Measuring and Evaluating Determinants of Public Administration Productivity

Bureaucracy Lab
Development Impact Evaluation | Global Governance Practice
October 22-25, 2019, Brussels, Belgium
Mari Kalma, Kaie Küngas, Teele Annus, Astrid-Helena Teär, Riina Maat

The Estonian Ministry of Finance

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Development Impact Evaluation | Global Governance Practice
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Overview:

• Measure the level of services by using comparable criteria.

• Assessed for 16 municipal main functions (kindergartens, basic education, youth work, mobility etc.) with more than 400 criterions.

• Target group: the public, municipalities and state.

• Webpage under development (2020).
The practice: the idea behind it

- **PEOPLE**: what can I expect? *Eg: public transport*
- **LG**: what should I provide? Am I doing well? *Comparison and strategic management*
- **THE STATE**: what can I expect from LGs? How do I motivate LGs? Why should I decentralize? *Setting goals without new regulations*
Example: social welfare for adults

Subgroups/service groups:

- **Management (8)**: service provided in co-op with another LG
- **Employees and Infrastructure (4)**: volunteers in nursery homes
- **Availability (8)**: service information available on LG website
- **Effectiveness (2)**:
  1) Ratio of people on home care VS in nursery homes
  2) No of people per 1000 inhabitants receiving social assistance benefit more than 6 mo

Base: <30  Advanced: <15  Excellent: <5
### Website design

#### Valdkond
- **Valitsemine**
- **Haridus**
- **Alusharidus**
- **Juhtimine**
  - **Töötajad**
    - **Õpetajate kvalifikatsioon**
    - **Lapsehoiteenuse osutajad**
    - **Lasteaiaõpetajate töötasu**

#### Tase
- **Valitsemine**
  - Tase 1
- **Haridus**
  - Tase 2
- **Alusharidus**
  - Tase 3
- **Juhtimine**
  - Tase 4
- **Töötajad**
  - **Õpetajate kvalifikatsioon**
    - Tase 1
  - **Lapsehoiteenuse osutajad**
    - Tase 3
  - **Lasteaiaõpetajate töötasu**
    - Tase 1

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**Vähemalt 75% munitsipaallasteaedade laste aedades on ajakohastad arengukavad koos 3 aasta tegevuskavaga.**

**Vähemalt 95% munitsipaallasteaedade laste aedades on ajakohastad arengukavad koos 3 aasta tegevuskavaga (ei mõõdetu) martlis.**

**Kvaliteediruumikta arengukavade koostamise juhend, millega lahtivalt lasteaedaid arendatakse.**

Lasteaiaõpetajate töötasu paraemetri kirjeldus lorem ipsum dolor sit amet, consectetur adipiscing elit. Aenean euismod bibendum laoreet. Proin gravida dolor sit amet lacus accumsan et viverra justo commodo. Allitas: Rahandusministeerium
Pros & Challenges

**Pros:**
- Objective
- Strategic thinking: data is not just data

**Challenges:**
- Measuring activities, not results
- Data availability problems
- Difficult to measure effectiveness: complex problems (*how do I measure the need for a service?*)
Performance planning and budgeting
Financial and non-financial information planned and reported in the same hierarchy

```
Performance area

Programme
  - Measure
    - Programme activity
      - Service
        - Programme activity
          - Service
          - Service
          - Service
          - Service
    - Programme activity
      - Service
      - Service
      - Service
      - Service
  - Measure
    - Programme activity
      - Service
      - Service
      - Service
      - Service

Long-term impact objective 7-10 yrs
  - €

Sub-goals 4 yrs
  - €

Intermediate Outcome
  - €

Intermediate Outcome
  - €

Output Results
  - €
```
Integrated reporting

**Resources**
- Vehicles
- Buildings
- Costs associated to personnel
- IT assets
- Machinery and equipment
- Grants
- Material
- Events
- Other costs

**Costs by economic content**
- Labor costs
- Payroll, taxes, representation costs
- Operational costs
- Transport, travel, trainings, research

**Other**
- Revenue
- Capital costs
- Depreciation

**Personnel data**
- Gender of staff
- Education
- Grouping by posts of service
- Age groups
- Years of experience
- Geographic location
- Salary full-time equivalent
- Reason for leave
- Flow
- Number of employees

**Time**
- Work time used to services or activities
- Vacations
- Travel for duty
- Trainings

**Clients**
- Public sector
- Private sector
- Individuals

**Planning hierarchy**
- Performance area, Programme, Measure, Program activity, Service, Service activity, support service, support service activity

**Outcome, output and Quality indicators**
Public services

Direct services

- Social benefits
- Licences

Indirect services

- Policy planning
- Prevention
- Monitoring
- Law enforcement

Shared services

- IT support
- Accounting

Support services

- Budgeting
- Legal aid
- Personnel management
Dashboards for every user

Public dashboards

Government agencies and Ministries every management level dashboards

Simple high-level dashboard

Integrated data reporting
Further developments ahead

Strategic co-operation
To enhance government cooperation for common goals. For example decreasing the number of performance areas and increase of co-operation programmes.

Efficiency indicators
Efficiency indicators - working out methodology and introducing in programmes and on agency level.

Standardisation
Analysing and unifying resource groups and support services for better state wide comparison of resources.

Extend the scope of PBB users
Working out the concept for introducing PBB for state foundations and entities under public law.

Optimize the use of IT systems in budget process
To enhance data flow and automation as well as renewal of the budget processes.

Spending Reviews
To foster the use of use SR as a tool for gaining efficiency and new knowledge for better decision making.

Local government services
Service standards for local governments. Dashboards publicly available for comparison.

Efficiency indicators
Working out the concept for introducing PBB for state foundations and entities under public law.

2020
Performance area:

Governance

- State Finances Programme
- Public governance policy programme
- Regional Policy Programme
- Financial Policy Programme
- Civil Society Programme
- Programme for Supporting Governance and Prime Minister
- Archive Programme
**Objective:**
Improvement of state administrative capacity through quality improvement of public administration and increase of effective resource management

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Actual</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central government share of expenditure of GDP</td>
<td>33.5%</td>
<td>Keeping the same level</td>
<td>Keeping the same level</td>
<td>Keeping the same level</td>
<td>Keeping the same level</td>
</tr>
<tr>
<td>Central government share of working-age population (20–64)/central government share of employment (20–64)</td>
<td>6.8%/8.7%</td>
<td>7%/9%</td>
<td>7%/9%</td>
<td>7%/9%</td>
<td>7%/9%</td>
</tr>
<tr>
<td>Central government compensation to employees (share of GDP)</td>
<td>6.5%</td>
<td>Keeping the same level</td>
<td>Keeping the same level</td>
<td>Keeping the same level</td>
<td>Keeping the same level</td>
</tr>
</tbody>
</table>
Measure 2.1 Arrangement of public sector organisation and resources
Object: Effective public administration and resource management

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<tr>
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<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary turnover of public servants in state authorities</td>
<td>7.2%</td>
<td>5-8%</td>
<td>5-8%</td>
<td>5-8%</td>
<td>5-8%</td>
</tr>
<tr>
<td>Number of organisations in central government</td>
<td>272</td>
<td>≤272</td>
<td>≤272</td>
<td>≤272</td>
<td>≤272</td>
</tr>
<tr>
<td>Average number of employees in central government authorities</td>
<td>200</td>
<td>≥200</td>
<td>≥200</td>
<td>≥200</td>
<td>≥200</td>
</tr>
<tr>
<td>Evaluation of the European Commission Scoreboard on public procurement management</td>
<td>satisfactory</td>
<td>satisfactory</td>
<td>satisfactory</td>
<td>satisfactory</td>
<td>satisfactory</td>
</tr>
</tbody>
</table>
Programme activity and services:

Coordination and formation of state personnel policy and public administration policy

Programme activity 2.1.1. Developing a transparent and efficient public administration and personnel policy

Objective: Well-functioning administrative organization and competent staff of optimum size

<table>
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<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of central government employees in the capital</td>
<td>43.9%</td>
<td>Below 44%</td>
<td>Below 44%</td>
<td>Below 44%</td>
<td>Below 44%</td>
</tr>
<tr>
<td>Commitment of public servants in state authorities</td>
<td>3.35</td>
<td>Not being measured</td>
<td>3.43</td>
<td>Not being measured</td>
<td>3.5</td>
</tr>
<tr>
<td>General pay gap of public servants in state authorities</td>
<td>5.1%</td>
<td>Below 5.1%</td>
<td>Below 5.1%</td>
<td>Below 5.1%</td>
<td>Below 5.1%</td>
</tr>
<tr>
<td>Average wages of central government in comparison to average wages in Estonia</td>
<td>1.21</td>
<td>1.19-1.23</td>
<td>1.19-1.23</td>
<td>1.19-1.23</td>
<td>1.19-1.23</td>
</tr>
<tr>
<td>Share of training costs of state authorities salary costs</td>
<td>1.31%</td>
<td>Keeping the same level</td>
<td>Keeping the same level</td>
<td>Keeping the same level</td>
<td>Keeping the same level</td>
</tr>
</tbody>
</table>
Thank you!