CORE EXECUTIVES AND GOVERNANCE. PATTERNS IN OECD MEMBER STATES

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DRAFT VERSION

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ABSTRACT

The paper maps the relationship between core executive organization and executive governance, based upon an expert survey of 30 OECD member states. Core executives are distinguished according to the degree to which policy coordination and arbitration functions are centralized. Based upon the distinction between state involvement and societal participation on the one hand, consensual and majoritarian democracy on the other, four criteria are established to assess the quality of executive governance: policy coherence, adaptability, inclusiveness and accountability. These criteria are operationalized and measured with items from the expert survey and from public data sources. The paper finds that decentralized core executives are associated with more inclusive executive governance. Core executive centralization does not significantly improve the accountability of a government to citizens, parliaments and intermediary organizations. Decentralized, cabinet-type core executives may be as coherent and adaptable as prime ministerial or presidential core executives. Both cabinet-type and prime-ministerial-type core executives may be, but do not have to be associated with a combination of state-centric and society-centric governance.

Introduction

Scholars have observed two apparently opposite developments in the organization of government. The reinvention of government according to principles of new public management contributes to a decentralization, as public tasks are assigned to private and third sector providers or to relatively autonomous units of public administration, reducing hierarchical modes of governance. In contrast, the incentives and pressures of media democracy support a centralization of governmental leadership, as core executives are induced to control the public communication and appearance of government. Europeanization and globalization processes tend to strengthen executives within the domestic political systems and particularly vis-à-vis legislatures. But these processes also tend to make governments more dependent on cooperation with international partners and other domestic actors.

The present paper provides a functionalist perspective on these debates by asking whether the centralization or decentralization of core executives is associated with distinctive patterns of executive governance characterized by specific functional advantages. If these patterns of governance and their functional benefits or drawbacks were known better, we would be able to better assess the diverging trends of change in governmental organization.

To analyze the relationship between the organization of core executives and governance, we start by classifying core executives. Core executives are defined as the structures and organization that coordinate central government policies and decide conflicts between different parts of the executive (Rhodes 1995, 12). Based on King's ranking of prime ministerial influence (1994), we distinguish the core executives of all OECD member states according to the degree to which these coordination and arbitration functions are centralized.

In a second step, a concept of executive governance is elaborated. We draw on Pierre and Peters' draft "theory of governance" that conceives state capacity as a combination of enforcement authority and openness to societal information (2005). We attempt to systematise their set of governance quality criteria and link these criteria with items from a recent expert survey (Bertelsmann Stiftung 2009). This survey comprises written assessments of executive governance in 30 OECD countries. The assessments cover a wide range of governmental functions, including interministerial coordination, public consultation and communication, regulatory impact assessment, legislative success, the management of task delegation, the incorporation of international reform impulses and institutional learning. In addition, the survey also provides performance assessments for selected policy areas and evaluates the capacity of citizens, parliaments, parties, media and interest associations to hold executives accountable.

In a third step, we relate our classification of core executives to the criteria of executive governance. A key finding is that centralized core executives are associated with less inclusive executive governance, but that the degree of centralization or decentralization does not matter for other criteria of governance quality. Rather, historical and cultural factors seem to be more decisive and condition the impact of centralization or decentralization on executive governance.

1. Core executives

Although the concept of the core executive has been widely used by scholars, there is no well-established typology of core executive configurations, and there is a lack of systematic cross-nationally comparative empirical studies that could underpin the development of typologies. The seminal definition of core executive by Rhodes (1995) suggests a two-dimensional typology, with one dimension denoting the coordination function and the other dimension reflecting the arbitration function of the core executive. These two functions roughly correspond to Andeweg's distinction between collectivity and collegiality, i.e., the degree to which governmental decisions are taken collectively and to which all members of government have an equal status (1993; 2000). The more segmented or fragmented a government, the weaker is the horizontal coordination function of the core executive. The more hierarchical a government, the stronger is the role of the core executive in resolving disputes and imposing policies.

Andeweg's two-dimensional model of the cabinet system appears to be more convincing than the actor-based typology suggested by Elgie (1997). Elgie distinguishes four models, depending on whether chief executives, the cabinet, the ministers or the bureaucracy dominate executive politics. While these models tend to be ideal types rarely found in reality, most empirical variation is likely to be covered by Elgie's additional and hybrid model of "segmented government" that describes a sectoral division of labor between two or more of the four actors within the executive (225).

However, distinguishing configurations of core executives according to the extent of collectivity and collegiality is associated with two problems. First, the existing literature comprises mainly individual country case studies and small-n comparisons that do not provide sufficiently comparable evidence for a classification of all OECD countries. Second, the distinction between collective and collegial decision-making seems to be analytically useful, but the two dimensions are likely to be interdependent which questions the appropriateness of a separate conceptualization. Being a primus inter pares requires a prime minister to arrange for collectively supported decisions. Collective deliberation and voting in cabinet or cabinet committees indicate a degree of equality among ministers.

We have therefore decided to opt for a unidimensional concept that evaluates both the arbitration and the coordination function performed by core executives. Our ranking is based on King's three-level ranking of prime ministers according to their degree of influence within government (King 1994). Following Lijphart's comments on this ranking (1999, 113-115), we have added two further levels to integrate the presidential systems of the OECD world and the collective leadership model of Switzerland. Thus our classification distinguishes the highly centralized core executives of presidential and prime ministerial systems from the more collegial-collective cabinet systems in Central Europe and Scandinavia. The different labels describe distinct models of core executive organization that differ according to the extent to which coordination and arbitration functions are centralized in the office of the prime minister or president (Core Executive Centralization, CEC). Countries not ranked by King have been integrated on the basis of various individual country studies. We also assigned Austria from the intermediate level to the prime ministerial level in order to reflect the strengthening of its center of government since 2000 (Müller 2006).

TABLE 1: CLASSIFICATION OF CORE EXECUTIVES

Level of centraliza-tion	Presidential (4)	Prime-ministerial (3)	Intermediate (2)	Cabinet (1)	Consociational (0)
Countries	KOR, MEX, USA	AUS, AUT, CAN, FRA, DEU, GRC, HUN, IRL, JPN, NZL, POL, PRT, ESP, TUR, GBR	BEL, DNK, LUX, SWE	CZE, FIN, ISL, ITA, NLD, NOR, SVK	CHE

Source: Blondel et al. 2007; King 1994; Lijphart 1999; Müller 2006; Savoie 1999; Shinoda 2005

To check the validity of this ranking, we firstly assume that the degree of chief executive power will be related to the concentration of party power in the cabinet (Lijphart 1999, 114). Leaders of single party governments that control a parliamentary majority usually do not have to share their power with other influential politicians in government. Thus, we would expect centralized core executives and powerful chief executives to be correlated with a pattern of government characterized by single-party cabinets and parliamentary majorities. Table 2 confirms that our ranking of core executives is correlated with the average duration of single party cabinets. The bivariate correlation is weaker for majority cabinets which may be due to the fact that our data source does not differentiate between oversized coalitions and minimal winning coalitions or single-party majorities.

Secondly, we assume that powerful chief executives will themselves decide intra-governmental disputes during the preparation of the state budget, rather than leaving this function to the cabinet or the minister of finance. The positive and significant correlation between CEC and the centralization of budget dispute resolution powers, as reported by the OECD, also tends to confirm our typology.

TABLE 2: CORE EXECUTIVE CENTRALIZATION, PARTY AND BUDGETING POWERS

	Single party cabinets	Majority cabinets	Budget dispute resolution
CEC	.478*	.113	.442*
Single party cabinets	1		
Majority cabinets	.030	1	
Budget dispute resolution	.184	-.442*	1

Non-parametric correlations (Spearman's Rho). Asterisks denote significant correlations at the 0.05 level (*). N = 22, except for Budget dispute resolution (n=30): Budget dispute resolution: "In practice how are disputes between line ministries and the Central Budget Authority in the budget preparation process generally resolved?" PM/President = 3; Finance Minister = 2; Cabinet (committee) = 1 (Source: OECD International Database of Budget Practices and Procedures, www.oecd.org/gov/budget/database Question No. 26); Single party cabinets / majority cabinets: mean duration in months (1947-2007, 1990/92-2007 for CZE, HUN, POL, SVK); Single party majority cabinets: mean of single party and majority cabinet indicators. (Source: Müller 2008, supplemented by authors' data on East-Central European countries).

2. Executive governance

To conceptualize 'executive governance' and to establish theoretically grounded quality criteria, we draw on Pierre and Peters who conceive governance as an interaction between state and society (2005). They argue that state capacity results from the joint availability of institutional resources and reliable information on society (2005, 7). The "capacity of the state to make and enforce binding decisions on the society, and to do so without significant involvement of, or competition from, societal actors" tends to be in conflict with the state's openness to multiple sources of societal information and its capacity to utilize this information for governing (2005, 7). Pierre and Peters use these two conflicting variables – state authority and the state's information gathering and processing capacity – as dimensions to distinguish five models of governance depending on the degrees of state and societal involvement in governance.

TABLE 3: MODELS OF GOVERNANCE ACCORDING TO PIERRE AND PETERS (2005)

<table>
<tr><td></td><td></td><td colspan="3">Direct state involvement</td></tr>
<tr><td></td><td></td><td>strong</td><td>intermediate</td><td>weak</td></tr>
<tr><td rowspan="3">Participation of societal actors</td><td>strong</td><td>'state-centric'</td><td>'Dutch'</td><td>'governance without government'</td></tr>
<tr><td>intermediate</td><td>'liberal-democratic'</td><td></td><td></td></tr>
<tr><td>weak</td><td>'étatist'</td><td></td><td></td></tr>
</table>

They contend that the 'state-centric' "approach to governing characteristic of much of Continental Europe (and to some extent Scandinavia) should be the most effective form of governance." (Pierre and Peters 2005, 47) Whereas the 'liberal-democratic' model of governance reflects representative democracies lacking institutionalized corporatist relations with societal actors, the 'Dutch' model views the state as one among many societal actors involved in network-type relations, a pattern of governance observed in the Netherlands. The two extreme models of étatism and 'governance without government' constitute ideal types that are rarely found in reality and that show clearly inferior performance. P/P do not specify models characterized by weak state involvement and weak societal participation which is probably due to their ambiguity about the uni- or bidimensionality of the polarity between these two principles.

Four criteria are suggested by P/P to assess what they call 'outcomes' of the governance process: *coherence* among different policies; inclusion of important interests and segments of society (*inclusiveness*); *adaptability* with respect to external challenges; *accountability* of governance providers. These criteria are then applied to map the varying performance of the four governance models. P/P expect the state-centric, corporatist model to be particularly effective in ensuring coherent policies and to perform weaker than the other models only with respect to adaptability.

In their joint book from 2005, P/P do not explain why they have selected precisely these assessment criteria and how the criteria are related to their dimensions of state and societal involvement. However, the criteria can be arranged and interpreted in a systematic way if the distinction between state and societal actors is combined with the distinction between consensual and majoritarian democracies (Lijphart 1999). The first distinction suggests conceiving

coherence and adaptability as desirable qualities of governmental policymaking, while inclusiveness and accountability refer to the relations between governments and societal actors.

The second distinction starts from the features Lijphart attributes to majoritarian and consensual democracies. Majoritarian democracy usually generates single-party governments that do not have to abandon parts of their electoral programmes in order to co-opt coalition partners and that are less constrained by constitutional veto players. These features tend to render majoritarian systems more accountable to citizens and more coherent. In contrast, consensual democracy is usually characterised by rigidities and intransparent bargaining among political elites detached from the preferences of citizens. On the other hand, consensual or negotiation democracy is seen as more inclusive and adaptable, because the requirement of forming broad coalition governments ensures that most important interests are included and that broad coalition governments are likely to better accommodate the concerns of relevant stakeholders (Lijphart 1999; Haggard and McCubbins 2001).

TABLE 4: CRITERIA FOR THE QUALITY OF GOVERNANCE

	Process		
		consensual	majoritarian
Actors	state	adaptability	coherence
	society	inclusiveness	accountability

We consider accountability, adaptability, coherence and inclusiveness both as criteria to assess the quality of governance and as separate (sub-)dimensions of our concept of executive governance. We thus view executive governance as a multi-dimensional concept and good (executive) governance as the art of balancing of different principles, logics and trade-offs.

To the extent that majoritarian democracies concentrate power and are characterized by less veto points, we would assume more centralized core executives in such democracies. Conversely, the dispersion of power in consensus democracies is likely to be associated with decentralized, cabinet-type core executives. Thus, centralized core executives should score higher in the coherence and accountability dimensions, while decentralized core executives can be expected to be more adaptable and inclusive.

3. Measuring executive governance

These criteria shall now be disaggregated into questions and indicators that allow for measuring the quality of governance in OECD member states. It is clear that all four criteria are also terms that lend themselves to partisan political interpretation and that are subject to controversial debates among government and opposition. Thus a straightforward measurement, e.g. by asking politicians or citizens whether they perceive the government acting coherently, would probably generate opposed and biased views. Therefore it seems more appropriate to ask for the presence or absence of those governance conditions which can be assumed to support policy coherence and the other quality criteria.

We shall do this by using a new dataset of 'Sustainable Governance Indicators' (SGI) based upon an expert survey that was carried out by the Bertelsmann Foundation and the Center for Applied Policy Research in all 30 OECD member states in 2007 (Bertelsmann Stiftung 2009;

Brusis 2008).[1] The aim of this survey was to collect detailed and comparable information on the quality of democracy, policy performance and the capacity as well as accountability of executives. The survey items assessing governance in and by executives reflect the growing international knowledge and consensus over good practices of policymaking (cf. e.g. OECD 2005; 2007).

Experts were requested to elaborate country reports by assessing 62 questions and compiling 13 quantitative indicators. The underlying questionnaire provided detailed explanations of and four tailored response options for each question. The experts were instructed to adapt these response options to the individual context of the particular country they were evaluating and to rate their country on a scale ranging from one to ten, with one being the worst and ten being the best. The written assessments are intended to explain and substantiate the numerical ratings.

Each OECD member state was examined by three leading scholars with established expertise in their respective countries. To identify subjective bias and reduce any distortion it might cause, the experts were selected so as to represent both domestic and external views as well as the viewpoints of political scientists and economists. All experts were tasked with writing assessments for "their" country, which resulted in the production of three individual and yet parallel country assessments ("expert reports") for each country. The experts were instructed to assess the situation in their countries as of March 2007 and to take into account the period between January 2005 and March 2007 when explaining their ratings.

The ratings and assessments were then reviewed in order to reduce subjective bias and improve the cross-national comparability. Finally, the reviewers agreed on ratings that represented the median of the expert ratings or deviated from the median if this was deemed necessary and justifiable in the interest of validity. These expert ratings were complemented by 74 quantitative indicators from publicly available statistics. While the survey was inspired by P/P's ideas, it did not exactly translate them into questions and data. However, numerous questions and indicators can be plausibly assigned to P/P's four criteria of governance quality.

Admittedly, the focus of our survey has been more on central and core executives while P/P use the broader concept of "state" to elaborate their criteria of governance quality. We reflect this narrower focus of our dataset by talking of *executive* governance. However, the relevance attached by P/P to governing (i.e., the steering role of governments) as part of the governing process seems to legitimize such a precising of the concept.

Since the objective of policy *coherence* seems relevant for the entire process of policymaking, a measure of coherence should cover the different stages of this process. The questions thus relate to strategic planning as well as the preparation and implementation of policies. They assume that strategic and fiscal planning, a centre of government with policy expertise, effective inter-ministerial co-ordination, coherent public communication and organisational capacities for effective implementation improve policy coherence. These functions (and evaluation items) are not determined by the degree of core executive centralization.

[1] The methodology, data and reports are available at www.sgi-network.de.

TABLE 5: COHERENCE[2]

STRATEGIC PLANNING
M2.1 How much influence does strategic planning have on government decision-making?
M2.2 Does the annual budget documentation submitted to the Legislature contain multi-year expenditure estimates? Are there multi-year expenditure targets or ceilings?*
POLICY PREPARATION
M3.1 Does the government office/prime minister's office have the expertise to evaluate ministerial draft bills substantively?
M3.2 Can the government office/prime minister's office return materials envisaged for the cabinet meeting on the basis of policy considerations?
M3.3 To what extent do line ministries have to involve the government office/prime minister's office in the preparation of policy proposals?
M3.4 How effectively do ministerial or cabinet committees prepare cabinet meetings?
M3.5 How effectively do senior ministry officials prepare cabinet meetings?
M3.6 How effectively do line ministry civil servants coordinate policy proposals?
POLICY IMPLEMENTATION
M6.1 To what extent does the government implement a coherent communication policy?
M9.1 To what extent can the government achieve its own policy objectives?
M9.2a To what extent does the organization of government ensure that ministers do not seek to realize their self-interest but face incentives to implement the government's program?
M9.2b How effectively does the government office / prime minister's office monitor line ministry activities?
M9.2c How effectively do ministries monitor the activities of executive agencies?

Adaptability is assessed by studying how governments deal with influences of Europeanization and globalization. Do they accommodate such external impacts by adapting their structures of policymaking or are these structures left unchanged? In addition, two questions ask to what extent governments monitor and adapt their own institutional arrangements in order to improve their capacity for strategic decisionmaking. The questions measuring *inclusiveness* assess the extent to which academic expertise and the concerns of interest associations are taken into consideration by governments.

TABLE 6: ADAPTABILITY

M10.1 To what extent does the government respond to international and supranational developments by adapting domestic government structures?
M12.1 To what extent do actors within the government monitor whether institutional arrangements of governing (rules of procedure and the work formats defined there, in particular the cabinet, the office of the head of government, the center of government, the portfolios of ministries, the advisory staffs of ministers and the head of government as well as the management of relations with parliament, governing parties, ministerial administration and public communication) are appropriate?
M12.2 To what extent does the government improve its strategic capacity by changing the institutional arrangements (see M12.1) of governing?

TABLE 7: INCLUSIVENESS

M2.3 How influential are non-governmental academic experts for government decisionmaking?
M5.1 To what extent does the government consult with trade unions, employers' associations, leading business associations, religious communities, and social and environmental interest groups to support its policies?
M15.3b To what extent are the proposals of interest associations considered relevant by the government?

[2] Items marked with an asterisk are obtained from public data bases, including the OECD / World Bank survey of budget practices and procedures (M2.2, M14.14), the Eurobarometer survey (M13.2) and an expert survey of parties' policy preferences (Benoit and Laver 2006). See the annex for methodological details.

Accountability is measured by distinguishing between different groups of accountability providers: citizens, parliament, media, parties and interest associations. The questions assume that accountability benefits from (1) well-informed citizens who perceive the selection and activities of government as linked to their preferences, (2) parliaments endowed with information and monitoring resources, (3) substantive media reporting on policymaking, (4) a stable party system structuring policy choices and (5) interest associations with the expert capacity to make well-founded policy proposals.

TABLE 8: ACCOUNTABILITY

CITIZENS
M13.1 To what extent are citizens informed of government policy-making?
M13.2 Share of citizens who tend to trust their national government*
PARLIAMENT
M14.7 How many expert support staff members work for the parliament (including parliamentary library, mean per deputy, logtransformed values)?
M14.8 Are parliamentary committees able to ask for government documents?
M14.9 Are parliamentary committees able to summon ministers for hearings?
M14.10 Are parliamentary committees able to summon experts for committee meetings?
M14.11 To what extent do the task areas of parliamentary committees and ministries coincide?
M14.12 To what extent is the audit office accountable to the parliament?
M14.13 Does the parliament have an ombuds office?
M14.14 How many months before the beginning of the fiscal year is the draft budget submitted to the legislature?*
MEDIA
M15.1a To what extent do the main TV and radio stations in your country provide substantive indepth information on decisions taken by the government?
PARTIES
M15.2b Polarization of the party system*
M15.2c To what extent do the electoral programs of major parties in your country propose plausible and coherent policies?
INTEREST ASSOCIATIONS
M15.3a To what extent do interest associations propose reasonable policies, i.e. policies that identify the causes of problems, rely on scholarly knowledge, are technically feasible, take into account long-term interests and anticipate policy effects? The assessment should focus on the following interest associations: employers' associations, trade unions, leading business associations, religious communities, environmental and social interest groups.

Since each of these items has been measured on different scales and the ranges of expert ratings for the other items vary, a standardization is necessary to aggregate the items. This is done by subtracting the means and dividing by the standard deviations (z-transformation), so that the standardized scores indicate whether a country's assessment is above or below the OECD average of zero and how far a country differs from the OECD average in units of standard deviation.

The aggregation of items into composite measures of policy coherence etc. is possible if the disaggregate items constitute valid indicators of the concept (Adcock and Collier 2001). Rationales supporting the content validity of the conceptual disaggregation have already been outlined in the brief descriptions we have given to assign items to P/P's criteria. In addition, we have performed principal component analyses (PCA) for all composite indicators in order to explore their dimensionality (Giovannini et al. 2005, 37ff.). The construct (or convergent)

validity of a composite indicator can be considered as given if the variance represented in its items can be reduced to one dimension or to several dimensions corresponding to the concept.

For the concepts of *adaptability* and *inclusiveness*, PCA confirms a unidimensionality. The concept of policy *coherence* has been disaggregated into three composite subindicators reflecting the policy process (strategic planning, policy preparation and policy implementation). The analysis shows that these three indicators and the items constituting them are sufficiently correlated to assume unidimensionality.[3] The concept of *accountability* has been divided into groups of items pertaining to key providers of executive accountability. Three of the five accountability providers are also measured by composite indicators, each consisting of several items. The patterns of correlations between the composite indicators of accountability providers suggest a two-dimensional concept. However, the two dimensions also lend themselves to a theoretically plausible interpretation since the first component loads highly on societal accountability providers whereas the second component is highly correlated with parliament and parties, i.e., accountability providers within the political system.[4]

In order to integrate individual items into composite indicators, weights have to be assigned to all individual items. These weights should reflect the conceptual status of items for coherence, adaptability, inclusiveness and accountability. As outlined above, we have assigned items to concepts on the basis of structuring ideas, such as the distinction between stages in the policy process and the distinction between different accountability providers. Our prior empirical knowledge about, for example, the impact of effective inter-ministerial coordination on the preparation of policies was mainly based on the experiences of practitioners, case-based evidence, intuition and common sense.

This body of knowledge has been particularly limited when it comes to the interaction of individual components with each other, for example, on how inter-ministerial coordination, coherent communication and strategic planning jointly affect policy preparation. This uncertainty about effects and interrelations suggests that components might best be considered hypotheses about the presence or fulfillment of a concept (Goertz 2006, 53-58).

If items are viewed as such hypotheses, they should obtain equal status and accordingly be weighted equally. Given the uncertainties about interaction effects, the safest strategy for building composite indicators is to assume that each component may partially, but not fully substitute for the effect of other components. The corollary for the construction of composite indicators is to assign equal weights to all components and choose an additive method of aggregation. We thus aggregate the items by calculating arithmetic means. For the more complex concepts of coherence and accountability, first composite subindicators are determined by averaging their constituent items, and then the means of these composites are calculated.

[3] Only the 'policy preparation' indicator turned out to be a two-dimensional construct, as the PCA of its constituent items extracted two components with eigenvalues higher than one. The two components tend to reflect a trade-off between administrative and political modes of inter-ministerial coordination which confirms the theoretical rationale underlying the selection and compilation of questions, i.e., that cabinet committees should be seen as an alternative, but not necessarily inferior mode of inter-ministerial coordination. Thus the two-dimensional structure can be accepted as a valid representation of the concept.

[4] Among the constituent composite indicators of accountability, the 'parliament' indicator is multi-dimensional, but a conceptually meaningful pattern of loadings can be obtained if four components are extracted, representing 85 percent of the total variance.

4. Findings

Firstly, we examine whether groups of countries with similar levels of core executive centralization (CEC) have distinct patterns of governance. The logic of power concentration and dispersion behind the consensual-majoritarian distinction suggests that more centralized core executives perform better on the two "majoritarian" quality criteria, i.e., coherence and accountability. In contrast, more decentralized core executives can be expected to generate more inclusive and adaptable governance.

Table 9 depicts the mean values of different models of core executive organization for the four dimensions of governance. The table documents that cabinet-type core executives are on average more accountable, inclusive and adaptable than prime ministerial core executives, but the two types do not differ in terms of coherence. An increasing level of centralization is associated with less inclusiveness (Spearman's Rho: -.512), at least in parliamentary systems. More centralized core executives also tend to be less accountable, which contradicts the expectation of more accountable majoritarian democracies. However, the correlation is weaker than in the case of inclusiveness (-.353). Centralization is not correlated with the two "state" dimensions of executive governance, and the high mean values for presidential core executives on the one hand, cabinet and intermediate core executives on the other suggest a curvilinear pattern.

TABLE 9: MEAN GOVERNANCE SCORES BY LEVEL OF CENTRALIZATION

	CONS-1	CAB-7	INTM-4	PM-15	PRES-3	Total (30)
ACCOUNT	.35	.23	.30	-.12	-.30	.02
	.	*.73*	*.40*	*.57*	*.44*	*.58*
INCLUSIV	.96	.59	.54	-.49	.03	.00
	.	*.75*	*.63*	*.72*	*.71*	*.85*
ADAPTAB	-.32	.20	.17	-.17	.23	.00
	.	*.89*	*1.25*	*.78*	*.28*	*.81*
COHEREN	-.60	-.09	.51	-.10	.24	.00
	.	*.75*	*.24*	*.75*	*.15*	*.68*

Figures in italics: standard deviation.

Table 9 also reveals high standard deviations particularly for the intermediate and the cabinet government groups, indicating a large ingroup variation and thus the limited discriminatory power of centralization-based grouping. To test the distinctiveness of these groups, we performed an analysis of variance. Because this analysis does not make sense for groups consisting of only one country, we integrated Switzerland into the most similar group of cabinet government countries. The groups differ significantly from each other, if the F Test allows us to reject the null hypothesis of equal group means. However, the F Test requires equal group sizes and homogenous variances of the groups. As both assumptions are violated by our set of groups (see table 10), we apply the Welch Test which is more powerful than the F Statistic if group sizes and variances are unequal.

TABLE 10: ANALYSIS OF VARIANCE FOR LEVELS OF CORE EXECUTIVE CENTRALIZATION

	Welch-Test (equal means) Value / Sign.	Levene test (homogeneity of variances) Sign.
Accountability	1.5 / .296	0.592
Inclusiveness	4.6 / .047	0.859
Adaptability	.7 / .581	0.141
Coherence	3.1 / .072	0.083

The Welch Test indicates that the four models of core executives differ significantly in the dimensions of inclusiveness and coherence (table 10). We then applied post-hoc tests to examine which groups differ significantly from each. Since the Levene Tests confirmed homogenous variances only for the coherence dimension, we applied Fisher's Least Significant Differences Test for the coherence and Tamhane's T2-Test for the inclusiveness dimension. Both tests are based on the T-Test used to compare group means. The tests yield the following results:

- Cabinet-type core executives and core executives with moderately powerful prime ministers are significantly more inclusive than prime ministerial core executives (0.05 level). The average differences are 1.1 for cabinet-type core executives and 1.0 for intermediately centralized core executives.
- Intermediately centralized core executives are more coherent than prime ministerial core executives. However, the mean difference is only 0.6 and the level of significance is lower (0.1) than for the inclusiveness dimension.

Secondly, we investigate whether CEC entails less inclusiveness and coherence also in the presence of other possible explanatory variables. Institutionalist approaches emphasize the role of historical traditions and cultural practices in shaping executive governance (Bevir et al. 2003). Pierre and Peters have described and even labeled their models of governance by refering to the patterns and arrangements of governance that have emerged in exemplary states. Comparisons of public policies in OECD countries have found that 'families of nations' with similar historical and cultural features show similar patterns of performance (Castles 1993; Obinger and Wagschal 2001).

We thus distinguish four groups of countries that can be assumed to share distinctive cultural and historical features: the five Nordic countries (DNK, FIN, ISL, NOR, SWE); the five Angloamerican countries (AUS, CAN, NZL, GBR, USA); the four East-Central European countries (CZE, HUN, POL, SVK); and the five Southern European countries (GRC, ITA, PRT, ESP, TUR). Dummy variables for these groups were included in OLS regressions to estimate the impact of CEC on the four composite indicators of governance. Other possible groups of countries within the OECD world (e.g. Central Europe, Asian) appeared to be more heterogeneous with respect to culture, history and their scoring on the governance criteria. We therefore refrained from introducing more dummies that would also have further reduced our degrees of freedom. Table 11 shows a selection of regression models that are characterized by a relatively good overall fit and most significant beta coefficients.

TABLE 11: CORE EXECUTIVE CENTRALIZATION AND GOVERNANCE QUALITY

	ACCOUNT	INCLUSIV1	INCLUSIV2	ADAPTAB	COHEREN
CEC	-.231	**-.619*** **	**-.556*** **	.156	.084
	(.082)	(.121)	(.113)	(.132)	(.121)
NORDIC	**.510*** **			**.759*** **	**.348***
	(.213)			(.335)	(.327)
ANGL	**.414*** **	.173		**.284***	**.301***
	(.192)	(.313)		(.297)	(.285)
ECEUR		**-.478** **	**-.510*** **		-.279
		(.339)	(.334)		(.325)
SEUR	**-.298** **	**-.277***	**-.326** **		**-.334***
	(.195)	(.314)	(.301)		(.293)
Adjusted R^2	.588	.501	.495	.451	.375
Standard error of regression	.374	.601	.604	.603	.535
Prob > F	.000	.000	.000	.000	.005

Cells contain standardized OLS regression coefficients, with standard errors in parenthesis. N = 30.
*** significant at the 0.01 level; ** significant at the 0.05 level; * significant at the 0.1 level

The results of the regressions in table 11 confirm a significant impact of CEC on inclusiveness. In contrast, CEC has only weak and insignificant effects on accountability, adaptability or coherence: countries with less centralized core executives may be as accountable or coherent as the countries with prime ministerial core executives. These three measures of governance quality can be relatively well explained by the country group dummies which tends to confirm the importance of a shared history and culture for patterns of executive governance. Whereas belonging to the Nordic or Angloamerican group of countries is associated with a better performance in the accountability, adaptability and coherence dimensions, governance in the Southern European countries tends to be less accountable and less coherent. Neither Nordic nor Angloamerican membership has a significant effect on inclusiveness. East-Central and Southern European membership, however, does show a significantly negative effect and entails less inclusive governance.

Thirdly, we study how the observed patterns of CEC and executive governance correspond to the theoretical models distinguished by P/P. To address this question, we calculate means of (1) the coherence and adaptability dimension scores to receive a proxy measure of state involvement and (2) the inclusiveness and accountability dimension scores to construct a measure of societal participation. This aggregation does not only make theoretical sense in view of the meanings assigned to these 'outcomes' of the governance process by P/P. The aggregability can also be justified with comparatively high bivariate correlations between the coherence and adaptability scores as well as between inclusiveness and accountability scores (table 12). In addition, a principal component analysis of the four dimensions produces factors with high loadings on the respective two dimensions (table 13). The matrix of loadings also confirms the decision to conceptualize P/P's concept of governance in two dimensions rather than as a one-dimensional construct. The aggregate scores for all OECD countries are visualized in the scatter diagram below.

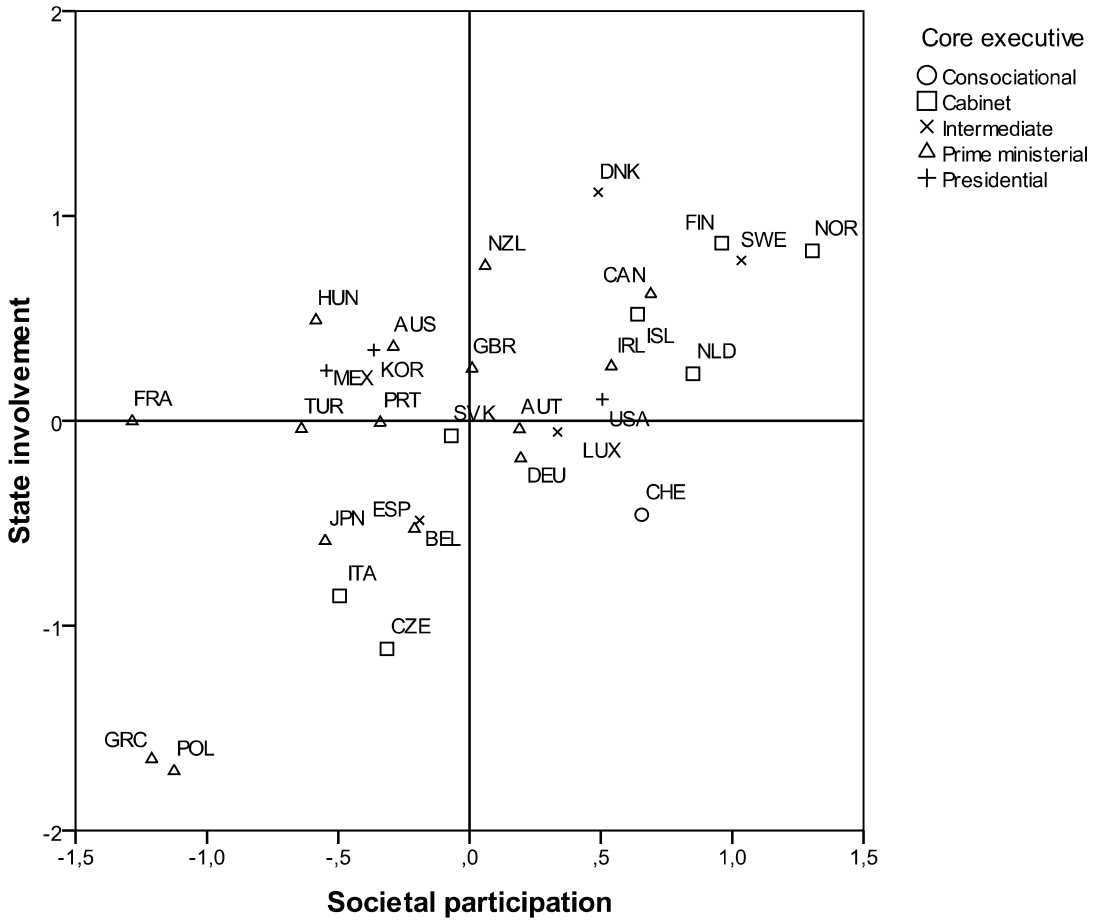
TABLES 12-13: CORRELATIONS AND DIMENSIONALITY OF GOVERNANCE DIMENSIONS

	Inclusiveness	Adaptability	Coherence
Accountability	.765	.559	.520
Inclusiveness		.597	.553
Adaptability			.736

	Societal participation	State involvement
% of total variance explained:	*44*	*43*
Accountability	**.900**	.285
Inclusiveness	**.867**	.350
Adaptability	.357	**.855**
Coherence	.277	**.897**

Component loadings, rotated component matrix obtained from PCA, varimax rotation.

FIGURE 1: GOVERNANCE PATTERNS IN OECD MEMBER STATES



The diagram tends to confirm our operationalization of the governance models distinguished by P/P, as the prototypical country examples of 'state-centric', 'Dutch', 'liberal-democratic' and 'étatist' governance are approximately located where P/P would expect them. The Nordic countries cluster in the North-Eastern quadrant of strong state involvement and societal participation. The Netherlands (NLD) are placed lower than the Nordic countries (i.e., with weaker state involvement) but still within the range of societal participation levels delineated by Denmark and Norway.

The United Kingdom (GBR), which may be seen as a prototypical example of 'liberal-democratic' governance, performs weaker than these countries in the participation dimension. Its level of state involvement is, however, similar to the Dutch level and thus lower than envisaged by P/P's typology. According to the aggregate assessments visualized in the diagram, New Zealand (NZL) appears to be a more appropriate example with a higher level of state involvement.

France (FRA), a country P/P view as closest to their ideal type of étatist governance, is placed on the left side, with weak participation and intermediate scores for state resources. The Central European countries appear to fit the profile of P/P's ideal type state-centric model less well than the Scandinavian countries. Switzerland's position (CHE) is closest to P/P's ideal type model of 'governance without government' which corresponds to its special, consociational core executive.

The East-Central European countries scatter widely on this map, indicating that their patterns of governance differ remarkably against the background of other OECD countries. Hungary (HUN) is characterized by a combination of strong state involvement and low societal participation. Poland (POL) resembles Greece in its weakness of both state involvement and societal participation. Slovakia (SVK) and the Czech Republic (CZE) are closer to the Central and Southern European countries with intermediate levels of societal participation and state involvement.

The placement of several countries in a quadrant marked by weak societal participation and state involvement suggests adding another model of governance to the five models described by P/P. Weak state involvement does not necessarily imply a dominance of societal accountability providers (or vice versa), as P/P assumed when they characterized the relationship as U-shaped (2005, 46). Rather, the map indicates a linear relationship and a correlation of intermediate strength (.641) between state involvement and societal participation.

Countries with cabinet-type or intermediately centralized core executives prevail in the Northeastern quadrant, but lack in the Northwestern quadrant. Only two special cases of decentralized core executives, Luxembourg (LUX) and Switzerland (CHE), are located in the Southeastern quadrant. This pattern seems to suggest that more decentralized core executives are either embedded in strong states and strong institutions of societal participation or perform weakly in both dimensions (ITA, CZE, SVK). The state-centric/ society-centric type of decentralized core executive has emerged in a Nordic (and Dutch) institutional and cultural environment. Southern European and postcommunist environments have not been conducive to this type of executive governance.

In contrast, prime ministerial and presidential core executives dominate in the Northwestern quadrant, but are also scattered in the Northeastern and Southern quadrants. In some Angloamerican or Westminster-tradition countries (NZL, CAN, IRL), prime ministerial core executives are associated with strong state involvement and strong participatory arrangements. But an Angloamerican cultural context is not sufficient to establish a state-centric/ society-centric model of governance, as the positioning of Australia (AUS) indicates.

Conclusion

The present paper has sought to map the relationship between core executive organization and executive governance on the basis of a survey covering all 30 OECD member states. We have distinguished core executives according to levels of centralization and we have studied the effect of core executive centralization for different dimensions of executive governance. Our key finding has been that more centralized core executives are significantly less open to include important interests and segments of society. Core executive centralization does not significantly improve the accountability of a government to citizens, parliaments and intermediary organizations. And decentralized, cabinet-type core executives may be as coherent and adaptable as prime ministerial or presidential core executives. Both cabinet-type and prime-ministerial-type core executives may be, but do not have to be associated with a combination of state-centric and society-centric governance.

The embeddedness of core executives in national cultures and histories mediates, transforms and may even marginalize the impact of centralization on the way executives govern and interact with their environment. Indications of this embeddedness were the strong effects exerted by membership in historically and culturally distinct groups of countries.

Our paper did not examine whether the combination of state-centric and society-centric governance delivers better policy outcomes and can thus be considered more effective from a public policy perspective.[5] However, the criteria used to assess the quality of executive governance are highly plausible and their individual functional utility is probably widely accepted so that they seem to be normatively defensible as independent criteria of evaluation.

The observed patterns of core executive organization and executive governance do not indicate the main direction of causality between the two variables. Based upon our regressions (table 11), we can say that a decentralization of the core executive is likely to entail more inclusive governance irrespective of whether reformers are able to use the institutional and cultural resources of Nordic countries and even if they have to cope with centralist legacies and traditions in Southern and East-Central Europe. But our data do not allow to examine whether powerful chief executives have molded strategic planning, the preparation of cabinet meetings and governmental communication to improve policy coherence—or whether systems of government where these functions are highly developed have enabled the centralization of core executives and enhanced their powers.

The lesson for institutional designers would thus be to address both core executive organization and those functions of executive governance that can be reformed. We believe that our conceptualization and measurement of executive governance provide useful criteria and benchmarks allowing governments to assess their practices of executive governance, to identify relative deficiencies and to improve the quality of governance.

[5] See (Bertelsmann Stiftung 2009) for studies relating executive governance to policy outcomes.

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Annex

ITEM STATISTICS

Criterion / dimension	Composite subindicator	Item	Mean	Minimum	Maximum	Standard deviation
Coherence	Strategic planning	M2.1V	6.4	3	10	2.1
		M2.2V	5.0	1	9	2.0
	Policy preparation	M3.1V	6.9	4	10	1.6
		M3.2V	8.1	5	10	1.7
		M3.3V	7.9	4	10	1.7
		M3.4V	6.4	1	10	2.7
		M3.5V	8.0	2	10	2.0
		M3.6V	6.6	2	10	2.1
	Policy implementation	M6.1V	6.8	2	10	2.1
		M9.1V	7.4	5	9	1.3
		M9.2aV	8.3	4	10	1.7
		M9.2bV	7.6	3	10	1.9
		M9.2cV	7.2	3	9	1.5
Adaptability		M10.1V	7.0	4	9	1.3
		M12.1V	6.0	3	9	1.9
		M12.2V	6.1	3	9	1.4
Inclusiveness		M2.3V	6.0	6.0	9	1.4
		M5.1V	7.0	3	10	1.9
		M15.3bV	7.0	4	10	1.6
Accountability	Citizens	M13.1V	6.4	3	10	1.7
		M13.2V	39.4	11	76	16.8
	Parliament	M14.7V	-0.2	-0.92	1.38	0.5
		M14.8V	8.6	5	10	1.1
		M14.9V	9.3	6	10	1.1
		M14.10V	9.6	7	10	0.7
		M14.11V	7.8	2	10	1.8
		M14.12V	8.8	5	10	1.7
		M14.13V	7.2	1	10	3.0
		M14.14V	4.9	1	10	1.5
	Media	M15.1aV	7.3	4	9	1.5
	Parties	M15.2bV	12.0	6.2	16.9	2.4
		M15.2cV	6.9	2	9	1.8
	Interest associations	M15.3aV	7.0	4	10	1.5

SOURCES OF QUANTITATIVE INDICATORS – GOVERNANCE QUALITY MEASURES

M2.2 Does the annual budget documentation submitted to the Legislature contain multi-year expenditure estimates? Are there multi-year expenditure targets or ceilings?

Source: OECD / World Bank survey of budget practices and procedures 2007, www.oecd.org/document/61/0,2340,en_2649_33735_2494461_1_1_1_1,00.html, mean of questions 16 and 20.

M14.14 How many months before the beginning of the fiscal year is the draft budget submitted to the legislature?

Source: OECD / World Bank survey of budget practices and procedures 2007, www.oecd.org/document/61/0,2340,en_2649_33735_2494461_1_1_1_1,00.html, Question 39.

M13.2 Share of citizens who tend to trust their national government:

Source: Standard Eurobarometer 63, survey time: 5-6/2005, Question QA7.3 "Do you trust your national Government? - Tend to trust" (in%), http://ec.europa.eu/public_opinion/standard_en.htm. As there are no values for

ten non-EU members (AUS, CAN, ISL, JPN, MEX, NZL, NOR, KOR, CHE, USA), M13.2 was not included in the calculation of means for the ‘citizens’ subindicator in these countries.

M15.2b Polarization of the party system

Source: (Benoit and Laver 2006). Difference between most leftist and most rightist parties in parliament. BL's general left-right positions were taken for parties represented in parliament during the study period. Missing value for FRA: imputed by economic policy orientation (taxes vs. spending).