerial coordination, attending meetings, giving opinions, etc. CSCC is also involved in the process, for instance, before drafting when the ministries, social or cooperation partners are consulted about the coherence of a policy, such as the NDP's priorities, as well as organizing meetings of ministries to avoid duplication of documents and obtain successive policy planning.

Horizontal cooperation of ministries mainly takes part in the process of harmonisation of draft legislation by organizing inter-ministerial meetings or by carrying it out electronically (Cabinet Rules of Order Paragraph 100 and further). Ministries develop policy planning documents in certain sectors by mutual cooperation and by creating working parties in which the participants are the State (different ministries), NGOs and social and business partners. This also applies to the process of development planning documents.

Data obtained from some interviews indicated that there is a lack of horizontal co-operation instruments for resolving disputes already before draft legislation progress (discussing and exploring the most important aspects before form harmonisation process). In contrast, in other interviews, it was pointed out that in practice

the meetings, formal and informal working parties of legal services of the ministries, strategic planners, ministry communicators, etc. can be considered to be the instruments of informal communication. In addition, the forums provide cooperation between ministries in public administration. For example, the MoF representative in the study in an interview stated that in Latvia there are strong ministries that each develop policies within their competence. Policy planning documents and inter-institutional issues are addressed in the existing forms - SSM, Cabinet committees. Similarly, to tackle wider issues there exists the possibility to set up working parties. MoF also noted that the current cooperation between the SC and CSCC can be considered a success, all the issues have been resolved through negotiation, putting priority on society and the state, rather than the interests of officials.

Thus, **it follows** that the CoG is actively involved in the horizontal planning, is consulting with stakeholders, addressing the parties involved, there are also no major problems in horizontal collaboration, because the parties use a variety of communication tools to discuss issues on the agenda.

At the same time, in an interview with a representative of MoF he drew attention to the fact that the CoG has been established to co-ordinate sectoral policies, however, the full function of the capacity is not sufficient, directly from the perspective of policy analysis and various policy issues of mutual impact analysis perspective.

Thus, as regards CoG access to the priority objectives and horizontal cooperation coordination, the CoG is actually in **optimized stage**, while in the future a matter of CSCC capacity directly in relation to mutual impact analysis of various policy issues should be addressed.

9 Vertical coordination (conflict resolution)	Disagreements between ministries are public or are transferred to the Head of Government, bypassing the CoG.	CoG is recognized as a legitimate and useful conflict resolver between ministries but this procedure is still not institutionalized.	CoG effectively settles disputes between ministries, incurred during the implementation of policy. The Head of Government is involved only if the dispute cannot be settled at a lower level.
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According to the Constitution Article 61 The Cabinet discusses all draft laws prepared by individual ministries and issues relating to the operation of several ministries, as well as state policy issues presented by individual members the Cabinet.

According to the Constitution of the Cabinet of Ministers, the Part 3 of Article 28 in meeting of the Cabinet each member has the right to comment on any issue included on the meeting agenda. According to the fifth paragraph the PM may invite the responsible officials to express their views in the meeting. Thus, disputes between ministries are negotiated by the Cabinet - Cabinet meeting, committee meeting, the SSM, inter-institutional meeting and working parties. Direct conflicts between ministers deal are dealt with by the PM. The matter can be discussed at the level of party representatives, including the Coalition Council. CSCC on its own initiative, on behalf of the Cabinet of Ministers or the PM take part in resolving contentious issues between ministries, for example, to prepare an issue that needs to be put on the agenda of government meeting.

From the legislation referred to earlier it can be **established** that the CoG settles disputes between ministries, incurred during the implementation of policies, as well as that the Head of Government as a dispute resolver is involved only if the direct conflict with ministers is the case. In this case, the Head of Government decides what to do. Even if there is no direct conflict with the Minister, in practice, during significant disputes with ministry, the Head of Government is informed. Often even PM resolution is used to obtain the information from the Ministry, which fails to provide information or does not place a question in the Cabinet agenda. Thus, it can be **concluded** that the regulatory level CoG in this matter is sufficiently **optimized**, but in practice tends to run into problems outlined above, while in can be established that the PM has statutory instruments (e.g. resolutions) to address disagreements.

Function 3. Performance Monitoring and Improvement

10. Performance Monitoring System	Ministries do not account to CoG periodically about the progress. CoG compiles data on progress in the ad - hoc or	There is periodic reporting of the priority objectives between the CoG and ministries.	CoG supervises the performance of ministries mainly using the indicators of the impact, policy and
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	case of crisis.		action, ministries report regularly on progress made.
<p>PM Office in accordance with the by-law of SC Subparagraph 18.1 is tasked with analysing government policies. CSCC according to By-law of CSCC Subparagraph 4.1 in cooperation with ministries and other government departments carries out sectoral policy analysis as well as in accordance with regulations Subparagraph s 4.3. 4.5 carries out development planning documents analysis and provides PM with information about it.</p> <p>At the same time it can be determined that By-law of SC Subparagraph 4.17 is set to carry out management audit of certain functions to verify and assess the direct administration operational efficiency and effectiveness, involving public administration specialists, as well as other specialists, on behalf of the PM. However, in practice it can be established that since 2011 the SC is no longer involved with the function of the audits, as well as other public administration assessments.</p> <p>With regard to the audit of the functions of the institutions, it can be determined that in the previous period the ESF conducted evaluation of management audit in public administration. It is derived from the evaluation (April 15, 2013 Interim Report for the plan "Action Plan for optimising public administration and civil service systems" the implementation of the final assessment (ex-post)) that 4 horizontal management audits were carried out in 2009 covering 19 institutions. In parallel with these, SC carried out the audit of the state of the functions / tasks. In cooperation with the ministries a list of functions have been created, that identifies 924 functions tasks (report page 11).</p> <p>Thus it can be concluded that performance monitoring system has been established within legislation and SC supervises the ministries performance using policy and impact performance indicators. In the following paragraph the reporting system for the ministries is demonstrated. Thus in regards to this matter CSCC is in transition from developing to optimised stage.</p>			
11. Usage of performance indicators in interbranch management	CSCC cannot use the information because it is not available or not reliable.	CSCC has mechanisms to discuss the changes with the ministries, but meetings have no added value in problem solving.	CSCC has created a robust accountability mechanisms and performance evaluation. Evidence-based approach is regularly used. Software is used for data storage and identification of current situation.
<p>Development Planning System Law Paragraph 7 of Article 11, states that the results of development planning are the products and services, as well as changes attained in society and national economy developed by the State and local government institutions during the course of the implementation of the development planning documents. The result-based indicators shall be used for determination of results. The system of results and result-based indicators and the procedures for the operation thereof shall be determined by the Cabinet.</p> <p>The COM Regulations of 1 September 2009 No 979 "The system of results and result-based indicators" paragraphs 18 and 19 provide that the information on the results is centrally collected and systematised by the Ministry of Finance. The data on planned results and the actual execution of operational strategies and budget explanatory notes are collected on the public reports and reports on the current year budget execution analysis. State budget program execution results analysis is carried out in FM according to regulations of the current year budget execution analysis.</p> <p>Under provision of paragraph 3 of these rules a 2009 Cabinet Instruction 17 November No. 16 "Methodology for developing and assessing the Key Performance Indicators of Ministries and other central state institutions" has been issued which describes the methodology in detail. It is significant that, according to paragraph 3 of the methodology the main task of the authority, when introducing the results and result-based indicators system, is to reduce the accumulation of formal indicators that create additional costs and do not provide information on the real target level. Chapter 3.1 pf the instructions details the evaluation of results and result-based indicators. Paragraph 18 states that results and evaluation of result-based indicators is carried out in two stages: 1) When formulating the results for the first time - a preliminary assessment (ex-ante); 2) after the execution of activities provided in development planning documents or after the development planning document operations have ended - ex-post evaluation (ex-post).</p>			

Paragraph 20 provides that in the post-evaluation process the results and result-based indicators are compared with the initially planned results. Analytical indicators are also measured through resources used and changes in relation to previous years' achievements, as well as the particular reasons for non-execution or over-execution of results and result-based indicators.

In practice, however, this assessment is not related to a deeper analysis of reasons for non-execution or over-execution and is in no way affecting the budget allocation /exclusions.

Paragraph 22 of the aforementioned regulations provides that the conclusions about the results and result-based indicators of ex-post evaluation are used to: 1) identify and explain the possible impact of external factors on the index value changes; 2) identify and explain the causes that determined the value of each variable changes during the reporting period; 3) present proposals for improving the results and result-based indicator if the specified set of indicators does not allow any clear conclusions about the degree of influence of the institution's activities and the ability to achieve policy objectives and policy outcomes; 4) present proposals to the head of the institution about possible improvements (adjustments) to the work of the authority.

Ex-post evaluation results can serve as the basis for decisions on necessary policy changes, adjustments in the relevant policy area, and as the required investment amount adjustment for achieving the objective (Paragraph 23 of these Regulations).

In practice, MoF provides the accumulation of the results of the state budget program (sub-program) performance and their result indicators in database (MS Excel format). MoF organizes seminars each year for ministries to provide information on results of implementing the linking of results and result-based indicators, with budget planning. Data on the country's development indicators are also collected by the CSCC. SC develops draft legislation portal through which it is planned to analyse the degree of achievement of performance indicators.

In accordance with legislation, it can be **established** that the ministries must report periodically to the CoG on priority objectives. From the regulatory framework, as well as from the practice of MoF it can be established that there is a detailed performance management evaluation mechanism that is used in the planning of further courses of action, as well as to improve and adjust the action of the institutions, if it is found that the results are not achieved or not achieved sufficiently. At the same time, the Policy Planning System Development Guidelines and Development Planning System Impact Assessment (DPSIA) found that the relationship between result-based indicators at EU level, the NDP and sectoral policy planning documents are not always mutually coordinated and create problems for the reporting process. Result-based indicators are too many and their interrelation is not clearly stated.

Thus, it can be **concluded** that the usage of result based indicators and feedback in the dialogue between CoG and sectors is not sufficiently optimized, although formally CoG has created a regular reporting mechanism and performance evaluation mechanism with an option to introduce adjustments if the results are not achieved. In practice, there are cases where the developed performance measurement mechanism is not used effectively enough, the result-based indicators of ministries are not adjusted according to the amount of funding available. Overall, therefore, it is concluded that the performance indicator **is in transition from development to optimised** stage.

12. Support for the Head of Government in carrying out performance monitoring	The head of government does not receive periodic reports on the achievement of priority objectives. CoG provides it irregularly, ad-hoc, according to need.	Head of Government regularly receives reports on the implementation of the priorities, but on an ad-hoc basis, which is the information from the ministries and which has no analytical value added from the CoG.	Head of Government receives regular reports on the progress in the priority areas to which the CoG has given its expert judgment.
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Cabinet Rules of Order (in Paragraph 35 - 45) describe in detail the regulation of action plan implementation process, process to implement changes in it, the cooperation of CSCC and ministries in this process. Also, the Cabinet Rules of Order cover the process of execution of the government action plan in case of government or PM resignation, namely, paragraph 30 stipulates that in case of resignation of the Cabinet or the PM stipulated in Constitution of the Cabinet of Ministers, each Ministry electronically prepares and submits CSCC the information about the progress of execution of action plan and tasks that are connected to achieving goals of NDP and which should be continued in the timeframe set out in the Cabinet Resolution according to the Annex

2 of these rules. If the ministry proposes new measures while providing information on accomplished tasks and tasks which should be continued, it fills the third section of Annex 2 in these rules.

It can be derived from CSCC Regulations 4.1 that CSCC in collaboration with ministries and other government departments carries out sectoral policy analysis and offers proposals for the PM about long-term national development priorities and spatial development perspective. According to the Regulations Subparagraph 4.3. CSCC carries out development planning documents analysis and provides information about them for the PM. According to the Regulations Subparagraph 3.5. it provides the PM with opinions to align horizontal issues with the mid-term priorities and political guidelines set out in hierarchically highest development planning documents, to identify their impact on the competitiveness of the country, the place and the role in carrying out structural reforms, as well as to direct the resources (financial instruments) in accordance with national development political priorities and guidelines.

According to the By-law of MoF Subparagraph 6.8., MoF performs the review of the execution of functions, as well as other evaluations in the public administration institutions subordinate to the MoF.

In accordance with By-law of SC Subparagraph 4.17 SC on behalf of the PM carries out an audit on several functions, reviews and evaluates the direct administration operational efficiency and effectiveness, involving public administration specialists, as well as other specialists. To accomplish this task SC in accordance with the By-law Subparagraph 5.2 shall have the right to freely visit the direct administration institutions as well as to request and receive all the necessary information and documents for carrying out this task. However, while legal act still requires it, since 2011, SC is no longer involved with the audits of function, nor with other public administration institution performance evaluation.

PM office in accordance with aforementioned By-law Subparagraph 18.1 and 18.2 analyses government policies and fosters its implementation (in cooperation with the government coalition partners) in accordance with the Declaration, expresses opinions on any policy issue of interest to the PM.

In turn, interviews acquired during study period show that ministers regularly, twice a year, account to the PM for the execution of government's action plan.

In addition, briefing of the PM is a matter of responsibility for PM office, under which it could be possible to partly provide an assessment of the performance of the ministry. In accordance with the instructions of the PM, the office also chooses the format of briefing and depth of analysis, as well as involved parties. From interviews obtained during the study indicates that the PM's desire to get involved into each ministry issues is dependent on the PM's personality.

However, according to the Constitution of the Cabinet of Ministers Part 6 of Article 15 the PM reports to the Parliament on work carried out by the Cabinet of Ministers and planned activities in accordance with the Parliament Rules of Order annually.

With this in view, it can be concluded that on the regulatory level mechanism to keep the Head of Government regularly informed on the implementation of the Government Action Plan is enshrined. In addition, this information is not only in the form of reports, but CSCC provides its analysis. Thus it can be **concluded** that the in relation to aid for the Head of Government the stage of CSCC is **optimized**.

13. Mechanism to improve the functioning of ministries	CSCC lack the technical capacity to improve the performance of ministries.	CSCC has ministries performance monitoring tools, but CSCC has no direct intervention mechanism in the work of ministries.	CoG staff are competent in data analysis and have developed intervention procedures with a goal to overcome obstacles and improve the performance of ministries.
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According to the Development Planning System Law Part 4 of Article 12 CSCC develops hierarchically highest national level development planning documents and coordinates their implementation, organizes and implements mutual coordination and monitoring of sectoral policies, develops proposals for the implementation of the national reform and the redistribution of resources in accordance with national development priorities and the political guidelines, as well as performs other functions prescribed by legislation and analytical tasks set out by the Cabinet and the PM by assessing the long-term national development models. In order to ensure the fulfilment of the functions of CSCC, the Head of CSCC can provide PMs and Cabinet members with proposals about national development planning (fifth paragraph).

By-law of CSCC Paragraph 3.7 stipulates that CSCC carries out cross-sectoral monitoring of sectoral policies. In addition, according to the By-law paragraph 3.2 and 3.4 it coordinates the execution of the Declaration and its action plan, as well as coordinates and monitors the implementation of the National Development Plan. To this end, the centre in accordance with the By-law paragraph 4.2 coordinates cooperation between ministries and other public authorities in the drafting of the National Development Plan dictates the direction of national development objectives, priorities (including the territorial development priorities) and the results (also the macro level) as well as the monitoring of priorities of each course of action and the execution of achievable policy results. In cooperation with the ministries and other government departments it carries out sectoral policy analysis.

Cabinet Rules of Order (Paragraph 35 - 45) regulate in detail the action plan implementation process, implementation of changes in it, mutual cooperation of CSCC and the ministries in this process.

However, according to the Cabinet Rules of Order Paragraph 245 to ensure the execution of task given to the Cabinet and tasks set out in MSS protocol, the SC director on behalf of the PM is entitled to request information from the national secretaries about the given tasks. Information must be provided within 10 working days after receiving the request. According to paragraph 248 when sending a reply to the SC about the task given by director of SC document number and date must also be provided.

In turn, the performance of ministries is measured during the budgetary procedure by MoF and CSCC assessing the new policy initiatives in accordance with the process determined by Cabinet Regulations No. 867 of 11 December 2012 "Procedure for the determination of the maximum permissible total central government expenditure and the maximum government spending on the total volume of each ministry and other central government institutions for the medium term".

Similarly, in relation to government personnel management function area improving it must be noted that the By-law of SC Subparagraph 4.4 provides that the SC organizes the development of public procurement for training programs of officials. That, subject to the LSPA function, indicates that the SC have real possibilities to develop the competencies of national regulatory authorities.

At the same time it is determined that the CSCC currently has no direct mechanisms to intervene in the work of the ministries. The issue can be discussed in the coalition council, as well as public condemnation can be made. The study found that the current Prime Minister has established a practice for ministers to report at mid-term of the execution of PM declaration, so in this way the PM may significantly affect the non-performance of the action plan of the ministry. This established practice is to be seen as very positive.

In turn, the study authors in addition to existing instruments offer to iron out another instrument, providing the PM competency to adopt the policy guidelines that are described in detail in the section of the research on instruments used by CSCC.

It can be **concluded** that in this matter CSCC (especially the PM) is in transition from stage of development to the **optimized** stage.

Function 4 Political and policy management

14. CSCC role in approval of priorities

CSCC does not chair political negotiations about approving the government priorities, allowing each ministry to fight for their priorities.

CSCC chairs political negotiations about approving the priorities but are only involved with some of the parties involved and does not do it in a uniform way.

CSCC fully communicates priorities approval process with stakeholders, evaluates new policy initiatives in detail.

According to the Cabinet Regulation of 21 January 2014 No 38 "By-law of National Development Council" paragraph 1 the National Development Council (NDP) provides long-term national development planning and evaluation, as well as calls for structural reforms in the public administration in order to facilitate development planning link with financial planning and the mutual coherence in state and local government institutions decisions. According to the paragraph 4 NDP plans the long-term national development; evaluates the long-term national development planning documents performance and makes proposals of new development planning documents; provides recommendations to the Cabinet on the priority axes of long-term development planning by carrying out their impact analysis and assessment; It makes recommendations on the priority

directions of the state budget development unit in medium-term planning; examines the relevant national structural reform issues.

Law on financial and budgetary management Part 3 of Article 16, states that the ministries and other central State institutions prepare the new policy initiatives on the basis of the priorities and purposes determined in the National Development Plan and National Defence Conception. According to this Article Part 3.1 the Cabinet may determine that ministries and other central government institutions in the preparation of new policy initiatives, are also based on priorities and objectives outlined in other development planning documents, including taking into account the need to carry out measures for administrative capacity-building of budgetary authorities. In addition, according to the Article 16.2 the Cabinet regulates the procedure by which the maximum permissible total amount of the State budget expenditure and the maximum permissible total amount of the State budget expenditure for each ministry and other central State institutions in the medium term is determined.

On the basis of that delegation the Cabinet regulations have been issued in 11 December 2012, No. 867 "Procedure for the determination of the maximum permissible total central government expenditure and the maximum government spending total amount for each ministry and other central government institutions for the medium term." Paragraph 5 provides that the maximum total expenditure is calculated by Ministry of Finance based on the medium-term budget framework law, the forecasts of the macroeconomic developments, as well as by taking in account national fiscal conditions, if any are enacted in medium-term budgetary planning or in fiscal discipline. Paragraph 22 states that the Cabinet of Ministers before deciding on new policy initiatives supported by the FM proposal can determine the total available funding, broken down by measures which comply with the national development plan and other development planning documents, measures which comply with the National Defence Conception, as well as new policy initiatives, which are not evaluated in compliance with the development planning documents (hereinafter - administrative capacity building measures). Ministry in accordance with the provisions of paragraph 23 submit applications to MoF and CSCC about new policy initiatives, for which to evaluate compliance with the development planning documents. In turn, the FM and the CSCC evaluates new policy initiatives, which are assessed in relation to compliance with the development planning documents, in accordance with the following criteria: relevance to the strategic indicators and tasks set out in NDP or targets or National Defence Conception and compliance with other development planning documents; compliance with the tasks laid down in the Declaration, compliance with regulations of the Cabinet of Ministers and the protocols (Paragraph 30 and 31).

In addition, the MoF evaluates the compliance of new policy initiatives with national laws and regulations or European Union regulations and decisions (Sub-paragraph 30.2). MoF and CSCC have the right to demand additional and specifying information from the ministries in the evaluation and compilation process of new policy initiatives. If, while evaluating the information provided by the ministry, shortcomings have been confirmed, MoF sends to the ministry a mutually agreed opinion of MoF and CSCC on irregularities and suggestions for clarification of information (Paragraphs 33.2 and 33.3). The Cabinet examines this MoF presented information on new policy initiatives, including proposals for initiatives to be supported, taking into account the approved national budget baseline expenditure projections for macroeconomic developments and particular national fiscal conditions (Paragraph 35).

Pursuant to the legislation referred to earlier it can be established that the laws and regulations in detail regulates the role of NDP as CoG components role in the budgetary process and provides detailed description of the procedure how ministries and other central government institutions submit proposals for new policy initiatives, including a visible active role of MoF and CSCC in evaluation of new policy initiatives, objection provision, as well as in communication with the ministries and other institutions. The Cabinet takes a decision on the basis of the information already researched in detail. Thus, one can conclude that CoG fully communicates the approval of priorities process with the involved parties, evaluates the new policy initiatives in detail. Head of Government in conjunction with the Minister of Finance chairs the negotiations on the budget. State budgetary issues are dealt with by the coalition partners by discussions in coalition meetings. If there are disputes, the matter is usually not sent to the Cabinet or the Parliament. Thus, it follows that the CoG is in **optimized stage**.

15. Legal assessment of policy initiatives	CSCC does not receive a legal analysis of policy proposals, the rule of law.	CSCC has a structure to carry out legal analysis of policy proposals, but it does not have the administrative	All major policy initiatives and actions of Head of Government receive quality legal analysis of the CoG, since it has adequate
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		capacity to ensure high-quality analysis.	administrative capacity for carrying out the analysis.
<p>According to the Cabinet Rules of Order Paragraph 91 Opinion (ordination) of the announced project is required from: MoF; MoJ; SC if the project concerns the state administration institutional structure and principles of operation; CSCC - on any draft planning document and the information report draft as well as on draft legislation relating to mutual consistency of the national level development planning documents and compliance with regulatory requirements; Ministry of Foreign Affairs - for international agreement or its draft, or other projects affecting the international commitments of the Republic of Latvia; Latvian Association of Municipalities, where a project is in accordance with the law "On Local Governments" needs to be coordinated with local governments; Public Utilities Commission, if the draft legislative act is related to the regulation of public services; National Regional Development Council, if the project is linked to regional development, spatial planning and land policy; National Tripartite Cooperation Council, if the draft concerns interests of employers and employees; Competition Council, if the project is related to the protection of competition and development issues; Latvian National Commission for United Nations Educational, Scientific and Cultural Organization (UNESCO), if the project is relating to the Latvian Republic's international obligations within the scope of UNESCO (education, science, culture, the environment, information and communication, media); other ministries whose area of competence is directly affected by the project, as well as other institutions with which draft laws and regulations harmonization is defined in the external normative act, or if the need for harmonization arises directly from an external normative act provisions which establish their competence.</p> <p>SC in accordance with its Regulations Subparagraph 4.6 shall carry out legal analysis of the planning documents and draft legislation submitted by the Cabinet in order to provide proposals on the further direction. SC also coordinates the administrative cooperation to ensure the compliance with the legal technique norms of the state language and usage of a unified, accurate terminology in legislation and draft laws of the Cabinet (Paragraph 4.8).</p> <p>In accordance with Cabinet Rules of Order Subparagraph 91.1 if CSCC finds the a significant noncompliance to the Declaration, action plan or the approved planning documents, while evaluating the projects announced, which give rise to justifiable doubts of the usefulness of the future direction of this draft it gives its opinion and proposals about the future direction of the project announced to the PM. CSCC in accordance with its rules Subparagraph 3.5 gives opinions to the Prime Minister to align horizontal issues with the medium-term priorities and political guidelines set out in the hierarchically highest development planning documents, to identify their impact on the competitiveness of the country, the place and the role in carrying out structural reforms, as well as to direct the resources (financial instruments) in accordance with national development priorities and political guidelines.</p> <p>CSCC in accordance with its By-law Subparagraph 4.4 and SC in accordance with its By-law Subparagraph 11.04 give opinions on development planning documents and draft legislation elaborated by other national regulatory authorities.</p> <p>It can be established in the regulatory framework that the SC performs legal analysis of policy planning documents and the legislation, as well as provides support to the ministries and other government departments in usage of unified legal technique, language and precise terminology. Similarly, any announced project requires the opinions (ordination) of MoF, MoJ and SC. By contrast, CSCC provides advice to the Prime Minister on aligning horizontal issues with the hierarchically highest development planning documents set out the medium-term priorities and political guidelines, to identify their impact on the competitiveness of the country, the place and the role of structural reforms, as well as direct the resources (financial instruments) in accordance with national development priorities and political guidelines. Also, if CSCC finds the a significant noncompliance to the Declaration, action plan or the approved planning documents, while evaluating the projects announced, which give rise to justifiable doubts of the usefulness of the future direction of this draft it gives its opinion and proposals about the future direction of the project announced to the PM.</p> <p>Thus, it follows that the CoG structures (Legal Department of SC) provides legal analysis of planning documents and draft legislation. Also at briefing PM and the Cabinet before CCOM meetings legal analysis and assessment of the documents examined is provided. At the same time it is emphasized that legal expert function is not included in the CoG in its own right, but only to the extent to where the SC carries it out in order to provide direct support to the PM, which distinguishes it from the legal expertise of MoJ. By contrast, CSCC as part of CoG gives PM opinions on alignment of horizontal issues with the medium-term priorities and political</p>			

guidelines set out in the hierarchically highest development planning documents, to identify their impact on the competitiveness of the country, the place and the role in carrying out structural reforms, as well as to direct the resources (financial instruments) in accordance with national development priorities and political guidelines.

Subject to the foregoing, it can be concluded that all major policy initiatives and actions of the Head of government receives quality legal analysis because the CoG structure has appropriate administrative capacity to carry out analysis (Legal Department of SC). Consequently, in this matter CoG is in **optimized stage**.

Function 5 Communication

16. Communication strategy

In public statements ministries do not follow a communication strategy developed by CoG.

CoG co-ordinates government communications, but not all of the officials comply with it. CoG prepares speeches for the Head of Government.

CoG develops clear standards on how officials speak on behalf of the government. Prepares speeches for the Head of Government and supervise the execution of communication strategies.

By-law of State Chancellery Subparagraph 4.2 states that SC coordinates the work of public administrations communication bodies, develops and implements government communication policy. PM office in accordance with the Regulations Paragraph 18.5 represents the views of the members of the Cabinet on the mandate of the PM in other institutions, working parties, advisory councils, and meetings, as well as performs other tasks set out by the PM.

Cabinet Rules of Order Paragraph 17 provide that ministry is responsible for informing the public about the content and essential changes of draft present in the Cabinet. The order in which the ministry prepares, draws up and disseminates information to the public on pending projects and about the decisions taken by the SSM, the Cabinet Committee is provided by the Cabinet regulation. On the basis of that delegation Cabinet 23 March 2010 Instruction No. 2 "The procedure how the ministry prepares, draws up and disseminates information to the public about pending projects and the decisions taken at the meeting of State Secretaries of the Cabinet Committee and Cabinet" has been issued which sets out a very detailed instruction on how the information should be presented. This issue is further described in the questions 19 and 20.

It is then **established** that it is correctly regulated on the legislative level that the CoG develops and implements government communication policy, as well as co-ordinate public administration communication units work. In the same manner it can be concluded from the tasks of the PM office that it provides PM speech preparation. Similarly, it is regulated in legislation how the ministries should provide information on government decisions and decisions prepared. At the same time it cannot be established from the legislation how the CoG monitors unified communication strategy execution. Thus, it **follows** that in the field of communication strategy the CoG is very close to the **optimized** model.

17. Public information and participation (social dialogue)

CoG does not develop participation procedures.

CoG develops participation procedures, but the feedback from government on the usefulness of the procedure is limited.

CoG ensures that the ministries hear the public and other stakeholders by inviting them to participate in government decision-making.

State Administration Law Paragraph 4 of Part 5 of Article 26 states that SC informs the public about the work of the Cabinet.

According to the By-law of SC Subparagraphs 12.4, 13.4, 16.4 and 4.20 SC organizes cooperation with non-governmental organizations; ensures the reception of applications, complaints and processing of proposals addressed to the Cabinet, PM and Deputy Prime Minister and the reception of persons; coordinates the cooperation between government institutions in ensuring good governance and client-oriented culture in providing public administration and reducing administrative burdens in the population; coordinates the participation of the public information and education on matters within the competence of the Cabinet and the democratic foundations of the state and values, as well as informs the public about the state policy in respective spheres of SC competence. To this end, the SC has the right according to the Regulations Subparagraph 5.1 to involve representatives of various institutions, non-governmental organizations in dealing with national regulatory issues, by establishing working parties and the organization of cross-institutional meetings.

The main task of Office of PM in accordance with By-law of SC paragraph 18.3 is to cooperate with ministries, other state and municipal institutions, non-governmental organizations, political parties, as well as with foreign institutions and international organizations in accordance with the PM's instructions and in accordance with Subparagraph 18.6 in cooperation with the Communication Department to inform the PM of the political issues reflected on media, to organize a meeting with the press and other media, prepare the PM for these meetings, as well as in accordance with the instructions of the PM to provide the public with information about decisions made by the PM and Cabinet.

CSCC in accordance with its rules Subparagraph 4.8 informs the public about the national policy in its respective spheres of competence, consults with non-governmental organizations in the decision-making process, to promote social dialogue on issues related to policy development and implementation, as well as involve the society in the public administration. To this end, according to the CSCC Regulations Subparagraph 5.1 it is entitled to involve in public administration matters ministries, other government institutions, local governments and representatives of other institutions as well as non-governmental organizations, to establish working parties and organize inter-institutional meetings.

In order to ensure the required tasks, the SC similarly to CSCC under the Subparagraph 5.1 has the right to involve in public administration matters ministries, other government institutions, local governments and representatives of other institutions as well as non-governmental organizations, to establish working parties and organize inter-institutional meetings.

In turn, the PM in accordance with the Cabinet of Ministers Structure Law Article 28 paragraph 5 of its own or at the initiative of a member of the Cabinet of Ministers may invite to express their views at the meeting of the Cabinet government officials, social partners and civil society organizations representatives, and other experts, the opinions of which could be important in deciding the matter. Also, in accordance with Article 29 part 2 and 3 the meetings of the Cabinet are public, unless the part has been declared closed, as well as the Cabinet meeting agenda, publicly available draft legislation and minutes of the meeting shall be published in the Internet homepage of the Cabinet. The public has an opportunity to watch Cabinet meeting live on the Internet website of the Cabinet.

Similarly, under Article 29 paragraph 1 the Cabinet and the state administration subordinated to it must inform the public about its activities and decisions.

Cabinet Rules of Order Paragraph 21 also states that the SC publishes the meetings of SSM, the Cabinet committee and the Cabinet meeting agendas and minutes, as well as the planning documents, draft legal acts and their annotations, informative reports included in the agenda with the exception of restricted access documents in the Internet homepage of the Cabinet.

Also the by-laws of ministries provides the public involvement in public administration and information. For example, Cabinet Regulation No. 239 Adopted 29 April 2003 By-law of the Ministry of Finance Subparagraph 6.11 Cabinet Regulation No. 243 Adopted 29 April 2003 By-law of the Ministry of Justice Subparagraph 6.11 the stipulates that inform the public regarding the sectoral policy and the operation of the institutions that are subordinate to the Ministry, consult with non-governmental organisations in the process of taking of a decision, promote social dialogue regarding issues which are related to the formulation and implementation of the policy, as well as involve representatives of the public in the administration of the State. Similar legislation is stipulated in other by-laws. In addition, for example, the Ministry of Justice by-law determines that ministry should ensure the public information and dialogue with the public about the rights policy, as well as promote public awareness of legal thought and development in line with the principles of a democratic state (Subparagraph 4.2.5).

Cabinet Rules of Order paragraph 17 provides that the Ministry is responsible for informing the public about the content of drafts reviewed by the Cabinet the essential changes in them. The order in which the Ministry prepares, draws up and disseminates information to the public on the SSM, the Cabinet Committee and Cabinet pending projects and about the decisions taken is regulated by the Cabinet instruction.

On the basis of that delegation Cabinet 23 March 2010 Instruction No. 2 "The arrangements how the ministry prepares, draws up and disseminates information to the public about pending projects and the decisions taken at the meeting of State Secretaries of the Cabinet Committee and Cabinet" has been issued which sets out a very detailed instruction how the information should be presented. It must be stressed instruction precisely

determines the content of information that should be expressed in textual form. According to the instructions in paragraph 2 ministries disseminate information in writing (press release) prepared by the Ministry on the projects where: 1) the Ministry's official opinion on the issues announced or reviewed matters in SSM; 2) official opinion of the Cabinet on the decisions made in Cabinet committee meeting and the meeting of the Cabinet; 3) official opinion of the Cabinet on the results of the European Council meeting; 4) official position of the ministry on the results of the EU Council of Ministers meeting, which significantly affect the interests of Latvian Republic. By contrast, oral statement preparation, coordination and distribution shall be determined by each ministry separately in accordance with the laws and regulations governing access to information, transparency and dissemination. The ministry ensures that information is disseminated in a timely manner, all the facts included are true, objective and clear and it reflects the draft legislation, its annotation information report, development planning document content as well as the decisions of SSM, the Cabinet Committee meeting and the meeting of the Cabinet, as well as the results of European Council or the EU Council of Ministers (paragraph 3, 4). SC coordinates the measures specified in the instructions (paragraph 6).

From the instructions in paragraph 17, it is apparent that the Ministry disseminates information after a legislation or development planning documents announced at the SSM, as well as documents mentioned in Cabinet Rules of Order paragraph 2 review in committee of the Cabinet or the making of a decision in Cabinet meeting, but no later than the next working day. SC disseminate information on results of the European Council meeting, ministry – on results of the EU Council of Ministers meeting, about the issues which significantly affect the interests of Latvian Republic. This should be done the day after the event (paragraph 17.1, 17.2). Information should be disseminated to: 1) individual recipients via e-mail or fax; 2) the public by posting information on the Internet homepage of ministry and the homepage of the Cabinet as well as placing information on results of the European Council or the EU Council of Ministers meeting, on the homepage (www.es.gov.lv) (paragraph 18).

Likewise Cabinet Regulation No. 970 Adopted 25 August 2009 “Procedures for the Public Participation in the Development Planning Process” the procedures for the public participation in the development planning process of the Parliament, the Cabinet, State institutions of direct administration, State administrative institutions which are not subordinated to the Cabinet, planning regions and local governments, and the purpose of the regulation is to promote efficient, open, inclusive, timely and responsible public participation in the development planning process, thus increasing the quality of the planning process and the conformity of the planning results with the public needs and interests. According to the Paragraph 6 Public participation is possible in the following stages of the development planning process; the proposing of a development planning process (including detecting of problems and determination of policy alternatives); the drawing up of a development planning document; the decision-making process according to the procedures stipulated by the decision-making institution; the introduction of a development planning document; the supervision and evaluation of introduction of a development planning document; the updating of a development planning document.. According to the provisions of section 7 public representatives may participate in the development planning; by participating in interbranch working groups and advisory councils; by participating in public discussion; by getting involved in public consultation; by getting involved in discussion groups, forums and other participation activities (for example, video conferences and public opinion polls); by submitting in writing an opinion on a development planning document during its drafting stage; by preparing an opinion on a development planning document prior to taking of a decision according to the procedures stipulated by the decision-making institution: in an institution of direct administration – for a draft development planning document announced in the meeting of State Secretaries in accordance with the laws and regulations governing the internal procedures and activities of the Cabinet; in local governments and other institutions – in accordance with the procedures laid down in their laws and regulations; by providing objections and proposals according to the procedures stipulated by the decision-making institution during the decision-making process: in an institution of direct administration – at a meeting of a Cabinet committee and the Cabinet in accordance with the laws and regulations governing the internal procedures and activities of the Cabinet; in local governments – at council meetings, committees and commissions according to the by-law of the local government; in other institutions – according to the internal decision-making procedures laid down therein; by participating in the introduction of policy in accordance with the procedures laid down in the State Administration Structure Law.

It derives from these regulation that any member of the public may submit their proposals to the draft legislation, since the provisions of Paragraph 3 provides that public participation can be implemented by **formal** (for example, associations, foundations, trade unions, employers' organisations, religious organisations)

and **informal** (unregistered initiative groups, interest associations) **groups of the public**, as well as **individual natural persons** (hereinafter – public representatives). Similarly, the provisions of Paragraph 5 obliges an institution to apply the public participation procedures also in drawing up of such draft legal acts, which substantially change the current regulation or provide for introduction of new political initiatives. Members of the public may submit their proposals at least 14 days before the submission of legislative to the State Secretaries meeting. To involve the public, the competent authority is obliged to inform the public by publication of the relevant notice on its website, as well as, if necessary, to distribute it in other ways available to the public.

15 June 2005 a PM Memorandum of Cooperation with non-governmental organizations was concluded, which aims to promote effective and appropriate to public interest public administration, ensuring civil society involvement in decision-making processes.

As an example of public participation the National Tripartite Cooperation Council, which in accordance with paragraph 1 of the By-law of the Council consists of the Cabinet of Ministers, the Latvian Employers' Confederation and the Latvian Free Trade Union representatives. Demographic Affairs Council (Cabinet Regulation of 12 April 2011 No. 293), the Latvian National Sports Council (Cabinet regulation of 29 July 2003 No. 422), etc. could also be included.

PM also chair the working parties, such as the Reform Management Group set up to ensure public participation in the budget development, reforms and other important state decisions. Reform Management Group consists of representatives of the Latvian Free Trade Union Federation, the Ministry of Finance, the Budget and Finance (Taxation) Committee, Latvian Employers' Confederation, Latvian Association of Local Governments, the Latvian Chamber of Commerce and the SC.

Similarly, the Cabinet dispute settlement protocols with municipalities in accordance with the Cabinet Rules of 6 July 2004 No 585 " Procedures by which the Cabinet shall Co-ordinate with Self-governments Issues that Affect the Interests of Self-governments." can be seen as a form of social dialogue. In accordance with paragraph 9 of the regulation, the negotiating results of ministries and the Latvian Association of Local Governments is drawn up in the form of minutes. The Ministry shall send The draft of minutes before signing to Ministry of Finance, Ministry of Justice and the Minister responsible for giving opinions on compliance of the agreement with the legislation, the State budget possibilities to finance the execution of the agreement, as well as its impact on local governments.

From legislation it can therefore be **established** that in legislation mechanisms for public participation in government and public administration are provided. Namely, it can be seen that the CoG ensures that both the Government and the ministries listen to the public and other stakeholders by inviting them to participate in government decision making, enables members of the public to participate in government meetings, express their opinions, which can be important in decision-making, as well as provides a versatile ways for informing the public about the work of government, planned and adopted decisions: provides information on homepage of the Cabinet about the government meeting agenda, meeting minutes, draft documents, decisions, and generally inform the public about the government and the ministry policies, contributes to social dialogue. The public can watch the Cabinet meetings live on the Internet. With such regulation adequate public participation is also ensured, as well as the transparency of government and ministries decisions. It can be seen that the SC coordinates ministries actions the providing the information to the public in written form. The order how oral information is provided is determined by the ministries, however, it is still subject to the entire legal framework for providing information to the general public, there is no reason to believe, that by providing information orally, ministries would act cardinally different from when information is provided in writing. There are certainly also very prom t reporting deadlines. At the same time CoG also coordinates the cooperation between government institutions to ensure good governance and client-oriented culture in providing public administration and reducing administrative burdens in the population, suggesting that the CoG provides support to the ministries and other institutions in social conflict management.

Thus, in terms of public awareness, participation and transparency mechanisms it can be **concluded** that the CoG is **optimized**.

Annex 2. CoG functions and identified posts for CoG employees according to national and local government posts catalogue

The Position Family	The Position Subfamily	Level	Function 1. Strategic Planning	Function 2. Policy Coordination	Function 3. Performance Monitoring And Improvement	Function 4. Political And Policy Management	Function 5. Communication	Function 6. Support Functions
1. Administrative Management		VB	x		x	x		All Support Functions Performers
		VI		x	x	x	x	
		VI A	x	x	x	x	x	
9. Revision Of Texts		1A, 1B		x		x		
		II		x		x		
		III		x		x		
		IV		x		x		
12. Financial Analysis And Management	12.2. National Fiscal Planning And Execution	I	x		x			
		IIA/IIIB	x		x			
		III	x		x	x		
		IV	x		x	x		
		V	x		x	x		
		VI	x		x	x		
19. Information Technology	19.3. IT And IS Management	IIA			x			
		III			x			
		IV			x			
		V			x			
	19.4. Software Development	II			x			
		III			x			
		IV			x			
		V			x			
	19.5. System Administration And Maintenance	I			x			
		IIA			x			
		IIIB			x			
		IIIA			x			
		IIIB			x			
		IVA			x			
		IVB			x			
21. Legal analysis, control of performances and services		III B		x		x		
		IV		x		x		
		V B		x		x		
		VI A		x		x		
		VI B		x		x		
		VI C		x		x		
		VI D		x		x		
24. Communication And Public Relations		I						
		II					x	
		III					x	
		IV					x	
25. Consulting		I			x	x		

	II	x		x	x		
	III	x		x	x		
35. Policy Implementation	III	x		x	x	x	
	IV A	x		x	x	x	
	IV B	x		x	x	x	
	V	x		x	x	x	
36. Policy Planning	II	x	x	x	x	x	
	III	x	x	x	x	x	
	IV	x	x	x	x	x	
	V	x	x	x	x	x	
	VI	x	x	x	x	x	
52. Risk Management	I			x			
	II			x			
	III			x			
56. The National Development Planning, Coordination And Management	I	x	x	x	x	x	
	II	x	x	x	x	x	
	III	x	x	x	x	x	

Annex 3. CoG member participation in training in 2014

CoG Body	Training Topics	Number of employees
SC Employees	Quality management	3
	Document Management; document classification scheme design; Case Nomenclature, its types; document identification and evaluation	1
	State budget planning and execution general and the EU Structural Funds and the Cohesion Fund-specific planning principles	1
	Calculation of administrative costs (in financial terms) and reducing administrative burdens	6
	Change management leader	13
	Public Procurement performance practicum	12
	Support to Director	17
	Cooperation	13
	MOS, Microsoft Office Excel 2010 Basics	12
	English	23
	MOS, Microsoft Office Excel 2010 Experts	9
	<i>Public Written communication</i>	2
	<i>Public communication over the Internet</i>	2
	<i>The Development of Documents of EU; The Flow and Management of Information</i>	2
	<i>Crisis communication practicum</i>	2
	Total	118
MoF CoG department policy planners	English	2
	Data processing, report generation (EXCEL, Windows)	9
	Good practice in risk management	1
	Time series econometrics and macroeconomic diagnostics	2
	Latvian language written communication Improvement	1
	Objective setting and linkage with work results	30
	Practical Project Management	1
	A press release simply on the complex	1
	Program on Fiscal Decentralization and Local Government Financial management	1
	Public finances, budgeting basics	1
	Implementing risk management	6
	stress Management	1
	The Decision-making Process on the EU	17
	The Development of the documents of the EU	25
	The Institutional Framework and Legislative System of the EU	24
	The Management of Meetings, Negotiation, Public Speaking	12
	Tools and Policies for Inclusive Growth	1
	Total	135
FM middle and lower-level managers	Argumentation and persuasion - media training	1
	Data processing and reporting with Microsoft Excel 2010 (Excel 2)	1

	effective communication	1
	Effective and compelling - a key to successful public speaking	1
	Setting targets and their association with performance	35
	Total	39
Senior executives		1
	Argumentation and persuasion - media training	1
	INFOCEC 1	1
	Setting targets and their association with performance	2
	Implementing risk management	1
	The Development of the documents of the EU	1
	The Institutional Framework and Legislative System of the EU	1
	The Management of Meetings, Negotiation, Public Speaking	8

Annex 4. MoF (FM) SC (VK) and CSCC (PKC) employee competence evaluation

CoG Body	The department	The Position Family	Number of positions	Title of competency	Average rating
SC	VPAD	36	11	Analytical thinking	3.8 – „very good”
	JD	21	8	Analytical thinking	3 – „good”
	VPAD, JD leaders	36,21	2	The strategic vision	4 – „very good”
CSCC	No data	56	12	Analytical thinking	3.5 – „very good”
	Leaders	56	2	Orientation to the result	4 – „loti good”
				The strategic vision	4.5 – „very good”
MoF	FTPD FSPN	12.2.	5	Conceptual Thinking	4 – „very good”
				Analytical thinking	4.2 – „very good”
				Relationship building and maintenance	4.6 – „excellent”
	FTPD SFTPN	12.2.	6	Conceptual Thinking	4 – „very good”
				Analytical thinking	4 – „very good”
				Relationship building and maintenance	4 – „very good”
	FPD ESBFN	12.2.	3	Conceptual Thinking	4 – „very good”
				Analytical thinking	4.3- „very good”
				Relationship building and maintenance	4 – „very good”
	FPD Department of Economic and Finance Affairs in the Permanent Representation of LR in EU	7	3	Conceptual Thinking	4 – „very good”
				Analytical thinking	4.3 – „very good”
				Relationship building and maintenance	4 – „very good”
	FPD SEFLN	12.2.	6	Conceptual Thinking	4 – „very good”
				Analytical thinking	4.3 – „very good”
				Relationship building and maintenance	4 – „very good”
	FPD FPN	12.2.	4	Conceptual Thinking	3.9 – „very good”
				Analytical thinking	4.3 – „very good”
				Relationship building and maintenance	4 – „very good”
	TAD FAPN	12.2.	5	Conceptual Thinking	4.3 – „very good”
				Analytical thinking	4.3 – „very good”
				Relationship building and maintenance	4 – „very good”
	TAD MN	12.2.	5	Conceptual Thinking	4 – „very good”
				Analytical thinking	4 – „very good”
				Relationship building and maintenance	4 – „very good”
	BD ATIFN	12.2.	3	Conceptual Thinking	4.2 – „very good”
				Analytical thinking	4.1 – „very good”

				Relationship building and maintenance	4 – „very good”
	BD IZKSFN	12.2.	4	Conceptual Thinking	4 – „very good”
				Analytical thinking	4 – „very good”
				Relationship building and maintenance	4 – „very good”
	BD LFN	12.2.	3	Conceptual Thinking	3 – „good”
				Analytical thinking	3 – „good”
				Relationship building and maintenance	3.8 – „very good”
	BD RAZVFN	12.2.	3	Conceptual Thinking	4 – „very good”
				Analytical thinking	4 – „very good”
				Relationship building and maintenance	3.8 – „very good”
	BD VBPKN	12.2.	5	Conceptual Thinking	4 – „very good”
				Analytical thinking	4 – „very good”
				Relationship building and maintenance	4 – „very good”
	BD VVDTFN	12.2.	3	Conceptual Thinking	3.3 – „good”
				Analytical thinking	3.3 – „good”
				Relationship building and maintenance	3.3 – „good”
	FVMD	12.2.	2	Conceptual Thinking	5 – „excellent”
				Analytical thinking	4.5 – „very good”
				Relationship building and maintenance	3.5 – „good”
	FVMD BMN	12.2.	3	Conceptual Thinking	5 – „excellent”
				Analytical thinking	4.5 – „very good”
				Relationship building and maintenance	3.5 – „good”
	FVMD SSNAPN	12.2.	5	Conceptual Thinking	4 – „very good”
				Analytical thinking	4 – „very good”
				Relationship building and maintenance	3.9 – „very good”
	PFDUFD PFN	12.2.	1	Conceptual Thinking	4 – „very good”
				Analytical thinking	4 – „very good”
				Relationship building and maintenance	3 – „good”
	PFDUFD PFDUN	12.2.	4	Conceptual Thinking	4 – „very good”
				Analytical thinking	4 – „very good”
				Relationship building and maintenance	4 – „very good”
	Low level managers	12.2.	26	Conceptual Thinking achievement of results	4 – „very good”

Rating Process indicators¹⁰⁷

Competency	Rating	process indicators
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¹⁰⁷ Regulations of The Cabinet No 494 “Regulations on public administration institutions employees performance evaluation”

Relationship building and maintenance	Good	<i>Meets the requirements</i> Looks for opportunities to establish partnerships and exchange of knowledge by actively participating in conferences, meetings, working groups, committees and seminars. Creates and develops communication and cooperation with departments of other institutions and external partners effectively uses contacts to achieve results. Initiate and develop relationships with different social groups.
	Very good	<i>Partly exceeds requirements</i> Strategically expands networks. Establishes cooperation with external partners who can contribute to the institution strategy. Builds informal team of experts to jointly address the issues, share information and, if necessary, find solutions to disputes. Use formal and informal knowledge in order to promote the objectives of the institution.
	Excellent	<i>Exceeds requirements</i> Promotes new communication and networking. Identify areas to build strategic relationships. Communicates with senior managers to identify long-term areas of interest.
Analytical thinking	Good	<i>Meets the requirements</i> Able to see the causal chain and to think several steps ahead (causes and consequences can be different and at number of levels). Able to argue logically systematize by the causes and significance. Successfully analyse uncommon problems.
	Very good	<i>Partly exceeds requirements</i> Identifies the causes and consequences in a wider context, on several levels. Takes into account the context of the situation when analysing and drawing conclusions, use different approaches in problem solving. Able to offer a number of alternatives.
	Excellent	<i>Exceeds requirements</i> Carries out qualitative analysis of complex and large-scale information. Possesses excellent reasoning ability, based on a broad and comprehensive information (numbers, facts, opinions). Take into account the direct and indirect causality that determines or influences the consequences, both directly and indirectly. Attaches importance to both facts and emotions
Conceptual Thinking	Good	<i>Meets the requirements</i> Able to formulate concise conclusions and assumptions. In assessing the situation, use pre-defined set of principles and methods. Able to link up different ideas and observations of a single basic approach (concept) and apply the approach according to the specific situation. Is able to present complex information in simple words generalising and in a simple manner. Able to notice the essential
	Very good	<i>Partly exceeds requirements</i> Identifies problems and relationships that are not directly related to, or based on previously acquired knowledge or experience. Builds and tests new assumptions and solutions.
	Excellent	<i>Exceeds requirements</i> Able to create a conceptually new and useful solutions. Able to see the relationship between situations and processes that were not previously linked, and offer explanations to complex problems or situations
The strategic vision	Good	<i>Meets the requirements</i> Collaborates with staff to set performance targets and plans and

		ensure compliance with the strategic direction. Clearly defines and promotes employee investment in achieving institutions objectives. Follows the team's activity to ensure compliance with the strategic direction and authority values. Regularly promotes authority and its strategic vision and values to customers stakeholders and partners. Evaluates the difference between the current situation and future trends and determine the most effective ways to reduce the difference
	Very good	<i>Partly exceeds requirements</i> Anticipates obstacles and opportunities for institution and adjusts its behaviour. Defines problems, develops options and selects solutions according to the institution's vision and strategy. Vigorously and convincingly promotes the strategic objectives to the co-workers and subordinates
	Excellent	<i>Exceeds requirements</i> Runs institution development vision drafting. Defines and intentionally expresses the vision and strategy in the wider context of national development objectives. Describes the vision and values in a comprehensible and easily understandable way to achieve employee participation trust of the persons involved. Identifies , conceptualises and synthesizes new directions or liabilities between institutions values and transforms them into the institution priorities
Achievement of results	Good	<i>Meets the requirements</i> Clearly defines the tasks, sets priorities and action steps. Examines the quality of work, does not accept non-compliant, low-quality job performance. Helps correct errors in a timely manner predicts the potential difficulties and take steps to reduce them
	Very good	<i>Partly exceeds requirements</i> Establishes procedures for quality assurance, encourages employees to follow them. Constitutes or constantly improves the internal quality control system
	Excellent	<i>Exceeds requirements</i> Steadily moves towards the achievement of the objectives, eliminates obstacles to achieve results. Provides professional high-quality work, even at the level of detail

Annex 5. Characterization of CoG employees' level of education

CoG institution	The department	Number of employees	Education (actual)
FM	Budget department	18	Economy, finance
		11	Social sciences
		3	Business management
		4	Other(public administration, transport and business logistics, environmental sciences, Office administrator)
	Financial Market Policy department	5	Economy, finance
		7	Social sciences
		1	Business management
		4	Legal studies
	Financial Management and Methodology department	5	Economy, finance
		2	Social sciences
		2	Business management
		1	Legal studies
		3	Other(programmer, Applied mathematics, physics)
	Fiscal Policy department	6	Economy, finance
		14	Social sciences, Management
		4	Business management
		1	Legal studies
		3	Other(humanities, politology,)

	Municipal financial performance monitoring and funding department	4	Economy, finance
		3	Social sciences
		4	Business management
		1	Other(engineering sciences)
	National Economy analysis department	3	Economy, finance
		7	Social sciences, Management
		1	Business management
		2	Other(engineering sciences)
PKC	Development Planning Division, Development Monitoring and evaluating chapter	4	Economy, finance
		3	Social sciences, sociology
		3	Business management
		2	Political science
		1	Legal studies
		5	Other(Social work, natural sciences, Transport and maritime governance, engineering sciences, management organization)
SC	Law department	15	Legal studies, public administration, English Philology
	Department of Development of Public Administration	12	Legal studies political science society's management Math Communications
	Communication department	12	Society's management, communication science, communication science, Latvian language and literature

			teacher politology
Office of PM		9	Law, Agronomic science, English philology, political science, English philology, History

Ireland

The political system in Ireland, structure of Centre of Government and main functions

Ireland is a parliamentary republic based on the framework of Anglo-Saxon rights and the democratic model of Westminster. Executive power is exercised by coalition government and legislative powers – by bicameral parliament. The head of state is a president elected by the people and holds minimal, ceremonial powers. The actual political power is held by an indirectly elected Prime Minister (*Taoiseach*). The constitution states that the government must consist of no less than 7 and no more than 15 representatives: Prime Minister, deputy prime minister and 13 ministers. The Prime Minister, the deputy, and the Minister of Finance must be ministers of the lower house. The rest of the ministers may be the ministers of either the lower or the upper house (however, no more than two). The government appointed by the Prime Minister must win the approval of the lower house. The main connection which determines the level of administrative responsibility in face of the political level is the ministries reporting to the lower house of Irish Parliament (*Dáil Éireann*). The style of governing is centralised, with municipalities having limited rights.

The Prime Minister of Ireland as the head of government is the coordinator of the actions of the ministers and their ministries. The office of the Department of Taoiseach has three main departments which exercise authority in economic, international and Northern Ireland matters, social politics and public administration reform, as well as European matters. **The office of the Department of Taoiseach and the Government Secretariat** perform the majority of the government functions mentioned in the theoretical sources. The office of the Department of Taoiseach takes part in the formulations of politics, long term strategic planning, coordination of communication between ministries and agencies during the development of politics, as well as during the supervision of the implementation of the government action plan. The departments of the office provide the analytical support for the examination of the issues in the committees of the cabinet. The departments of the Prime Minister supervises the implementation of the tasks of the government action plan in accordance to their scope. Meanwhile the Government Secretariat provides the administrative support for the cabinet committees and cabinet meetings, as well as for the communication with the Parliament houses and the president.

The department of social politics and public administration performs the functions of secretariat in three committees of the cabinet: committee of social politics and public administration, the committees of health and judicial reforms. One of the communication tools used by the department during the planning of the interbranch politics is *organisation of work groups*. For example, in 2014 a work group was made to determine the opinions of the involved parties concerning the possibility of alcohol producers sponsoring sporting events. In the course of half a year consultations were carried out and opinion polls were conducted, the results were announced in the committee of social politics and public administration reforms.

The supervision of programs for government takes the form of different tasks: the office of the Prime Minister assures that the action plans of the ministries conform to the government action plan, compiles the annual accounts of ministries, publishes the annual report of the government in March with the goal to identify the level of met priorities and specify the priorities for next year.

According to the data from EUPAN the Irish Centre of Government includes the **Department of Public Expenditure and Reform**, within which the Central Expenditure Evaluation Unit carries out analytical evaluation for government budget programs and promotes the introduction of value for money principle in the public administration, thus ensuring one of the central functions of the government - synchronisation of planning and budgeting. The **Department of Finance** is mentioned as the third institution in the Centre of Government.

Implementation of Irish public administration reform and tools used

An important prerequisite for the reduction of administrative burden, not only in Ireland, but also in Latvia is the simplification of the legislative environment by the more intensive use of information technologies, e-government environment for providing public services and strengthening the system for the evaluation of the impact of policies (OECD, 2011). Similarly to Latvia, Ireland suffered an economic downturn during the crisis, the number of employees in the public administration was reduced and their wages cut, in addition, changes were made in the social protection provision. Having regard to the OECD recommendations in 2008 the Irish government began a comprehensive public administration reform “Transforming public services”, which was one of the directions of the 2008 economic reform *Building Ireland’s Smart Economy*.

In the document titled "Public Service Reform" which was approved by the government in 2011, these main CoG tools for improvement of public administration services were identified:

- *improving customer service and developing new service delivery channels;*
One of the priorities is to provide an appropriate level of service and at the same time implement the principle of *value for money* by the involvement of the private and nongovernmental sector in the provision of the services, where they can do it more effectively and provide better local access.
- *effective and efficient use of resources;*
The reinforcement of the *Value for money* principle, started in 2006, was continued in the budgeting process. In 2011 performance budgeting was introduced, and the budgeting documents included the budgetary ceiling set in the mid-term, annual expenditure ceiling, main performance indicators which have to be submitted by each of the ministries, as well as the cost of the activities that need to be carried out. In addition, this approach improved the process of the ministries reporting to the lower house, giving a more comprehensive information about the costs of the public services.

The Department of Public Expenditure and Reform has developed a homepage <http://databank.per.gov.ie/> , and coordinates data input and processing in the *Voted Public Expenditure Databank*. It is user friendly and provides an analysis of the public expenditure in accordance with the goals set by the government at the same time comparing if the performance/political results have worsened or improved in the last years. For the data analysis the strategic plans of the ministries are used within the framework of government action strategy. The homepage *Ireland Stat*, developed by the Department of Public Expenditure and Reform is also user friendly (<http://www.irelandstat.gov.ie>), its goal is to provide an overview of the achievements of the Irish government, their costs and comparison with other countries in an easy to understand form.
- *optimisation of public procurement and external procurement procedure;*

In the framework of *Strategy for the Implementation of eProcurement in the Irish Public Sector*, which was approved by the Irish government, prior to the crisis under the supervision of *The Office of Government Procurement* as a result of external procurement a homepage www.eTenders.gov.ie was developed, it serves as the central point for the advertising of procurements and announcing the results. Even currently The Office of Government Procurement provides the contents but the page is maintained by a private company.

More recently in the process of public procurement one of the tools have been e-Auctions, which is a real-time internet software and provides the possibility for the businesses to openly participate in the public procurement, thus ensure the principal value for money and e-government environment for the providing of public service, at the same time ensuring fair competition among the providers and reducing the costs of providing the public services. Companies that have decided to take part in the e-auction and to which it is beneficial subscribe to the services of the private companies that provide software maintenance and relevant courses.

In January of 2014 the Department of Public Expenditure and Reform developed a public administration reform plan for 2014 – 2016 year, identifying these main reform directions: improvement of service quality, digitalisation, openness and responsibility of the institutions. Essentially, they are continuing the ongoing directions shifting the emphasis from the service costs – effectiveness aspect to the service quality aspect. In the autumn of 2014 the Civil Service Renewal Plan was started with a goal to improve the unity, responsibility, and professionalism of the civil service.

The positive and negative features of the methods and tools used by the government

In relation to **evaluation practice** in Ireland, the development of *Irish Government Economic and Evaluation Service* in 2012 can be mentioned as a positive initiative; it is a horizontal interministerial service with the goal to emphasize the importance economy and value for money principle during policy making. At the beginning of the development 27 economists were contacted, specially trained, and hired as administrative leaders (IPA, 2014b). The training took place in the office of the Department of Taoiseach, in the Department of Public Expenditure and Reform as well as in Department of Finance. After the training the human resources were gradually integrated in the analytical departments of the rest of the ministries. The goal of the mid-term after a few years is to perform a rotation of the employees to other ministries, as well as increasing the number of the employees in the unit, so that each ministry would have access to analytical capacity of evaluation. In the homepage <http://igees.gov.ie/> one can find the evaluation of the interbranch policies and evaluation of government expenditures as well as long-term economic forecasts done by the service.

Another positive evaluation initiative which was developed in 2012 is the Public Service Evaluation Network. It consists of officials – analysts and policy assessor, economists and representatives of research institutes. The development of such network strengthens the capacity of civil service and the ability to do the evaluation of value for money budget programs which, according to the legislation has to be done by the ministries themselves. At the same time the researchers (IPA, 2014b) identify the absence of historical data as an important obstacle that sometimes hinders the research quality. The evaluations that have been done do not always serve as the basis of resource allocation. By assessing 19 reports of recommendations which were made in the time from 2011 to 2014 the researchers concluded that only one percent of recommendations propose the review or elimination of the current budget program (IPA, 2014b).

Thus, the use of outsourcing for the evaluation of efficiency of the budget programs is mentioned as a solution to improve the situation, to make sure that the assessors are not interested in the retention of the current budget program.

Regardless of the previously mentioned positive features in the literature sources (OECD, 2010; EPS, 2014) also mention the *deficiencies* in the methods employed by the CoG for the implementation of public administration reform. Often the theoretically developed mechanisms, as, for example, the principles of a better legislation only partially materialise in practice because the analytical and quantitative aspect of the system is insufficiently provided. The Better Regulation Unit in the Department of Taoiseach, developed in 2004 was responsible for the implementation of Better Regulation program until 2011 and was recognised as a positive experience by OECD (OECD, 2011). In confirmation of the policy of public administration reform other priorities were established and the human resources of the unit were included in Department of Public Expenditure and Reform developed in 2011.

In accordance to the data of the research made by independent researchers (EPS, 2014), since 2011 the analysis of the regulatory influence, whose implementation is the responsibility of Department of Public Expenditure and Reform, had been done only for 42% of the bills. The evaluations of influence made by the ministries are often made only formally. The main issues with the evaluation process is the uncertainty in regards to the political support because the emphasis has shifted from evaluation of policy to the decrease of public sector costs. Other reasons are the absence of interest about the process from the other concerned parties, the necessity for evaluation capacity and authority strengthening in the framework of ministries, as well as the necessity for the attitude and value change in the ministries (IPA, 2014a).

Comparing Ireland with Latvia in the context of the Worldwide Governance Indicator set by World Bank (2014) differences can be seen in the evaluation of governance effectiveness. In 2012 Ireland was valued at 92 out of 100 possible points but in 2013 - at 89 points. Meanwhile, in Latvia the governance effectiveness in 2012 was valued at 74.6 points but in 2013 - at 76.1 points. The quality of legislation in Ireland was valued at 94.3 points in 2012 and 93.8 points in 2013. The quality of legislation in Latvia in 2012 was valued at 80 points but in 2013 - at 80.4 points. Even though the indicators of Ireland are higher, the indicators for Latvia show a positive tendency while the indicators of Ireland show a regression.

Conclusions

Even though Ireland, in large due to the external pressure began a comprehensive and promising Better Regulation program, insufficient political support in the implementation of the initiative essentially stopped the use of smart regulation as a political tool in the process of developing policies and normative acts. In the current government program a better legislation is no longer in the list of priorities.

In accordance to the research (IPA, 2014a) the most often used tools of the government, connected to the new style of public administration, is strategic planning, performance evaluation, result-based leadership and risk management. Such new tools of public administration as privatisation and development of agencies are no longer popular neither in Ireland, nor in anywhere else in Europe. On the contrary - the number of agencies is decreasing.

The strength of Irish government tools is an intense use of ICT in the implementation of public administration reforms. In accordance with the data of a research (IPA, 2014a), the Irish officials

use the resultative indicators in everyday practice much more often than in other EU member states. Therefore, it could be considered that the result and reporting based leadership methods are another strength of the Irish Government. As the weaknesses one can mention the insufficient capacity of human resources, which was lost as a result of budget consolidation, as well as the theoretical Centre of Government tool non-compliance with the real situation, largely due to their cumbersome structure and method rigidity.

Germany

The structure of German Centre of Government

We offer a look at the model of Germany because this system has a strong CoG. Even though Germany, in contrast to Latvia, is a federal state, it is not the decisive factor in the research of the functioning of the CoG because the model of the regime only minimally impacts the work of the Centre of Government. General leadership features, which can also be attributed to Latvia, can be seen in the functioning of CoG. Furthermore, the German CoG historically to some extent has already faced the problems which have to be explored in the framework of this research.

German federal executive power is comprised of the COM, which consists of the Federal Chancellor and the federal ministers. Usually the Chancellor candidate is selected from the strongest Bundestag fraction on the basis of the coalition agreement. German Parliament - the Bundestag - may only censure the Chancellor, which means the resignation of the whole government but cannot censure individual federal government ministers (Pleps, Pastars, & Plakane, 2014, 343 p.). In description of the German system the term "*chancellor democracy*" is even used (Rüb, 2011, S.69). As German scientists have pointed out, the chancellor's office is not *primus inter pares* (Latin for the first among the rest) but holds an outstanding (exclusive) position (Müller-Rommel, S.3). Thus, only the Prime Minister has the rights to the final say if a decision has to be adopted or national policy has to be determined. Meanwhile it means that in such a regime the Prime Minister acquires a dominant role in setting policies. The influence of the Prime Minister is a real ruling power (Pleps, Pastars & Plakane, 2014, 337 p.). Thus, in Germany, when illustrating a style of government there is talk, for example, about "Kohl system", "Schröder system", "Merkel system" (Rüb, 2011, S.69), which are later described in short. This means that the Chancellor's personality clearly and historically (with certain exceptions) has had an important role in the way that, despite the formal functions, the government *actually* functions, that is, whether it is a purely administrative formation or an actual national policy maker.

Centre of Government in Germany consists of the Chancellor and institutions related to it.

In turn, the **backbone of the control centre** of the Chancellor, his/her headquarters, the head of the institution of the Chancellor, State Ministers and State Secretaries. **Every week these persons go to a meeting** to discuss strategic issues of the policies.

Similar to how the Chancellor institution has the Science and Policy Fund (see www.swp-berlin.org), which maintains the **German Institute for International and Security Affairs** (*Deutsche Institut für Internationale Politik und Sicherheit*). The institute performs scientific research and is the basis for consultations to the German Federal Parliament (*Bundestag*) and the federal government about foreign and security policy issues. The Institute is one of the most influential institutes of this industry in Germany and the largest in Europe.

Similarly to elsewhere in the world, the German Chancellor has his/her own office, which consists of up to 5 people (a leader and another 4 people who are responsible for the Chancellor's speech texts, press issues, and submissions/complaints). In addition, apart from the office the Chancellor also has his/her own headquarters, which has 2 people who are responsible for specific tasks and policy issues, planning. The people working in the office and the headquarters are the trustees of the Chancellor.

The centre of government institution is the Federal Chancellery (Bundeskanzleramt); the Latvian equivalent to a certain extent is State Control.

The Federal Chancellery is the central and dominant position which has special rights in the process of coordination, direct connection to the Chancellor and has a formal and informal influence on various elements in the process of the government (Rüb, 2011, S.70). Practice shows that the Federal Chancellery has an important role in ensuring that the orders of the Chancellor reach the line ministries, i.e. that a uniform national policy is implemented, which is discussed in more detail under the political guidelines of the Chancellor. Nowadays the functions of the Federal Chancellery have grown both qualitatively and quantitatively. Existing functions have been intensified (e.g. coordination), the management functions that were implemented outside the institution have been integrated into the institution (e.g. the federation-lands coordination). At the same time it should be taken in account that both historically and nowadays the work of CoG does not depend only on the formal structures and formations but the informal means also obtain a great importance in its work or the actual communication in the Centre of Government which is sometimes called the "kitchen cabinet" (Schrenk, & Soldner, 2010, S.218.).

Since the Federal Chancellery basically coordinates the work of line ministries, the **structure and staff** of the Federal Chancellery is **designed according to the structure of the ministries**. The institution is comprised of 6 sectoral departments (which are further divided into groups and subgroups): internal and legal policy department, foreign policy/security and development policy department, social, health, labour market, infrastructure and public policy department, economy and finance policy department, the European Affairs department, and the news service.

These departments employ the so-called "mirror rapporteurs" – these are the qualified experts that have come through rotation from line ministries. Thus, the Federal Chancellery can be ranked in the **bureaucracy model**, whereas the most of the staff of the institution are qualified civil servants. Since in the professional sense they correspond to the employees in the apparatus of the ministry administration, **they are well suited for the rotation from the ministry to the Federal Chancellery and vice versa**. Even though they are working at the Federal Chancellery, at the same time they retain links to the specific ministry from which they rotated into the Federal Chancellery. Thus the term "dual loyalty" is used to denote these employees. Such structure of the institution and staff ensures that the Federal Chancellery can successfully keep up with the work of the line ministries, is well-informed about it, in addition, the Chancellor and the Federal Chancellery is provided with the necessary information from line ministries for the purposes of the work.

Historically, there have been attempts to create separate institutions, that is, their own structures, in the Federal Chancellery to prepare, formulate and implement institutional strategies, and however, they have failed. Thus, the link with line ministries with "mirror rapporteurs" is a more successful solution. At the same time practice shows that even in very high position there are

officials who have shown civil service neutrality for years (i.e. they stay true to the civil service values regardless of the change in the political situation in the government) but there are also the officials that have always been associated with the partisan values of the head of the government (such persons range from party's accountants to people close to the head of the government).

Since media is very important in the society of today, in the centre of the government of Germany this area has been adequately addressed. Namely, the Chancellor has his/her own press and media person, the Federal Chancellery - its own, as well as another one for the press service which is common to the federal government (*Bundesregierung*) and Federal Chancellery. It is noted that the employees of the press in the Chancellor and the Federal Chancellery must not only communicate with the press and media about the work issues of the Chancellor and the institution but also must to some extent be as a "spin-doctor" for people who take care of the image of the Chancellor. This is clearly seen, for example, in the Chancellor's website where there is a section with information on the Chancellor's personality with photos and brief information on her.

The number of politically appointed employees in the Federal Chancellery is no more than 12 people, including parliamentary secretaries and political officials. In addition, the possibility to "place" politically reliable people in the positions in the Federal Chancellery is quite limited. The exception was the previously mentioned time of Chancellor Kohl when the State Chancellery was a fully politicized structure.

The senior officials are pure "political bureaucrats", i.e. they are sensitive to the political power rules of the head of government. Thus, one of the qualification requirements for the top management is political skills and abilities. However, of course, professional qualifications, expertise, training, and previous experience are more important than political orientation.

The Federal Chancellery is not led by the Chancellor but by the **chief of the Chancellery**. This person is also the Secretary of State of the federal government. Usually the Chancellor appoints either the Secretary of State or the Federal Minister, who retains all of the rights of the member of the federal government. Thus, the Chief of the Federal Chancellery is a political official who in everyday language is called Federal Chancellery Minister (*Bundestkanzleramtminister*). Historical experience shows that each new Chief of the Federal Chancellery has reorganised the institution. The Chief of the Federal Chancellery is the main person who fulfils the function of coordinating line ministries because the ministries inform him/her about the work of the ministries and anticipated tasks at any time, thus the Chief of the Federal Chancellery constantly has an idea about the work of all the government ministries. He/she has also been entrusted with the long-term planning of the political process and he/she is an important "intersection" person with parliamentary structures at federal and land level, community groups and individuals, as well as (together with foreign ministry) foreign representatives. To the extent decided by the Chancellor him-/herself, the Chief of the Federal Chancellery determines the time and agendas of the government meetings. He/she also leads the meetings of State Secretaries of the line ministries which regularly take place two days before the government session.

Additionally, the Federal Chancellery is composed of national ministers, State Secretaries of particular areas, Control Board of the national provisions, federal government representatives on the issues of culture, media, migration, integration, and refugees.

The historical experience of Germany shows that the work of the centre of government is inextricably linked to the personality of the head of the government. In particular, the personality

of the head of the government largely determines how effectively the government central will perform. For example, three telling examples of Chancellor Models will be mentioned.

During the time of **Chancellor Kohl** the centre of government was a fully politicized structure. At that time the employees of the chancellery were most chosen for political and personal reasons. Especially loyal individuals were "rewarded" with positions in the chancellery and the party. At that time the Centre of Government served to "pander" to the political wishes of the Chancellor, including those he posed as the chairman of the party. The above mentioned issues arose from the fact that Chancellor Kohl combined his roles as a head of the government and leader of the party and subsequently, "managed" the activities of his party with the help of his position as a Chancellor. *Thus arose the situation when the centre of government at the time of Kohl did not have important functions in the professional sense because its tasks mostly consisted of supporting Kohl's power interests.* Thus, the work of the Chancellery was not effective from the professional standpoint. This historical example shows how inadvisable is the politisation of the centre of government, since the executive power issues no longer dominate in the process of the government but it is led by political motives which sooner or later results in power issues.

In the time of **Chancellor Schröder** drastic changes were made in the work of the centre of government. At that time the centre of government became the main place of coordination for the political actions in different fields, especially labour market, pensions and health politics. Thus the ministries as the resources of the industries to an extent were pushed to the background and they were only partially active in the making of the final policies.

Meanwhile **Chancellor Merkel** works and has worked in the large coalition, which determines the way she and the centre of government works. In this model the main type of actions are deals, not instructions or threats of censure. *The centre of government rather plays the role of a coordinator, not a commander, and the ministries have larger fields of action.* In addition, it is noticeable that the place of decision making has moved from the cabinet level to the level of political parties' leadership, which inevitably also leads to the politicization of the government decisions. Thus the leadership of Chancellor Merkel may have some similarities to the time of Chancellor Kohl. Similarly, the leading style of Chancellor Merkel is characterised by a low intensity of *decisions*, but high intensity of *actions*.

Historically, there have been attempts in Germany to change the Federal Chancellery into a *centre of united planning* of political tasks. Namely, in 1970 in the institution a planning department was made, which in cooperation with the specific committee, combining the authorised individuals in planning issues from the line ministries. It had attempted to develop as a body that does preliminary research about specific plans (activities) of the agencies. In addition, this planning department was supposed to carry out inventory of the long-term planned tasks for a period of 15 years and evaluate whether these tasks are "clutched together" with the financial resources of the country. In this process the tendency to centrally regulate the activities of the whole apparatus of the government met the resistance of the ministers and the ministries and the process soon failed. This attempt at united planning function in the centre of government was deemed to be "a politically ineffective accounting of the activities of the agencies" (Fleischer, 2011, S.142). In result, the authors of this planning idea left the Federal Chancellery after two years (Müller-Rommel, S.8-9).

Similarly, the idea and attempts to station the budgeting in the State Chancellery came at a time when there were discussions in Germany about the implementation of program budget. In an ideal administration model, of course, the policy of tasks and finance policy should be made in one institution, since the budget has to be the government program in numbers (i.e. the rationality of goal-tools). Namely, a rational budget is connected with the program of the government and its tasks. Thus, it would be logical if the development of such program budget would be in the hands of the head of state and the centre of government. For the implementation of such budget conception the Germans took inspiration from private businessmen who used the Planning-Programming-Budgeting approach developed in the USA. However, in 1960's the Germans took their administration reforms in a different direction. Namely, the focus was not the above mentioned program budget function, it was the function of managing the united macro economy. Thus, the Germans have historically retained the traditional arrangement of the competencies between the Department of Finance, agencies, CoM, and the centre of government. At the same time, it should be noted that in Germany the constitution has awarded the minister of finance with a constitutional rank position opposite the head of state and the cabinet because the minister of finance has veto rights in some issues connected to the budget.

Thus, historically Germany has had attempts to centralise the making of policies and deciding budgeting issues in the Federal Chancellery, but it has not been the most rational way from the standpoint of administration. Nowadays Germany has chosen to leave line ministries as the main initiators of the policies, thus preventing the centralisation of power in the State Chancellery. At the same time, the Federal Chancellery supervises and coordinates the realisation of a united policy in ministries, making sure that the ministries implement the political guidelines of the Chancellor according to their contents.

In the making of a united policy in Germany the political guidelines of the Chancellor take an important place and can be considered to be an effective tool.

Political guidelines of the Chancellor as a tool of regulation

The Chancellor determines the guidelines for the internal and external politics and takes responsibility for them (i.e. *guideline competence or Chancellor's principle*). The publishing of the guidelines means the rights of the Chancellor to decide on the important decisions about the policy management, which usually make the actual framework for the actions of the ministers. In everyday language the competence of the guidelines is explained as: *the Chancellor publishes guidelines but does not implement them himself*. In the framework of these guidelines each federal minister independently (and at their own risk) manages their industry (*principle of agencies*). In the case of the divergence in the opinions of the ministers the cabinet makes the decision as a collegial institution (*cabinet or collegiality principle*). Thus in Germany, similarly as in Great Britain, there exists the typical model of cabinet government, where the parliament has a responsible head of state, who has the dominant position and the rest of the ministers implement the policies set by the Prime Minister (Schmidt, 2014, S.214).

The competence of the guidelines can often come in conflict with the agencies principle, namely, there is an issue of the extent in which the Chancellor should be able to decide on specific issues as "chief matters" and the extent at which the Chancellor should be able to give specific instructions to the ministers of the agencies.

For example, the education system in Germany cannot provide the economy with the necessary number of IT experts, the cabinet adopts a program about attracting foreign IT experts on the

basis of work permits and fixed term stay (so called "*green card*" model). The implementation of the program is done by the minister of economy. Since the Chancellor decides that the minister of the industry implements this program unprofessionally and does not take in account the proposals of the Chancellor, he/she, in reference to the competence of the guidelines, orders the minister of economy to develop a "green card" department in the ministry.

In assessing whether the Chancellor has interfered in the competence of the minister of economy, one should take note of the regulation of the constitution, which denotes the publication of the policy guidelines to the Chancellor. From the constitution one may without a doubt conclude what is to be understood with "guidelines", still, it talks about radical, important decisions in the management of the country, usually meaning "framework decisions" for the ministers, in other words, these are *pragmatic directives*. Guidelines are not to be understood as separate decisions about specific issues (orders, organisational decisions).

However, taking in account that, according to the constitution, the Chancellor is responsible in front of the parliament for the work of the whole of the government, the Chancellor should have an option of influencing the work of the government to some extent. This means that the Chancellor, depending on the situation, if there is an urgent need to do so, should have an opportunity to act by making decisions on specific issues. With these decisions there is an interference in the competence of the ministers and thus, the principle of agencies is touched upon. Thus, to provide balance between the guideline principle of the Chancellor and the principle of agencies, these decisions in specific issues should be present only in important issues of management of the country. Meanwhile, the decision of the issue of whether the specific situation is a matter of country importance, is in the hands of the Chancellor.

In summary of the previously mentioned, it can be concluded that the Chancellor publishes general policy guidelines within the framework of which each minister manages their industry. It presents itself in the fact that the Chancellor must leave the ministers of the industries with a field of action which they fulfil themselves. Thus, one can speak about the definite backbone which the Chancellor may not disrupt.

In accordance to the previously mentioned, in the example about the development of the green card department the Chancellor has interfered in the competence of the minister to such an extent that the minister of the industry has no actions left in the implementation of the guidelines, that is, the independent responsibility of the minister is reduced to a zero. Thus, the order of the Chancellor in this specific situation has breached the competence of the Chancellor's guidelines, and is thusly illegal.

Of course, one can make a different conclusion, that the minister of the industry with his actions and decisions cannot breach the framework of the Chancellor's guidelines.

In practice the collision of the three previously mentioned principles (Chancellor's, agencies, cabinet), is being tackled with *the hierarchy help* of the principles, namely, the Chancellor's guidelines have priority over the cabinet decisions and decisions of the agencies (ministry). The decisions of the ministers who have received special authorities (*Minister der Sonderrecht*) have priority over the decisions of the cabinet and other ministers. Meanwhile the decisions of the cabinet have priority over the decisions of the ministers of the industries (*Fachminister*) (Schmidt, 2014, S.218). For example, if issues that concern more industries are being discussed, for example, issues of general economic importance, and the decision of the government differs

from the decision of the minister of the industry, then the decision of the government has priority over the minister's decision and the minister has to follow it.

The practical implementation of the Chancellor's guidelines is supervised by the **Federal Chancellery** or State Chancellery, which has this right in accordance with the scroll of the work of the chancellery (König, 2011, S.64). To assess whether the Chancellor's guidelines are implemented in accordance to their content the employees of the State Chancellery must determine their contents from a number of different sources of information: the coalition agreements, government declarations, Chancellor's speeches, orders, precedents, etc. Similarly, the Federal Chancellery plans the national strategy together with line ministries, coordinates policy planning and legislation, and monitors the implementation of the Cabinet decisions and programs.

Legislative expertise is carried out by the ministry (which leads in the specific issue, as well as ministries of justice and interior).

Meanwhile, in regards to **horizontal coordination** Germany highlights two mechanisms: interbranch strategies, programs, and State Secretary meetings.

Tools used in Germany CoG for policy development at all stages (preparation of agenda, policy development, decision making, policy implementation, and policy evaluation) are electronic communication, informal meetings, coordination meetings, inter-institutional meetings, seminars and training, *ad hoc* groups information campaigns.

To give an real example of the **everyday work of the German CoG**, further in the text the personal experience of a former head of the State Chancellery of North-Rhine Westphalia *Rüdiger Frohn* about how the State Chancellery actually works and what problems it faces. The previously mentioned employee has worked in the centre of government for about 15 years, from which some years he has worked as the head of the centre of government (Frohn, 2011, S.225-234).

The Chancellery of the specific land state had had a very good experience with **building the staff mostly by recruiting the employees of the ministry** and other government institutions and some "colourful birds" from outside. The staff consisted of lawyers, economists, historians, natural scientists, journalists, and teachers of different ages and professional experience. **This created a creative climate and wide perspective on things.**

With well-organized rotation between the State Chancellery and ministries can prevent the stagnation in organisations and thinking.

Meanwhile as regards the **characteristics of the employees** of the State Chancellery there was less concern over the professional knowledge, which, of course were a must, but more attention was paid to whether the candidate was able to think analytically and conceptually, if he/she had good communication and social skills and, in addition, can withstand stress well, is discreet, loyal and not arrogant. **This is justified by the fact that persons who are employed by the head of the government should not have political ambitions and should withdraw their literary-journalistic aspirations to the background.** Otherwise, it will sooner or later lead to conflicts.

It is certainly clear that an existence of a sustainable CoG is possible only with the help of continuous personal training and further training.

The State Chancellery's formula for success – the better prepared, moderated, and coordinated is the work of the Chancellery, the more discreet it is, the more successful will the government work. The less State Chancellery acts as a political actor, the better it is for the government and the Prime Minister. The State Chancellery can be a good intermediary between the interests of different agencies **if it does not act as a governing ministry**, if it does not interfere with issues of the line ministries and does not fight for attention and funds of the government. The worst example in Germany has been the government of Kohl, during which the State Chancellery was the political puppet for the political desires of Kohl, rather than a well-functioning structure.

For example, the weekly agenda of the head of the State Chancellery is the following: Monday - meeting with the fraction chairman, party committee; Tuesday - fractions, cabinet of ministers; Wednesday - parliament and its commissions; Thursday - same as on Wednesday, but Bundesrat (legislative body of the representatives of federal lands) sitting, its commission; Friday - Bundesrat plenum.

In evaluating the system's strengths and weaknesses, it can be concluded that the increasing role of the PM in the work of the government helps to receive the results faster, makes it easier and faster to coordinate tasks. Moreover, the ministers are basically responsible in front of the PM as a direct manager, not only the head of the collegiate institution, who, as previously described, characterizes the "Chancellor's cabinet" present in Germany. In Germany, like in most Western European countries, the coalition is formed from different parties (König K. (53-62); Rüb W.F. (90-93)).

Similarly, as *the strength* of a united policy implementation the Chancellor's political guidelines can be considered to be an effective tool of the centre of government. The role of the Federal Chancellery in the implementation of the Chancellor's political guidelines must also be emphasized as the strength in ensuring a united policy because it supervises whether the guidelines in the ministries are being implemented in accordance to their contents. In practice, the Federal Chancellery ensures that the Chancellor's orders reach the line ministries.

Similarly, an united government action is largely achieved with the help of a reasonable and rational **staff policy**, namely by rotation of the staff of the ministries to the Centre of Government, which means that the working staff of the Centre of Government comes from the ministries, which ensures a genuine link between the CoG and the line ministries. Thus, the horizontal cooperation and united policy is achieved not only in the planning of the documents and legislative process but also in the daily work of the CoG.

The Development Research Institute, which provides the institutions with a science-based expertise in the management of national strategic issues, is essential to ensure the quality of the work of the Germany CoG and also the parliament

Denmark

The Danish constitution and other public law governing has little role in governing the duties of the Danish Prime Minister. Denmark is a monarchy and its constitution states that the king is the highest authority in the affairs of the kingdom and can realise this power with the help of his ministers. The Constitution states that the Prime Minister chairs the Council of Ministers (CoM) (Danish Constitution §18). According to the Danish scientist Lotte Jensen, the constitution includes the principle of the autonomy of ministers and ministries, because it states that after the

appointment the ministers are politically and legally responsible for the activities, organisation, and administration of their ministries (Jensen, 2011, p.216, & Danish Constitution §13). The Danish political scientist Tim Knudsen points out that over time Denmark has established the tradition that political issues are addressed in a collective meeting of the cabinet, but it is not mandatory and no legislation specifies what issues the ministers deal with individually and what - collectively in a cabinet meeting. One of the characteristics of the Danish political system is a *small degree of formalisation or legal regulation*.

Knudsen writes that the Danish Prime Minister, in fact, has the right to appoint and dismiss ministers, as well as dissolve the parliament, and these tools of power make the Prime Minister the strongest political figure. The Prime Minister's power over ministries is restricted by the *principle of autonomy*, under which the ministers are formally accountable to the Parliament, not the Prime Minister. This, according to Knudsen, also explains why the Ministry of State or Prime Minister's Office (in Danish - *Statsministeriet*) did not become a large organisation (Knudsen, 2000, p.156). The CoM as such does not have its own secretariat.

Knudsen writes that Denmark as a whole is characterized by *consensus-based policy* (Knudsen, 2000, p.155). For example, Denmark has no tradition of voting in a ministerial meeting of the cabinet because it is expected that the all of the ministers will reach an agreement on the issues; voting would be seen as a violation of the principle of ministerial autonomy (Knudsen, 2000, p.58). In this context the Prime Minister is expected to be a strong authoritarian leader. In the recent decades Denmark has had a coalition government. The Prime Minister can freely dismiss the ministers from his party but the ministers from other parties can be dismissed after consulting with the government's political faction leaders.

In the recent decades the Prime Minister has been the leader of the party which has been victorious in the parliamentary elections; usually the government includes the leaders of the coalition partners and they occupy the posts ministers of the most influential ministries. Currently Denmark has a coalition government consisting of two parties - Social Democrats and the Danish Social Liberal Party. The fact that the government also has the leaders of the coalition parties, renders the Coalition Council unnecessary because all significant political issues and disagreements are settled in government committees with the participation of the coalition party leaders and influential members. As Knudsen points out, *the influence of the political parties on the government operations is insignificant* (Knudsen, interview, January 8, 2015).

An important factor is the personality of the Prime Minister, his/her desire to raise and solve issues important in society and act both in the field of internal and external politics. Some Prime Ministers in recent history have been considered to be "strong" Prime Ministers, for example, Anders Fogh Rasmussen (Knudsen, 2008). Denmark does not have a long tradition of writing government program, it started in 1993 and the program is being developed before the approval of the government. The level of its formalization and detail varies between governments. The government program can be considered to be a tool to strengthen the power of the Prime Minister in the government. The program for the current government is a rather long document consisting of 80 pages.

The meeting of the CoM is one of the final stages in the decision making process prior to the referral to the State Council (meeting with the Queen) and the parliament and thusly it is not a self-sufficient coordination mechanism. Prior to that the issues are addressed in government

committees as well as in close cooperation between the State Ministry and the Ministry of Finance (Knudsen, 2000, p.160).

There are four standing committees: Economic Affairs Committee, the Coordination Committee, Security and Nomination Committee. According to the information in the homepage of the Ministry, *Economic Affairs Committee* deals with matters pertaining to the overall economic policy of the government. This committee examines proposals to the budget law, in connection to the relationship with local governments and other proposals which have a significant impact on the economy and budget. It meets every week. The Minister of Finance (chairman), the Minister of Economy and Interior, the Minister of Education and Research and the Minister of Business and Development take part in the meeting.

The Coordination Committee deals with large initiatives and matters from ministries, including bills. It meets every week. The Prime Minister (Chairman), Minister of Economy and Interior, Minister of Finance, Foreign Minister, Minister of Justice, Minister of Defence and the Minister of Education and Research take part in the meeting.

The Security Committee discusses the cases relating to the national security and is convened as necessary. The Prime Minister (Chairman), Minister of Economy and Interior, Foreign Minister, Minister of Justice, and the Minister of Defence take part in the meeting.

The Nomination Committee deals with matters connected to the appointment of highest public positions - civil service positions and the positions of special advisers, as well as the positions in international organisations. The Nomination Committee addresses the issues of the top ranking vacancies in the country; for example, issues on candidates for the post of the Permanent Secretaries are dealt with in this Committee. The members of this committee are the Prime Minister (Chairman), the Minister of Economy and Interior, and the Minister of Finance.

According to Tim Knudsen, the most important is the *Coordination Committee* (Knudsen, 2000, p.161, &21.7.2010.). It acts as an "internal cabinet" which makes the important political decisions. Its main function is to ensure that the executive as a whole complies with the policy of the government; it also reduces any disagreements that may occur between the coalition partners, consequently, it could be argued that the Coordination Committee performs the function of coordination.

The chairman of the Economic Affairs Committee is the Minister of Finance. The permanent secretary of the MoF, as well as head of the office of the Prime Minister (Permanent Secretary) take part in the meeting. The agenda of the Economic Affairs Committee is determined by the Minister of Finance together with the Permanent Secretary of the Ministry of Finance. This committee deals with the matters that have an impact on the budget and the overall impact on the economy; it also reviews all the proposals on the reform of the economy and public sector. In the Economic Affairs Committee the Minister of Finance meets with the party leaders of coalition who determine its importance.

As Knudsen points out, the coordination between the Coordination Committee and the Economic Affairs Committee is important for the functioning of the Cabinet. He notes that the Prime Minister is aware of which case is being directed by which committee and directs the process. The coordination between these committees is facilitated by the fact that the Prime Minister and the Minister of Finance are usually from the same party and cooperate closely.

The system of government committees to some extent create a hierarchy in the government, the most important ministers are the ones who participate in the Coordination Committee, as well as in the Economic Affairs Committee. Currently Denmark has 19 ministries and ministers, not including State Ministry and the Prime Minister.¹⁰⁸ The ministers who are not a part of these committees, according to Knudsen, rather play the role of supporters and performers.

The Coordination Committee is chaired by the Prime Minister and deals with the controversial issues that were not solved in the Economic Affairs Committee, as well as issues that determine the government's agenda. This committee deals with the issues relevant to the existence of the coalition. The "backbone" of the government is composed of the members of the Coordination Committee, next power circle closest to the centre of the power is the members of the Economic Affairs Committee.

It could be said that the backbone of the government consists of Prime Minister and Minister of Finance, who for the past 20 years have been from the same parties. The Prime Minister is supported by the Ministry of State (*Statsministeriet*). Its functions are in the matters of foreign politics and interior politics. Foreign policy functions refer to Greenland and the Faroe Islands, Denmark's participation in international organisations; interior policy functions refer to the preparation for the Coordination Committee work, supervision of law program, providing the government's connection with the parliament (*Folketing*) and preparation of the cabinet meetings. Usually 2-3 days prior to the cabinet meeting the ministers inform the State Ministry about the matters they want to present in the cabinet meeting in writing or orally (Knudsen, 2001; 159). Public Ministry has a "private" office of the Prime Minister whose function is to provide practical, *ad hoc* assistance to the Prime Minister, organise the calendar of the Prime Minister, help in communication with the press; it does not supervise the specific fields of policies and employs less than ten people. The staff of the State Ministry is mainly recruited from other ministries, for example, the Ministry of Finance or Ministry of Foreign Affairs, its employees are mainly working on a fixed term contract of employment and the staff is often changed.

Providing connection with the parliament is essential because in recent years the government of Denmark has been a minority government, thus it is necessary to negotiate with the parliamentary groups in order to gain support for the prepared bills. The number of employees in the State Ministry is small - about 80 people, of which only 34 are "academics", that is, employees with a higher education performing functions of officials but the rest are archivists, technical and service staff.¹⁰⁹ According to Knudsen, the Public Ministry has long been ruled by an informal, collegial culture, even though in recent years the role of hierarchy leadership was strengthened, which is connected to the need to more precisely coordinate the relationship between ministries, as well as the relationship with the press.

According to the Danish political scientist Carsten Greve, a small number of employees in the State Ministry is a deliberate choice of the Prime Ministers in the last decades; it basically performs all of the general administration coordination functions, supervises the bills prepared by the ministries but the analytical power which ensures the preparation and implementation of the reforms is focused in the Ministry of Finance (Greve, interview, January 8, 2015).

¹⁰⁸ Statsministeriet, http://www.statsministeriet.dk/a_1617.html, see 29.01.2015.

¹⁰⁹ Statsministeriet, http://www.statsministeriet.dk/a_2570.html, 28.01.2015.

A large amount of work in the preparation of the political decisions is done by the MoF. According to the information in the homepage of the Danish MoF, the purpose of the MoF was to provide the Minister of Finance with the best possible justification for the decision making to implement a healthy economic policy and ensure the effectiveness of the public sector institutions and participate in international economic cooperation. In carrying out this task the MoF deals with issues which are important to national economy (in the original "public economy" - *samfundsøkonomi*). State budgeting and the marking of economic framework for the municipalities are mentioned as important tasks. Thus, the MoF supervises and analyses the country's economic development and calculates the consequences of the policy proposals for the economy.¹¹⁰ MoF supervises four agencies - Agency of Digitalisation, Agency for Modernisation, Agency of Governmental Management, and agency of Governmental IT Services. Agencies for Modernisation and Governmental Management deals with the improvement of the public administration institutions and implements the human resources strategy.

Since the end of 1980's the MoF has played and increasingly important role and since the beginning of 1990's performed the functions of Centre of Government.

Lotte Jensen writes that in 1993 a government was formed and led by Social Democrats which had Paul Nyrup Rasmussen as the Prime Minister and economist Mogens Lykketoft as the Minister of Finance. The Economic Affairs Committee was restored and the Minister of Finance became its chairman. In addition, a Preparatory Committee was established, which contained the permanent secretaries of some of the ministries under the leadership of the permanent secretary of the Ministry of Finance. MoF became the brainstorming centre for the Preparatory Committee and Economic Affairs Committee; its work was transformed from the focus and performing of routine tasks into a wider analysis of the policies with the goal to prepare decisions for review and adoption in the government. The issues could not reach the Economic Affairs Committee without a prior examination by the Preparatory Committee whose agenda was determined by the Permanent Secretary of the Ministry of Finance. If an agreement was reached in the Economic Affairs Committee, the issues were directed to the cabinet for examination and were not directed for examination at the Coordination Committee, in which issues, in essence, are rarely discussed. Such decision making mechanism functioned in the Danish government in the first decade of the 21st century.

The Coordination Committee, according to Jensen, was not provided with the mechanism for the preparation of decision making present in the Economic Affairs Committee (Jensen, 2011). *The Economic Affairs Committee became an important mechanism for horizontal coordination.* At the same time, it has been observed that a number of Danish Prime Ministers over the past 20 years have engaged more in foreign and EU affairs (for example, Paul Nyrup Rasmussen and Helle Thorning-Schmidt) and have accepted the fact that the Minister of Finance assumes responsibility over the economic and financial issues in the broad sense. With *economic issues* one meant the strategic issues, greater reforms, horizontal, structural policy¹¹¹ issues relating to

¹¹⁰ Finansministeriet, <http://www.fm.dk/temaer/borger/maal-og-opgaver/>, 28.01.2015.

¹¹¹ The term "structural policies" in the Danish context, according to the Danish political scientist O. K. Pedersen means the continuous and deliberate restructuring of the Danish economy with the goal of improving its adaptability and competitiveness; the process involves agents representing businessmen, workers, education and public administration fields, as well as other areas, if necessary, thus involving them in "great political system of conversation" (Pedersen, 2006).

the labour market, issues with taxation, the environment, welfare, state institutions, etc. (Jensen 2011: 226). In connection to structural policies, as indicates C. Greve, three ministries are important: MoF, Ministry of Economy (and Interior) and the Ministry of Employment (formerly - Ministry of Labour).

The **Foreign Affairs Ministry** is considered to be prestigious. According to Greve, the second strongest party in the coalition usually attempts to obtain the position of the Minister of Foreign Affairs. In Foreign Affairs there exists the division of labour between the Minister of Foreign Affairs and the Prime Minister. In the recent years the trend is that the Prime Minister deals with the matters of the EU; as well as the matters of NATO but the Minister of Foreign Affairs, along with EU matters, develops foreign policy in regard to the countries in the rest of the world.

Specific authority and division of powers between the ministers in the government depends on the composition of the government - the specific parties existing in the coalition, and the number of coalitions, as well as the personalities of the party leaders. Denmark does not have a law that would be similar to the Latvian law on the structure of the CoM, furthermore, the Danish constitution states very little about government organisation. According to C. Greve, the Danish political system is very flexible, thanks in part to a small degree of formalization. The new government can reorganise the ministries at its own discretion and taking in account political considerations. For example, after the new government (which is currently operating) had been approved, a new ministry was established - the Ministry of Economy and Interior, combining the economy and interior ministries. According to Greve, the main reason for this was that the smallest partner of the coalition (the Danish Social Liberal Party (*Det Radikale Venstre*)) wanted to control a large ministry which could have the potential to be as influential as the Ministry of Finance, and the Ministry is currently led by the leader of this party (Greve, interview, January 8, 2015).

Conclusions

Denmark still retains some features of the traditional country, according to the constitution, Denmark is a monarchy and the monarch holds the highest power; the monarch appoints the Prime Minister and other ministers, through which he/she rules in the kingdom. However, the work of the government is, in fact, largely governed by unwritten rules; the government is being made in negotiations between parties which have won the parliamentary elections and the Prime Minister has effective power to dismiss ministers and dissolve the parliament (the monarch accepts the decisions of the Prime Minister). The process of coordinating the policies is also largely based on informal, unwritten rules. Government committees, especially the Coordination Committee and the Economic Affairs Committee, have an important role in policy coordination. The Prime Minister leads the Coordination Committee but the Economic Affairs Committee is led by the Minister of Finance. The link between these committees is provided by the Permanent Secretary of the office of the Prime Minister. The office of the Prime Minister also carries out the administrative support functions for the government, advises the Prime Minister and supervises the implementation of the government programs. In the recent decades the MoF, which has accumulated a significant amount of analytical resources and carries out the ex-ante evaluation of the offered policies, has played an important coordinating role in the government in the current government the role of the Ministry of Economy and Interior, which cooperates closely with the MoF, has increased in internal affairs. The configuration of the power of ministries may

vary depending on the results of the parliamentary elections and the role and influence of the Prime Minister is largely dependent on the specific politicians who occupy the position. The political coordination in the government is facilitated by the fact that the leaders of the coalition parties are usually members of the Cabinet.

Finland

Before the constitutional reform of 2000 Finland was described as a presidential or semi-presidential republic. The President had the power to appoint the Prime Minister and other ministers, he had the right to veto bills that were under consideration and the power to appoint high-level officials; the President had a leading role in determining the foreign policy. After the constitutional reform the rights of the President were limited both in terms of the formation of the Cabinet and possibilities to influence the adoption of bills, as well as the appointment of rights and functions in foreign policy. Currently Finland is described as a parliamentary republic (Karvonen, 2014; Kekkonen, & Raunio, 2011). At the same time, the roles of the Prime Minister and the Cabinet are being strengthened. Previously the constitution did not state the obligations of the Prime Minister; the new constitution stipulates that the Prime Minister runs the government and supervises the preparation of matters relating to the power of government and that the Prime Minister chairs the plenaries of the government¹¹². The legislation on the State Council (cabinet) stipulates that the Prime Minister supervises the implementation of the cabinet programs and is the chairman of four permanent government committees. He is also responsible for the preparation of cases relating to the Finnish EU membership. In the government statutes of 1994 it was stated that only the issues mentioned in these statutes may be examined in the plenaries of the Cabinet of Ministers. In the meetings of the Cabinet of Ministers decisions are made on the bills that have to be directed to the parliament for adoption, on reports regarding the communication with the parliament, on matters relating to the European Union, on issues related to the organisation of central state administration, issues on national plan, regional issues etc.¹¹³. The issues on bills that have to be directed to the parliament and on appointing high-level officials are examined in the meetings with the President of the Republic.

However, the Finnish political scientist Lauri Karvonen believes that *the Prime Minister has no explicit leading position in the Finnish government, that he is rather the first among equals*; in the recent decades Finland has had a coalition government which limits the power of the Prime Minister and, for example, the choice of the ministers from different parties had not been in the competence of the Prime Minister.

According to David Arter, the expert on the political systems in Northern Europe, in general in Northern European countries there appears to be the tendency to strengthen the role of the Prime Minister, especially in the systems with stable governments. This was also facilitated by the internationalization of politics (globalisation, integration of Europe). In such countries the Prime Minister together with the Minister of Finance has taken on the role of coordinating and managing the government's economic policy (Arter, 2006, pp.145-147).

According to L. Karvonen, the plenaries of the Cabinet are quite formalised and there are no extensive discussions on the issues to be examined (Karvonen, 2014, p.98). The preparation of

¹¹² Constitution of Finland, Article 66, <http://www.finlex.fi/en/laki/kaannokset/1999/en19990731.pdf>, 03.02.2015.

¹¹³ Government Rules of Procedure, <http://www.finlex.fi/en/laki/kaannokset/2003/en20030262.pdf>, 30.01.2015.

the contents happens in the government committees. The normative documents state that there are four government committees which are considered to be mandatory: Foreign Affairs and Defence Committee, Committee for EU Affairs, Finance Committee, and Committee of Economic Policy.

The Foreign Affairs and Defence Committee reviews and prepares matters connected to the general security of the country and relations with foreign countries. Currently it contains: the Prime Minister (Chairman), the Minister of Finance, Minister of Foreign Affairs, Minister of European Affairs and Foreign Trade, Minister of Interior, Minister of Defence.

The Committee of EU Affairs reviews and prepares the politically and economically important matters connected to the European Union; the office of the Prime Minister performs the function of the secretariat of the committee. Currently it contains: the Prime Minister (Chairman), the Minister of Finance, Minister of Foreign Affairs, Minister of EU Affairs and Foreign Trade, Minister of Justice, Minister of Interior, Minister of Education and Communication, Minister of Agriculture and Forestry, Minister of Economy, Minister of Social Affairs and Health.

The Finance Committee reviews and prepares the matters with the potential to have a major impact on the economy, issues connected with budgeting and other issues included in the competence of the ministry. Currently it contains: the Prime Minister (Chairman), the Minister of Finance, Minister of EU Affairs and Foreign Trade, Minister of Interior, Minister of Defence, Minister of Transport and Local Municipalities, Minister of Economy, Minister of Employment, Minister of Social Affairs and Health, Minister of Culture and Housing.

The Committee of Economic Policy reviews and prepares matters of economic significance, issues relating to the general economic development and issues which call for national policies. Currently it contains: the Prime Minister (Chairman), the Minister of Finance, Minister of Interior, Minister of Defence, Minister of Economy, Minister of Employment. This committee meets once or twice a week, and the matters to be reviewed concern the competence of ministries of finance, economy, and employment.

The Ministry of Finance serves as the secretariat for the Finance Committee and the Committee of Economic Policy. The powers of the committees are determined in the Government Rules of Procedure. This legislation also determines the composition of the mandatory committees and the maximum number of representatives, for example, the Foreign Affairs and Defence Committee must contain the Prime Minister, Minister of Foreign Affairs, and Minister of Defence. Additionally, it can contain at most four other ministers decided by the government.

In the current government there are four parties: the National Coalition Party, also called the conservative party (Karvonen, 2014, p.20), Social Democratic Party, Swedish People's Party, Christian Democrats. The political tradition in Finland is to accept more coalition partners than it is numerically necessary, to ensure a majority in parliament; often the coalition accepts the "small" parties, for example, the Swedish People's Party. There is a tradition in Finland that the Prime Minister is the leader of the party which has acquired a greater number of seats in the parliamentary elections but the Minister of Finance is the leader of the party which came second in the elections. The current Prime Minister Alexander Stubb, is the leader of the National Coalition Party but the Minister of Finance is Antti Rinne who is the leader of Social Democratic Party. These two positions are considered to be the most influential in the government. The government usually also contains the leaders of other parties in the cabinet. The current government has 17 ministers. The number of ministers may be bigger than the number of the

ministries. Currently there are 12 ministries in Finland including the office of the Council of State (in Finnish - *Valtioneuvoston kanslia*, in Swedish - *Statsrådets kansli*), which is informally called *Prime Minister's Office*.

L. Karvonen points out that the last decades of the 20th century showed the trend that *the ideologies of the Finnish parties are converging, that the differences and conflicts in the society are diminishing, which makes a good cooperation possible between the parties in the government. The recent governments have been stable and worked for the entire term*. This also applies to the cooperation between the most important ministers who are representing different parties.

The fact that the government is working longer than before, namely, often for the entire term, allows the Cabinet to work on long-term plans. In the past the governments were often trying to create as many benefits for their supporters as fast as possible. When a government works for four full years, it is ready to make and realise long-term plans. In Finland a detailed action plan, including around 900 tasks, is being prepared on the basis of the declaration prepared by the government, which in itself is a document of substantial volume (the declaration for the current government was around 80 pages (Moilanen, interview 16 December 2014)). The process of preparing the action plan is led by the Prime Minister's Office, all of the ministries are involved in its development and submit their "reports on future". *The Prime Minister's Office is implementing the monitoring of the implementation of the action plan*. It is one of the most important functions of the Prime Minister's Office; another important function is being the secretariat for the Committee of EU Affairs and developing policies regarding the European Union (Tiihonen, interview, 16 December 2014).

L. Karvonen points out the fact that the collegial nature of the Finnish government in general has been replaced by the practice in which the important decisions are made in small groups of ministers, especially in the standing committees. These committees have a "disproportionately high impact" on the decision making in the cabinet. The ministers who are members of the committees have a greater impact in addressing the issues than others and the committees, even if they are completely full, do not include more than half of all the ministers. In this way the preparation of policies happen in a narrow elite circle; the committees have no formal rights to decide on the issues but *in practice the cabinet makes the decisions on which the committees have reached an agreement*.

When it is necessary to decide on matters of political importance or controversial issues, the members of the Cabinet meet in an even smaller numbers, which includes only the leaders of the coalition parties, who are usually members of the government. In this small circle - three to five members of the Cabinet meet and discuss the issues before they are dealt with by different means. Minutes are not drawn up for these meetings.

The importance of the informal weekly meetings - "evening classes" - of the members of the government, led by the Prime Minister has decreased in recent years (Karvonen, 2014, p.98, Tiihonen, interview, 16 December 2014). This is due to the fact that they have become more formal and have a wider range of participants, including the leaders of the parties in the parliament and officials. Karvonen concludes that in recent years the influence of the small groups of the members of the cabinet - the standing committees, meetings of the party leaders, ad hoc meetings - on the decision making in the government has increased (Karvonen, *ibid*).

There is a trend that in recent decades the autonomy of individual ministers and their ability to influence the politics of their sector has increased (Karvonen, 2014; Kekkonen, & Raunio, 2011). Namely, to some extent there is the trend of "decentralisation" where a greater number of decisions are made in separate ministries, not collectively in the Cabinet. Some political scientists explain it with the fact that the government statutes issued on 1994 state which issues should be examined in the meetings of the Cabinet; this has resulted in increased number of matters which are being examined in separate ministries (Karvonen, 2014; Pesonen, Riihinen, 2002: 180). Kekkonen and Raunio explain the increase of the autonomy of the ministers and ministries with the increasing amount of work and the need to delegate the decision making powers to the ministries. This decentralisation strengthens the positions of the senior officials in the ministries, especially in the case of the officials in the "most important" ministries. The strengthening of the power of the officials was also influenced by the crisis in the early 1990s when in addressing the economic problems the senior officials were invited to participate in the development of the government program; since then the influence of the officials on the contents of the government program was accepted in actuality. Overall, greater political stability (stable government) has contributed to the increased role of the officials because in such situations the government is more focused on long-term plans. Thus, the negotiations between the ministers and their senior officials is another form of preparing important decisions. In particular, the potential influence of the senior officials of the Ministry of Finance was strengthened.

Kekkonen and Raunio list the following as important forms (or tools) of political and administrative coordination:

- Mandatory committees of the Cabinet (listed above)
- Different groups of ministers (for example, *ad hoc* committees)
- Meetings of permanent secretaries (happening around once a month)
- Meetings of leaders of the parties in the government
- Meetings of the political (special) advisors of the leaders of the parties in the government (Kekkonen, Raunio, 2011, p. 247-248).

It should be noted that the political leaders of the ministries (ministers) can employ a certain number of special (political) advisors, as well as a number of state secretaries (this position differs from the position of Permanent Secretary who is the top official of the ministry and its "administrative" manager). The special advisors are a part of the composition of the office of the ministers. The Political Secretary of State is appointed to the minister's term, this system is present in Finland since 2005. The Political Secretary of State and special advisors help the minister in implementing the government program; they cannot give instructions to the civil servants of the ministry or assume their duties (Tiihonen, 2012, p.203).

Since the MoF prepares matters for examination in the Finance Committee and the Committee of Economic Policy and its officials serve as the secretaries of these committees, the ministry has a major impact on the work of the government. According to S. Tiihonen, the Ministry of Finance performs the functions of coordination in the central public administration (Tiihonen, interview, 16 December 2014). Together with the Office of the Prime Minister, the Ministry of Finance can be considered to be the institution of the centre of government (Moilanen, interview, 16 December 2014).

The strong position of the MoF results from its role in managing the state welfare. Overall, Finland has accepted the idea that the state has an active role in the ensuring of stable economic development. The Government Rules of Procedure state that the mandate of the Ministry of

Finance includes the following issues: the economic and fiscal policy, the state's budget and finances of the centre of government, tax policy, government borrowing, activity in the financial market, relations with international financial organisations, the policy of central public administration as an employer, structural improvements in the public administration, cooperation with regional management, policies of statistics and information management¹¹⁴. According to S. Tiihonen, the MoF combines a variety of functions: it coordinates the economic policy, allocates budgetary resources, leads the reforms in public administration and coordinates the employment policy (negotiations and agreements between employers and employees) (Tiihonen, 2012, p. 231). This combination of different functions and their synchronisation explains the important role of the MoF. Several financial crisis (in early 1990s and in 2008) have strengthened it; overall the policy implemented by the ministry allowed to successfully overcome the crisis without the intervention of international financial organisations. S. Tiihonen stresses the importance of the *ex-ante* evaluation implemented by the MoF where the proposals of the ministries are being assessed in view of their potential economic impact. (Tiihonen, 2012, p/ 190). Thus, the Finance Committee and the MoF implement the functions of coordination and selection of the policy initiatives. The labour market and employment policy, in which the national income (tax policy) is coordinated, and the remuneration policy, for which agreement is being reached in tripartite talks, is still important.

According to T. Moilanen, when the MoF prepares proposals for reforms it holds consultations with the social partners - organisations of the employers and trade unions, if the reforms has a significant impact on the welfare and income levels of the social groups. For example, such consultations were being held in the preparation of the pension reform; there is a tradition in Finland to make an agreement between the social partners on the income level for some (usually three) years and they were also held in 2014. The MoF takes part in these negotiations because it develops the state income policy (Moilanen, interview, 16 December 2014). Such tripartite negotiations are a sign of the system of democratic corporatism which is to a bigger or smaller extent common in all Scandinavian (Northern Europe) countries, including Finland and Denmark¹¹⁵.

Conclusions

Along with the adoption of a new constitution in Finland, the powers of the Prime Minister were more clearly determined; overall, the new normative acts mark the leading role of the Prime Minister in the Cabinet; the Prime Minister leads the plenaries of the government, generally leads the work of the government, supervises matters which are in the process of implementation, is the chairman of all the "mandatory" government committees; the Prime Minister represents the country in relations with the EU and the Council of Europe. Usually the Prime Minister is the leader of the party which won the parliamentary election. The leader of the party which is numerically second in the parliament usually obtains the position of the Minister of Finance. The government usually also contains the leaders of other parties in the coalition. The increase of the influence of the Prime Minister on the interior politics has been facilitated by the fact that in the last decades Finland has had stable governments that have worked for the full

¹¹⁴ Government Rules of Procedure, Part 17 <http://www.finlex.fi/en/laki/kaannokset/2003/en20030262.pdf>, 03.02.2015.

¹¹⁵ Democratic corporatism can be defined as solving economic and social issues voluntary and on the basis of cooperation, with the help of a structured interaction between business, trade unions, and the State, with the participation of political parties (Arter, 2006, p.209).

term. The committees of the government play an important part in the process of coordinating the policies; the Finance Committee and Committee of Economic Policy play an important part in interior politics. The Ministry of Finance performs the functions of the secretary for these committees. The great influence of the MoF in the process of decision preparation and evaluation is also reflected in these committees. The data of the research suggests that the CoG in Finland is composed from the Office of the Prime Minister, MoF and partly also the Ministry of Justice. The Office of the Prime Minister carries out the supervision of the implementation of the government program, and is responsible for the development for cooperating with the EU policy; the MoF leads the budgeting process and is responsible for the structural reforms of the public administration; the Ministry of Justice carries out the assessment of the regulatory impact. The political coordination is implemented in different types of informal meetings and negotiations between the leaders of the parties in the coalition.

Estonia

Definition of Centre of Government

Estonian Centre of Government functions are mainly fulfilled by Government Office and MoF. Main responsibility of Government Office is strategic planning, development planning, government programs, government communication, selection, evaluation and development of the leading officials. MoF is responsible for the country's fiscal policy planning and implementation, as well as for development of public services. Ministry of Justice and Ministry of the Interior (in terms of regional development), and the Ministry of Economic Affairs and Communications (in terms of ICT) also has partial role.

Estonia currently sees no need to define the concept of CoG in legislation, due to its functions being defined in the development plans and statutes of the institutions. It would be difficult now to determine which law or normative documents should define the CoG. Instead, more attention should be paid to the matters of content, such as policy impact assessment, unified development of budget and strategic planning - features that are currently performed by the Government Office and MoF. While the responsibility of the area in question is fixed, it remains an issue when and how the partners should be invited to participate in the policy-making process. Government Office and the MoF is responsible for the coordination and guidance, but successful performance depends on the involvement of other institutions. For example, the policy impact evaluation is the competence of the respective ministries and the Government Office ensures coordination and recommendations to the process.

Communication

Government Communications Unit of the Government Office centrally coordinates the communication function. A network has been established that covers the leaders of ministries communication units, there are regular weekly meetings to discuss the plans of ministry communications. Within this network the government's key messages are disseminated and it is ensured that in plans of communication units of ministries government's program is reflected and prioritised. In turn, the Government Office Strategy Unit, which has the responsibility of the Government Action Plan, provides the necessary substantive input. Functions and responsibilities of Government communications department are defined in the Government Office Charter (Regulations). On 2011 Government Communication Handbook was created

which describes the basic principles of government communication (https://riigikantselei.ee/sites/default/files/content-editors/Failid/valitsuskommunikatsiooni_kasiraamat_eng.pdf)

Policy Evaluation

Evaluation is carried out for three main policy document types: i) development plans and strategies, ii) the laws iii) Estonia's position in the EU. Government Office is responsible for the Impact Assessment system as a whole, as well as the development plan and the assessment of Estonia's position in the EU (the Government Office Secretariat of the EU). The Ministry of Justice is responsible for RIA (Regulatory Impact Assessment).

Assessment must be carried out in accordance with the 'Impact evaluation methodology' (http://www.just.ee/sites/www.just.ee/files/elfinder/article_files/mojude_hindamise_metoodika.pdf), approved by the Government in late 2012. Impact assessment must be carried out taking into account six aspects: i) social impact, ii) security, iii) the economic impact, iv) the impact on the environment, v) regional development, vi) administration, public benefits and costs, and mutual cooperation. Since the various issues is the responsibility of different ministries, the evaluation process require consultations with these ministries. Impact assessment is carried out in two stages: i) the initial analysis, in which all the possible effects are identified, and the most important areas which require additional analysis are identified, ii) in-depth analysis, if necessary. Potential impacts and mitigation measures are examined within the framework of the development of the document. Government Office checks whether for documents that are to be submitted to government meetings, impact assessment has been carried out.

Evaluation Guidelines "Impact evaluation methodology" is based on "good legislative practice conditions" (<https://www.riigiteataja.ee/en/eli/508012015003/consolide>), adopted in order to ensure an orderly legislative evaluation. The methodology follows the ex-ante evaluation principles (mid-term and ex-post evaluation methodology is not included, because at the moment it is not the competence of the Government Office). Impact assessment methodology includes control issues, aimed at helping policy-makers. Although the methodology is not a legal document, it is mandatory to use during the development of a regulatory act and must be accompanied to the document that is drawn up.

After this initial evaluation, which is carried out by the institution responsible for the development of the document, the decision is made whether the in-depth evaluation is needed. In-depth impact assessment is generally funded from the budgets of the ministries. In addition, the Office of Government has set up a *Smart Decision Fund*, which is co-financed by the European Social Fund, which is used to finance the research in accordance with the impact assessment methodology. This fund will be used for the 2014 - 2020 period.

Government Office coordinates the network of members of various ministries who are engaged in policy evaluation. With respect to RIA, the Ministry of Justice carries out the coordination function. Government Office organize training on the methodology several times a year with a focus on practical application aspects. At present moment, the Ministry of Justice carries out a summary of the extent to which the methodology has been used in the two-year period, including, any problems encountered using a methodology and the defined form. Based on the results analysis of the need to make changes and provide additional training will be carried out.

Positive examples, where the methodology was successfully applied include the "National Development Plan for the energy sector development until 2030" and "Estonian Lifelong Learning Strategy".

Neither the Government Office nor the Ministry of Justice does not coordinate assessments with regard to external financial resources (e.g., The EU Structural Funds, the EEA and Norway Grants). These evaluations are coordinated by MoF.

Senior Officials Selection Process

In order to stand as a candidate to the post of Senior Officials candidates need experience in an executive position, knowledge of foreign languages, as well as competencies defined in senior officials of the Estonia model of competence. It is important to mention that in all 10 competencies four core values are embedded: responsibility, orientation to citizens, corporate identity, Leadership. These core values are not evaluated separately, but each official is required to follow them in their work. In the process of selection and evaluation of officials their compliance with the 10 candidate competencies is evaluated: understanding of the regulatory framework, self-management, policy-making, strategic management, communication, process management, "networking", resource management, human resources management, cooperation. A situation would not be possible where the senior official is completely ignorant about some of the competencies, such as resource management. However, the relative weight of each competency varies on case-by-case basis.

The selection process of officials begins with the job description and requirements prepared by the ministry, as well as the definition of core competencies. Centre of Excellence verify the eligibility of candidates for all 10 competencies using a variety of methods for this purpose. For example, a candidate's knowledge of the regulatory framework is tested using a test and interview. The candidate selection process typically involves the following steps: a candidate submits her/his resume, cover letter, an essay on a specific topic. Next, the candidate takes the computerized test on financial management and legislative issues, and gives first interview to the relevant ministry. After this first selection round the best candidates are selected who participate in psychometric tests and targeted interviews. The final decision is made by the evaluation commissions, composed of senior civil servants on the basis of the candidate's presentation and interview. Centre of Excellence is solely responsible for the choice of the highest officials while other officials (including government office officials) are selected by the responsible ministry or authority.

Senior Officials Development Process

Senior Officials development process is organized step by step. Initially, assessment of the officials is made (based on the competence model: riigikantselei.ee/en/top-executives-civil-service). Each competence is divided into several parts, and each part is described. Each competency is assessed on a 5-point scale, and each assessment must be accompanied by commentary. Evaluations can also be done electronically via e-competence centres. In the evaluation process participate the official that is being evaluated, five employees and the superior of the official. Assessment results are discussed in a conversation with the official's immediate superior (for example, in the case of the Deputy of State Secretary with the State Secretary). During this discussion development goals are determined, as well as the requirements. It is this platform that serves as the basis for the definition of training requirements. Centre of Excellence task is to find a suitable training measures for the specific needs of the official. Such activities

are carried out targeted each year. Since competence is defined in sufficient detail, this model works relatively efficiently.

The proposed development activities can be structured as follows:

- Personal development activities that contribute to personal competence development in individual way. For example, the Centre of Excellence offers officials management coach or mentor and offers the opportunity to attend specific training (foreign language) individually. An official shall be offered the opportunity to "shadow" a colleague or to exchange experience with foreign colleagues.
- Development activities focused on the development of cooperation in Civil Service and unified approach to the formation of the government. These include intensive training programs, annual conferences for Senior Officials, experience exchange workshops, where people can talk about their experiences and to improve their communication skills and the creation of said options.

Development activities are not mandatory because the particular needs of an official may be different from her/his colleague needs. However, Estonian senior officials are using said development opportunities actively enough.

Employee of Centre of Excellence Development

Centre of Excellence staff looks for opportunities to improve their professional skills themselves, mostly in the way of practical experience (learning by doing). For example, the task was set to organize the procurement staff to strengthen their capacity for innovation. While preparing the documentation of procurement centre staff themselves were looking for answers what are innovations and how to contribute to the development of such capabilities, creativity seminar was organized for the centre employees. To follow up to date information centre staff themselves attend conferences and training, which is offered to senior officials. Since the centre is in the Government Office building, the access to information is not a problem. Rather, it is difficult to combine the direct performance of duties with learning of new information that requires a great deal of time. Specific information is stored in the library, for example, a variety of methodologies, newspapers (Harvard Business Review).

Conclusions

Estonia has set up a system of policy documents (development plan and the Estonian position in the EU) for an ex-ante evaluation which is the responsibility of the Government Office, while the Ministry of Justice is responsible for the conduct of RIA. Practice of policy evaluation ensures the execution of good governance principles and stakeholder involvement in the decision-making process. A prerequisite for a quality outcome is the availability of resources, therefore Smart Decision Fund was created, co-funded by the European Social Fund which is used to fund studies in cases where in-depth analysis is necessary. Evaluation quality improvement is facilitated by regular training for ministry officials, as well periodic review and analysis of previous evaluation practice.

Centre of Excellence is responsible for the choice of senior officials.

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