



Public administration characteristics and performance in EU28: Germany

Written by
Kai Wegrich, Gerhard Hammerschmid
Hertie School of Governance
April – 2018



Social
Europe

EUROPEAN COMMISSION

*Directorate-General for Employment, Social Affairs and Inclusion
Directorate F – Investment Unit F1 – ESF and FEAD: policy and legislation*

Contact: EMPL-F1-UNIT@ec.europa.eu

*European Commission
B-1049 Brussels*

**Public administration
characteristics and performance
in EU28:
Germany**

***Europe Direct is a service to help you find answers
to your questions about the European Union.***

Freephone number (*):

00 800 6 7 8 9 10 11

(*) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

LEGAL NOTICE

This country chapter is part of the full report "**The Public Administration in the EU 28**".

This publication has been developed for the European Commission with the technical assistance of the European Institute of Public Administration (EIPA), the Hertie School of Governance and Ramboll Management Consulting. It reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

More information on the European Union is available on the Internet (<http://www.europa.eu>).

Editors: Nick Thijs and Gerhard Hammerschmid

Manuscript completed in August 2017

Luxembourg: Publications Office of the European Union, 2018

ISBN: 978-92-79-90898-9
doi:10.2767/309511

© European Union, 2018

Reproduction is authorised provided the source is acknowledged.

TABLE OF CONTENTS

1	SIZE OF GOVERNMENT	359
2	SCOPE AND STRUCTURE OF GOVERNMENT	361
2.1	State system and multi-level governance	361
2.2	Structure of executive government (central government level)	364
2.2.1.	Machinery of government	364
2.2.2.	Centre of government coordination	364
2.2.3.	Key management, budgeting and monitoring mechanisms	365
2.2.4.	Audit and accountability	366
2.2.5.	Organization/coordination of administrative reform	366
3	KEY FEATURES OF THE CIVIL SERVICE SYSTEM	367
3.1	Status and categories of public employees	367
3.2	Civil service regulation	369
3.2.1.	Civil service regulation for Beamte (Dienstrecht)	369
3.2.2.	Civil service regulation for employees and workers (Tarifrecht)	370
3.3	Key characteristics of the central government HR system	371
3.3.1.	Organization of HRM	371
3.3.2.	Recruitment, career system and training	371
3.3.3.	HR development and performance appraisals	372
3.3.4.	Remuneration	373
3.3.5.	Senior civil service	373
3.3.6.	Politicization and patronage	373
4	POLITICAL ADMINISTRATIVE SYSTEM AND POLITICAL ECONOMY	374
4.1	Policy making, coordination and implementation	374
4.1.1.	State system	374
4.1.2.	Policy decision-making	375
4.1.3.	Relationship between political level and administration	376
4.2	Administrative tradition and culture	377
5	GOVERNMENT CAPACITY AND PERFORMANCE	380
5.1	Transparency and Accountability	380
5.2	Civil Service System and HRM	380
5.3	Service delivery and digitalization	381
5.4	Organization and Management of Government	383
5.5	Policy-Making, Coordination and regulation	383
5.6	Overall government performance	384
	REFERENCES	385

1 SIZE OF GOVERNMENT

The size of the public sector in Germany is in the middle-field of the EU28, with 43.0% of total government expenditure as percentage of GDP. The average for the period 1991 until 2015 was 46.5%, reaching an all-time high of 54.7% in 1995 and a record low of 42.8% in 2007. The continuous decrease over the last five years is due to a rather high growth of GDP, along with a modest growth of 9.4% in government expenditure (annual average of 1.8%). Germany's overall fiscal situation is strong and favourable compared to the EU28, both with regard to debt in GDP and deficit in GDP, and has substantially improved since the financial/economic crisis of 2008/2009 when the government also introduced a new constitutional 'debt brake' to enforce balanced budgets both at the federal and state (*Länder*) government levels (Fiedler et al. 2017). The strong improvement, however, was less due to austerity measures (with the exception of a few states) than to the result of the combined effects of major labour market and welfare system reforms carried out in the 2000s, a period of high fiscal discipline in the pre-crisis years¹ and especially a substantial rise of tax revenues in more recent years. 2016 saw a record high budget surplus of 0.8% of GDP. Despite this stable fiscal position, Germany shows strikingly low public investment, with 2.1% of GDP as one of the lowest of all EU28 countries, which is in strong contrast to substantial public infrastructure investment needs in areas such as road maintenance, broadband or local government infrastructure, including schools and/or daycare centers.²

Table 1: General government budget data

GERMANY	2010	EU 28 Rank	2015	EU 28 Rank	Δ Value	Δ Rank
Total expenditures (in % GDP)	47.26	16	43.98	15	-3.27	+1
Central government share (%)	34.02	28	28.76	28	-5.26	0
State government share (%)	27.75		29.46			
Local government share (%)	16.64		17.63			
Public investment (in % GDP)	2.30	26	2.12	26	-0.18	0
Debt in % GDP	81.00	15	71.15	21	-9.85	-6
Deficit in % GDP	-4.2	8	0.7	2	+4.9	+6

Source: AMECO, Eurostat

Due to the distinct federal government system described in the next chapter, Germany is one of the most decentralized countries in Europe in terms of both expenditures and employment. The central government share of expenditures in 2015 of 28.8% is the lowest of all EU28 and has even substantially decreased over the last five years. The expenditure structure shows the strong role of government at the state level (with a higher share of government expenditures than federal government) but also high social security expenditures of 24.2%.

This strongly decentralized federal system also finds its expression in the employment data. In an OECD 2011 comparison, Germany ranks lowest of the 11 OECD EU countries

¹ Between 2000 and 2007, more than 480,000 public positions (full-time equivalents – FTE) were cut in the German public sector (10.9% of total public employment) (Fiedler et al. 2017)

² An expert group commissioned by the Federal Ministry for Economic Affairs and Energy has estimated a lack of public infrastructure investment of EUR 90 billion.

with regard to the share of central government employment (in % of total government employment).

According to national statistics, government employment in 2015 was 4.6 million (see table below) with only 9.8% in federal government. Employment at the state government level is about five times higher (50.9%), but also employment at the local government level is substantially higher than federal government employment. This reflects the fact that core government functions such as police, schools, universities and health care are a state level competency (which amount to about 2 million employees), whereas many service delivery functions are carried out at the local government level. The share of core government employment at these 3 levels is 49.4%.

Germany**	2015
(1) General government employment (in m)*	4 609 190
thereby share of central government (%)	9.8%
thereby share of state/regional government (%)	50.9%
thereby share of local government (%)	31.2%
(2) Public employment in social security functions (in m)	260 230
(3) Public employment in the army (in m)	165 135
(4) Public employment in police (in m)	310 790
(5) Public employment in employment services (in m.)	109 355
(6) Public employment in schools and daycare (in m)	831 115
(7) Public employment in universities (in m)	518 315
(8) Public employment in hospitals (in m)	138 435
(9) Public employment in core public administration (in m.) calculated (1) minus (2)-(8)	2 275 815
(10) Core public administration employment in % of general government employment (9)/(1)	49.38%

Source: Destatis: Personal des öffentlichen Dienstes 2015, Fachserie 14, Reihe 6, published June 2016

*According to the OECD, general government employment excludes public corporations.

** Not in full-time equivalents; general government employment based on Destatis definition "öffentlicher Dienst", i.e. excluding employees in private law corporations; army: only soldiers (Verteidigungsstreitkräfte), not including the Ministry of Defense or Defense administration

With 14% of public sector employment as a percentage of the labour force (OECD data), Germany ranks among the lowest of the OECD EU countries. It is also one of the lowest of all OECD EU countries when employment in public sector corporations is excluded. One reason for this rather low share of government employment is the important role of non-governmental welfare organizations (*Freie Wohlfahrtspflege*) as an institutional pillar of the German welfare system. More than 50% of all organisations providing social services are part of this system, with annual spending of more than 50 billion euros. They strongly rely on public funding, and the two largest institutions alone, Deutscher Caritasverband and Diakonisches Werk, have more than 1.5 million employees.

According to Eurostat data, Germany only ranks mid-field among the EU28 countries with regard to public employment as a share of total employment (6.9% in 2015; based on a different calculation of government employment compared to OECD). Eurostat data

show a rather moderate growth of 1.3% in government employment, which lies below the growth rate of total employment (3.7%) for the period 2011-2015 and leads to a slight decrease of public employment as a share of total employment. However, this moderate employment growth clearly lies above the EU28 average of -1.3%. The new constitutional 'debt brake' introduced by the government in 2009 brought a fundamental change which requires both federal and state governments to balance their budgets. A transition period – compliance by the federal government required by 2016 and for state governments by 2020 – gave time for implementation to avoid any harsh cutback measures. This led, along with various state financial situations (e.g. fiscally strong states such as Bavaria, Saxony or Baden-Württemberg vs. the five states of Berlin, Bremen, Saarland, Saxony-Anhalt with rather strained fiscal positions and which receive consolidation assistance), to substantial differences among the federal government and the 16 states with regard to government employment growth in the aftermath of the financial crisis (Fiedler et al. 2017). Federal government and states such as Brandenburg, Mecklenburg-Western Pomerania or Saxony-Anhalt decreased employment (in FTE) by more than 3% over the period 2010-2014, while other states such as Hessen, Hamburg or Bavaria showed a clear growth of more than 5% over the same period.

Due to the rather positive overall financial situation, the size of government has not been a key policy issue over the last ten years at the federal government level. The only time the government's size became the key focus of reform was the "slim state" (*Schlanker Staat*) program initiated in the mid 90s by the conservative-liberal government. This initiative led to several reports with specific recommendations for downsizing government and a decade of continuous incremental staff cuts as a reaction to overcapacities resulting from the reunification. Whereas many of the suggested measures were only partially implemented, this program still contributed to an overall climate of government parsimony in the late 90s, along with the introduction of the New Steering model at the local government level. With the exception of the few states with stronger consolidation requirements, the "size of government" has not been a prominent issue of public debates or political programs at the state level. Over the last decade, however, a clear political will to avoid structural budget deficits and achieve a balanced budget ("*Schwarze Null*") has emerged in line with the constitutional debt break introduced in 2009. The very positive current fiscal situation of the last several years, as well as the additional costs of the migration crisis are, however, leading to an erosion of this fiscal discipline, especially at the state government level.

2 SCOPE AND STRUCTURE OF GOVERNMENT

2.1 State system and multi-level governance

Germany is a federal state with three constitutionally entrenched levels of government: the federal government (Bund), 16 states (*Länder*; 12 area states and 3 city states), and a local government level consisting of 295 districts (*Kreisverwaltungen*) and 11,091 municipalities (*Kommunen/Gemeinden*). Each state (*Land*) has its own constitution, constitutional court and court of audit. Local governments have the constitutional right of "self-administration", although individual municipalities or counties do not have a guarantee of existence (i.e. state law can redraw territorial boundaries, as has happened repeatedly since the 1970s). The distribution of power between the levels of government is characterized by a fairly high centralization of legislative powers at the central (federal) level, but with strong involvement of the states as veto players (through their

representation in the federal council, the upper house of parliament). The distribution of competences varies substantially between policy fields (see the table below), with education, police and culture as core competences of the states. However, as a general pattern, legislation and funding often falls at the central level, while implementation is delegated to the states and further down to the local levels. Because of this distribution of competences, the German system has been called “administrative” or “cooperative federalism”.

Government level:	Legislation	Regulation	Funding	Provision
Central government	External affairs Internal affairs Justice Finance/Tax Economic affairs Environmental protection Public utilities Social welfare Health Science Education	External Affairs Finance/Tax Economic affairs Environmental protection Public utilities Social welfare Health Science	External affairs Internal affairs Justice Finance/Tax Economic affairs Environmental protection Social welfare Health Science	External Affairs Internal affairs Justice Finance/Tax Social welfare
State/regional government	Internal affairs Justice Economic affairs Education	Finance/Tax Public Utilities Science Education	Internal affairs Justice Finance/Tax Economic affairs Environmental protection Public Utilities Social welfare Health Science Education	Internal affairs Justice Finance/Tax Economic affairs Environmental protection Public Utilities Social welfare Health Science Education
Local government			Public Utilities Social welfare	Economic affairs Environmental protection Public Utilities Social welfare Health Education

This distribution of power results in a system of mutual dependencies between levels of government: there is no single dominating level within most policy fields, and the system relies on cooperation and negotiation between them. What the federal level possesses in legislative and regulatory capacity, it lacks in provision (delivery) capacities (although the federal level has increased delivery capacity in areas such as police and immigration in recent years). The state level has some limited legislative and regulatory capacities within the boundaries set by federal laws and regulations, but has high provision capacities. The local level has very limited legislative and regulatory capacity (most importantly related to local land use planning), but high provision capacity and also a high capacity to coordinate, integrate and innovate.

The system of shared responsibilities and powers in Germany requires the different levels of government to closely coordinate among many policy fields; the overall quality

of coordination can be considered rather high³ and varies substantially between policy fields. A specific case is the area of education and universities where, according to the constitutions, the states have an exclusive competence which in practice implies a much criticized “cooperation ban” (*Kooperationsverbot*) between federal and state governments with regard to funding. Important venues of coordination include the federal council, which links state governments to the federal legislative process, and also the ministries and agencies in the different policy fields. Also, coordination between states at the horizontal level is well-developed in the form of permanent working groups between ministries of the same field (*Ministerkonferenzen*) as well as summit meetings with the states’ prime ministers. These summits frequently also involve the federal chancellor for coordination between states and the federal level. Despite the developed form of coordination between government levels, the German administrative system is characterized by a high degree of fragmentation due to the complex division of responsibilities within the system of “cooperative federalism”. This cooperative federalism (as opposed to a competitive federalism) is based on the requirement of equal living conditions stated in the constitution ([Art. 72](#) Abs. 2 [GG](#) sowie durch [Art. 106](#) Abs. 3 GG) which mentions a “Einheitlichkeit der Lebensverhältnisse im Bundesgebiet”. The key mechanism for this is a rather complex fiscal equalization scheme which ensures a transfer from richer to poorer states. At the end of 2016, federal and state governments agreed on a reform of this system which will be in place from 2020 onwards and intends to abolish this system of horizontal equalization in favour of a stronger role by the federal government in assuring such equalization (through additional transfers of about 9.5 billion euros) in exchange for strengthening federal government competencies.

Distribution of powers	Coordination quality (high, medium, low)	Fragmentation (high, medium, low)
Shared	Medium	High

Relevance of levels of government for administrative reforms

The system of shared competences is reflected in the responsibilities for administrative reforms: a strong centre that can adopt and implement government-wide reforms is lacking. Instead, all levels of government have some important role in administrative reform. The federal level is responsible for the regulation of the civil service, but lacks reform capacity (cf. Knill 2001) because of the strong legal entrenchment of civil service regulations (key principles are regulated in the constitution). Also, changes in the administrative structure are difficult to implement, due to the departmental principle that gives ministers a strong position in managing their own portfolio and makes the adoption of government-wide reforms at the central level difficult. The state level has a high relevance for the reforms of public services, given the high number of personnel employed at the state level, but is constrained by the low level of autonomy in regulating public services. The local level has a high relevance due to its importance in delivering public services, but is also constrained by a rather low level of autonomy and an

³ In the COCOPS survey, 45.9% of the respondents (n=351) assessed the quality of coordination between national and state and local government level as rather good (5-7 on a 7 digit scale) vs. only 29.6% as rather poor. The average of 4.18 was above the 21 country average and only slightly behind top ranked Sweden.

increasing transfer of responsibilities to this level, along with a rather limited capacity of many local governments based on their small size. Overall, Germany lacks a strong centre for administrative reform.

2.2 Structure of executive government (central government level)

2.2.1. Machinery of government

The central (federal) level within Germany's administrative system, which delegates most delivery functions to the state and local levels, is comparatively small. Ministries at the federal level are also relatively small. The federal government is currently comprised of 14 ministries (including the chancellor's office); this number has been relatively stable since the creation of the Federal Republic in 1949 (the minimum number of ministries was 13 (2002-2005) and the maximum number 19 (1962-69)). The ministries are also relatively small in staff numbers (18,200 in 2007 according to a BMF report). Ministries are comparatively small particularly at the top levels of responsibility: while the staff directly working for the ministers has been increasing, large ministerial cabinets have not been developed in German federal ministries. The German federal ministries enjoy a high level of managerial autonomy due to the "departmental principle", one of the three constitutional principles for organising executive government.

Executive government at the federal level is ruled by three principles: 1) *Kanzlerprinzip* according to which the chancellor defines the general policy guidelines; 2) *Ressortprinzip* according to which each minister acts independently within her/his domain and is accountable to the chancellor as well as to the Parliament and 3) *Kollegialprinzip* according to which the federal government rules based on joint decisions

Germany has a long tradition of federal agencies, of which about 85 existed in 2008 (Bach & Jann 2010). According to Bach (2014), more than 90% of the federal workforce is employed by agencies, which adds up to about 157,000 people. However, few of these agencies have regulatory or provision capacities. Important exceptions include the competition authority, the federal network agency and the labour agency. Since policy implementation in most policy areas is under the jurisdiction of the states, the federal administrative agencies are usually not involved in policy implementation but instead perform advisory functions. Agencification as a reform trend have had limited effect on the machinery of government (given the decentralized structure of the state), and reforms were mainly about changes within existing agencies. Exceptions are the creation of the Federal Network Agency and the merger of three agencies to create the Federal Financial Supervisory Authority. The Federal Labour Agency is the single most important case of an agency that has been reformed based on the ideas of agencification, contract and performance management. However, the relation between ministry and agency is generally more independent than between executive agencies. Moreover, the work of the agency is still embedded in corporatist arrangements characterizing German labour market governance. The German federal government (similar to state governments) lacks a common model of organizing agencies and "has developed into a highly differentiated 'administrative zoo' with a large number of species, questioning the image of a well-ordered German bureaucracy" (Bach and Jann 2010: 443).

2.2.2. Centre of government coordination

The Chancellor's Office (or Federal Chancellery) is the main coordination body within the decentralized set-up of the federal administration that grants ministries high

management and policy autonomy. The chancellor, as head of government, enjoys a number of prerogatives, such as organising government, proposing the appointment and dismissal of cabinet ministers to the president, and issuing general policy guidelines, which are binding for cabinet members (according to article 65 of the Basic Law, this is referred to as the *Kanzlerprinzip*; Fleischer 2010: 356). While he or she is thus more than just a *primus inter pares*, the functioning of government is also structured by the cabinet principle and the principle of departmental autonomy (*Kabinettsprinzip* & *Ressortprinzip*, as laid down under article 65 Basic Law). In practice, the latter is the most “dominant and protected” (ibid.) of the three principles, whereas the former ensures the participation of all cabinet members in cabinet decisions. Executive leadership is thus also more fragmented and weaker than in many other European countries.

The Head of the Chancellery is the most important coordinator of the federal government, and the office is organized in units mirroring individual ministries, which facilitates coordination. Staff in mirror units is typically seconded from these ministries. Overall, the position of the Chancellor’s Office is less strong as a centre of coordination and strategic policy development than in other countries (such as the UK Cabinet Office). Temporary interdepartmental working groups (often at the level of administrative state secretaries) are used to coordinate important cross-cutting policy issues; federal commissioners are another important coordination mechanism. Routine coordination is regulated in the procedural rules of the federal government, i.e. prescribing consultation of stakeholders (i.e. key interest organisations) and inter-departmental coordination. The typical pattern of interdepartmental coordination has been termed “negative coordination” (Mayntz and Scharpf 1975): draft policies are developed in one unit and then sequentially checked by other units for turf violations. The more ambitious “positive coordination”, in which policy proposals are developed in multilateral task forces, is a more exceptional form of coordination, which also requires a high level of mutual trust between participants.

2.2.3. Key management, budgeting and monitoring mechanisms

Concerning the usage of management tools, the German federal government has been named a “maintainer” (Pollitt and Bouckaert 2011), meaning that managerial tools still play an only marginal role in the administrative practice of federal ministries. Performance targets, output contracts and related tools play a very limited role in the federal ministerial administration. Also budgeting procedures very much follow classic “cameralistic” forms of budgeting; attempts to introduce elements of performance budgeting by the federal finance ministry failed in 2011. On a macro level, budgeting shifted towards a top-down approach in the same year. Moreover, in 2015-16 the finance ministry started pilot spending reviews as a means to evaluate the efficiency and effectiveness of departmental spending. Two spending reviews in the area of transport policy were carried out in 2015-16, two more are scheduled for 2016-17 in the areas of housing and energy/climate change policy. Despite these initiatives, performance reporting is still mostly absent in the German federal administration; however, a multitude of reports for individual policy issues exist (which are, however, not used as a management tool).

2.2.4. Audit and accountability

The German Federal Court of Audit is the supreme audit institution in Germany. Audit courts also exist at the state level. The courts of audits mainly deal with classic auditing functions focussing on legality and accounting, but also play some role in the assessment of administrative efficiency and the evaluation of organisational reforms. The president of the federal court of audit is also the Federal Commissioner for administration efficiency (*Wirtschaftlichkeit*) and in this capacity publishes expert statements concerning such matters.

Within the German federal system, administrative supervision is usually a matter for higher-level authorities. While the federal administration only has limited supervisory capacities over the state administration, state authorities supervise the implementation of policies and the application of law by lower level state and local agencies. Independent inspectorates or supervisory bodies do not play an important role in Germany. However, in matters related to social insurance, the 'social partners' (unions and employers' organisations) play an important role and in the health care sector the health insurance companies take on important supervisory functions (for example in the inspection of old-age care services).

2.2.5. Organization/coordination of administrative reform

The decentralized and fragmented character of the German government system is reflected in the organization of administrative reform, which is truncated between the three levels of government: each level of government is responsible for its own administrative reform, with cross-level initiatives as exceptions. Any cross-level initiative has to be agreed upon in negotiations between the 16 states and the federal government, which is slowing down reforms in areas such as E-Government. The upside of the fragmentation is that it allows the different levels of government to pursue reforms independent from other levels as long as they are limited to their respective jurisdiction. For example, the German variation of the NPM, the New Steering Model, was initiated at the local level early in the 1990s. Within the federal government, responsibilities for administrative reforms are similarly fragmented. In general, each ministry is responsible for its own administration, and government-wide reform cannot be imposed centrally. Ministries with important competences in the field of administrative reform include the ministry of the interior (civil service regulation, e-government), the chancellor's office (de-bureaucratization and better law-making, evidence-based policy making) and the finance ministry (spending reviews). In general, administrative reform at the federal level suffered from a lack of coherence due to no central coordination of reforms. There have been two major attempts within the past decade to strengthen cross-governmental coordination in the form of institutionalizing an "IT Planning Council" to coordinate digitalization and e-government reforms, and a "Stability Council" to coordinate and control the implementation of the German Debt brake.⁴

⁴ For further details on this see the EUPACK Task 2 Report on Administrative Reforms in Germany.

3 KEY FEATURES OF THE CIVIL SERVICE SYSTEM

3.1 Status and categories of public employees

Public employment in Germany distinguishes two types of employment (BMI 2014). A major part of employment at the federal, state and local government level is based on civil law (2015: 2 470 710; 57.8%). These are the public employees and workers (*Tarifbeschäftigte*). Their status and relationship corresponds structurally to the right of employees in the private sector. The basis for this type of employment is individual employment contracts and especially the collective agreements, or wage agreements.

The second type of public employment, the traditional status of civil servant (*Beamte*), is based on public law. In particular, officials in core public administration, judges and soldiers make up this group. The exercise of state authority on a regular basis shall, as a rule, be entrusted to members of the public service who stand in a special relationship of service and loyalty governed by public law (Art. 33 (4) of the Basic Law), that is to civil servants. The rights and duties as well as the remuneration and pensions of civil servants are governed by federal and state laws. The share of civil servants at the three government levels overall is slightly lower (2015: 1 805 160; 42.2%) than *Tarifbeschäftigte* but varies substantially between the three government levels, with 70.6% at the federal government level and only 12.9% at the local government level (see table below).

The share of part-time employment is highest at the local government level with 39.0%, compared to only 11.7% at the federal government level. The share of female employees also varies substantially between the federal government level and the other government levels. A key challenge of similar relevance for all three levels is the rather high average age and low share of younger employees due to a rather restrictive recruitment over the last decades. More than a quarter of all government employees are expected to retire over the next decade and this, combined with an aging workforce, is posing a key challenge to public administrations and has become the focus of several reform initiatives.

	Number of government employees	% Beamte	% full time	% female	Average age	% aged 55 or older
Federal government	489 440	70.6%	88.3%	35.5%*)	46.9 years*)	20.6%**)
State government (Länder)	2 346 945	54.3%	68.3%	57.0%	44.6 years	25.8%
Local government	1 439 485	12.9%	61.0%	61.1%	45.7 years	26.9%
Total	4 275 870	42.2%	68.2%	56.7%	45.2 years	25.6%

Source: Destatis (2016): *Personal des öffentlichen Dienstes 2015, Fachserie 14, Reihe 6*, published June 2016

Difference to table in chapter 1: Excluding Social Security Employment and including public employees at the German Railway.

*) excluding soldiers

***) including soldiers

Civil service in the Federal Republic of Germany has been strongly shaped by historical traditions (see for example Demmke and Moilanen (2010)). The essential features of the civil service concept in its present form can be traced back to the end of the 18th century. Even when compared to other Continental European countries, Germany has a

very pronounced and traditional career-based system featuring a clear separation between civil service and general labour law (see 3.2), a seniority-based career system, low accessibility for lateral entrants and a rather closed recruitment policy.

The status of civil servants is enshrined in the constitution with its traditional principles of service (see 3.2), which implies substantial differences between civil servants and public employees as described in the following table:

Civil servants	Public employees
Based on public law (civil servants act)	Based on civil law
Appointment via official announcement (<i>Hoheitsakt</i>)	Appointment in the form of employment contract
Regulation through law	Regulation through contract and labour legislation
Obligation of the state to ensure a decent living (<i>Alimentationsprinzip</i>)	Mutual exchange principle (<i>Gegenleistungsprinzip</i>)
No right to strike	Right to strike
Loyalty and neutrality	No obligations set by law
Life-long tenure	Unlimited or limited contracts
Career system	Career system with other organizational characteristics
Special pension scheme	General social security and pension system

Differences between civil servants and public employees in Germany (Source: Demmke/Moilanen 2010, p. 55)

According to Demmke/Moilanen 2010 (p. 98ff) Germany is the country with the most differences between civil servants and public employees regarding key HRM functions. In practice, however, the position of public employees is also both secure and of rather equal status with that of civil servants, and they have converged over the last decades (Kuhlmann/Röber 2006). A key difference, however, is the retirement system, which grants only civil servants a full pension without any social security and retirement provisions throughout their active career. This is also the key reason why career mobility between the private and public sector in Germany is very limited.

Both groups are characterized by three common developments in Germany:

- the number of government employees has decreased for many years due to both the reunification of Germany and continuous budget overruns (see also chapter 1)
- legislature is trying to finance the pension insurance of both the insured *Tarifbeschäftigte* and the non-insured civil servants, leading to several, mostly small decreases in the amount of pension payments. Retired civil servants are a key burden, as their pension is paid out of the current budget. Reform measures in the form of financial discounts have led to a substantial increase of the average retirement age from less than 60 in the 90s to 62 in 2014 (with the official retirement age increasing from 65 to 67).
- Uniform employment relationships across the federal states were discarded or reduced. Today, there are more differences in the rights and obligations for civil servants in Berlin and in Bavaria who execute similar tasks than a decade ago. A recent study from the Trade Union⁵ shows about a 10% higher remuneration for federal and Bavarian civil servants, as compared to civil servants in the State of

⁵ Aktueller Besoldungsreport des Deutschen Gewerkschaftsbundes (DGB) published February 2017.

Berlin, which pays the lowest. Analysis shows that there is a clear relationship between the fiscal strength of the states and salary levels.

3.2 Civil service regulation

3.2.1. Civil service regulation for Beamte (Dienstrecht)

The key characteristics of the civil servant (*Beamten*) status derive from the constitution Art. 33 Abs. 4 (GG) §§ 2-10, the civil servant framework law (Beamtenrechtsrahmengesetz BRRG) § 2 Abs. 1 and § 6 of the federal civil servant law (Bundesbeamtengesetz BBG) and similar state laws.

The civil service regulation for *Beamte* is traditionally not open to reform. This is mainly due to a constitutional rule, according to which the legislature is required to comply with general principles of civil service as laid down in the Weimar constitution (Art. 33 par. 5 GG).

These traditional principles of civil service are based on the idea that officials devote their entire abilities to the employer for the purpose of achieving public interest and implementing parliamentary decisions in a neutral and equal way. The employer in return shall care for the official and his family. Officials therefore are given a secure legal status, which makes them independent and allows him/her to fully concentrate on the task. The rights and obligations are designed unilaterally by legislature under the following constitutionally anchored principles:

- loyalty (the official must faithfully serve his employer)
- the principle of life-long tenure and a career-based system
- a performance principle (*Leistungsprinzip*) assuring entrance and promotion based on merit
- the alimentation principle: the official receives remuneration for the position he holds but not specifically for the work conducted
- obligation for trustworthy and decent behaviour as representatives of the state, also in private life
- obeying instructions: the officer must comply with instructions from superiors unless the instruction violates criminal law or human dignity
- prohibition to strike
- principle of neutrality
- no fixed working hours (if required, the official shall work overtime)
- disciplinary rules: erratic behaviour sanctioned by separate administrative rules
- principle of position-based remuneration: the official only receives higher remuneration upon promotion
- principle of confidentiality
- pension depends on the position occupied by the official at the end of the career
- obligation of the employer to take care of the civil servants

All behaviour of civil servants are testable through administrative law either via administrative supervision or administrative courts and can also be penalised via disciplinary law, leading to strong compliancy, procedural focus and an administrative culture with strong emphasis on preventing errors or mistakes.

Despite this very high stability, civil service legislation has also seen some substantial changes over the last decade. The most important was a major constitutional amendment in September 2006 as part of the federalism reform which tackled the

relationship between federal government and the states. The legislative powers with regard to civil service regulation were substantially altered; states may now determine remuneration, utilities (pension rates) and recruitment and career promotion rules themselves. The federal government can pass standardized laws only with regard to the fundamental rights and duties of all civil servants but cannot deal with any state remuneration and pension issues.

However, the resulting diversity is still minimal, due to Art. 33 par. 5 GG but also to restricting jurisprudence from the Federal Constitutional Court, which interprets the traditional principles of civil servants rather traditionally and aims for a continuing homogeneity of civil service law. This is evident from various decisions, such as mandatory part-time or temporary senior positions. It is the job of the Federal Constitutional Court civil service to secure a stable, law-abiding government to ensure neutrality towards the political power play (BverfGE 121, 205, 221).

In 2009, a new law to reorganize and modernize civil service for both federal and state government level (*Dienstrechtsneuordnungsgesetz – DNeuG*) was passed with the aim to create a modern and more transparent civil system. The law intends to foster the merit principle, strengthen competitiveness and performance, allow a more flexible use of staff and improve autonomy and motivation of staff. Key areas were the adoption of the remuneration and retirement system, a stronger emphasis on performance and easing the mobility between public and private sector employment. The new statutes enable mobility among different positions and workplaces, even without the civil servant's agreement and allows temporary recruitment, short-term management positions (*Führungsfunktionen auf Zeit*), and management positions for a probationary period (*Führungsfunktionen auf Probe*; normally 2 years). These regulations are, however, quite complicated and the practical relevance is difficult to assess and has not been evaluated.

3.2.2. Civil service regulation for employees and workers (*Tarifrecht*)

Until 2005, uniform collective agreements existed for public employees, both in federal government and the states (*Länder*). Since then, the TVöD (*Tarifvertrag für den Öffentlichen Dienst*), agreed upon by the Ministry of Interior and the union of employer representatives (VKA) and United Services Trade Union (ver.di), applies to employees in federal government and local government positions. The main purpose of the new TVöD system was to simplify the system, introduce a common system for employees, workers and nurses and provide a shift from a seniority/family based remuneration to a more experience/performance based remuneration. The new system is based on 15 remuneration groups (1-15) with 2 basic tiers (1-2) and 4 development tiers (3-6) each. Progression towards the next tier is based on the years of employment and takes 1-3 years, depending on the tier.

The *Länder* did drop out of a uniform system and have used their own collective agreement (TV-L) since 2006, which allows for differences in remuneration and labour hours between the federal states. The TV-L, however, only varies in details from the TVöD.

There is a rather involved discussion of the need to make the civil service system more flexible and performance oriented in the face of very extensive regulations and a pronounced career-based system. A clear majority of top civil servants in the

Zukunftspanel 2013⁶ also agreed that the civil service law needs to be modernised. Key challenges for the further development of civil service regulation are going to be the budgetary burden resulting from the rather generous pensions for civil servants, the need for a more flexible deployment of officials, the introduction of stronger performance incentives, the rather low mobility between public and private sector careers and the challenge to become attractive for potential employees.

Overall, however, pressure on the civil service law has clearly decreased over the last decade. Politically, a reform of civil service regulation is no longer on the agenda as it was ten years ago (Wulff 2011): "There is a certain resignation, which is based on the recognition that the current design is difficult to change, and moreover, is not only disadvantageous for the employer".

3.3 Key characteristics of the central government HR system

3.3.1. Organization of HRM

The Federal Ministry of Interior (in specific *Abteilung D "Öffentlicher Dienst"*) is responsible for overall civil service regulation but the individual ministries are responsible for the execution of HRM. There is no central HRM unit for the federal government, and both recruitment and training are organized independently by each authority. Within each ministry, the Directorate General (*Z-Abteilung*) is responsible for HRM and ministry specific guidelines.

3.3.2. Recruitment, career system and training

Although the context and tasks of public administration have considerably changed during the last decades, public sector organisations in Germany still continue to recruit junior staff members for general administrative tasks and functions more or less along traditional patterns (Reichard and Röber 2012). Education for most categories of civil servants takes place in separate internal schools and colleges, and it is based primarily on law application (i.e. the well-known "lawyer's monopoly" or "dominance" in the higher echelons of hierarchy). Graduates from programmes with an economic, managerial or political science-related background still have only limited job opportunities and career perspectives in the German civil service.

Recruitment is based on open calls, competitive procedures and merit-based principles, and gives a strong preference to formal criteria such as university degrees. Formal competency frameworks do not exist and recruitment procedures are often rather lengthy and usually take more than 6 months.

Career development is in principle based on merit (according to an assessment system) but still has a strong emphasis on seniority. One of the most conspicuous features of Germany's civil service is the rather rigid system of career classes, often hampering vertical (and also horizontal) mobility across career class border lines – not to mention cross-border mobility with the private sector (Reichard and Röber 2012). The career

⁶ The Zukunftspanel "Staat und Verwaltung" is an annual survey jointly conducted by Wegweiser and the Hertie School of Governance as part of the largest annual conference on administrative reform under the auspices of the Minister of Interior. The study is based on a full census of 1,200 public sector organizations at the federal, state and local government level with a response rate of 20-25%.

system for civil servants consists of four standard career levels which are top-down in direction the administrative class (höherer Dienst), the executive class (gehobener Dienst), the clerical class (mittlerer Dienst) and the sub-clerical-class (einfacher Dienst). Each career class consists of (at least) five grades. In keeping with the basic principles of a merit-based career system, entrance to the civil service classes is strictly linked to certain formal qualification requirements. Similar rules, however, apply for public employees.

Training is decentralized and organized by each Ministry and agency autonomously. The federal government (similar to the states) has an own Federal Academy (BAköV) subordinated to the Ministry of Interior which offers both leadership training and civil service trainings for federal government organisations that are mostly conducted by trainers from within civil service. Apart from short-term trainings and from the more traditional training courses offered by BAköV, there is quite a considerable choice of programmes for experienced and more senior public servants provided by Fachhochschulen and universities.

Weaknesses of the current education and training system are, according to Reichard and Röber (2012), a strong legal bias of the curricula, a high specificity of content which does not allow students to opt for occupations outside the core government, and a one-sided focus on learning facts and regulations which does not allow for a more skills-oriented and analytical learning.

3.3.3. HR development and performance appraisals

Federal government reform programmes over the last years aimed to establish HR development and modernize personnel management. Most ministries introduced HR-development concepts (the Ministry of Interior published one for the federal government in 2002 and updated it in 2006) with measures such as training and development, staff rotation, leadership training, health management, the development of competency profiles, telework arrangements and especially, measures to improve the work-life balance. The practical implementation, however, often lacked the ambitions behind these plans.

Staff surveys are still rare and only conducted in certain ministries (e.g. the BMAS). There is no government-wide staff survey in place.

In 2011, the federal government also launched recommendations for a demographic-orientated HR policy, including measures towards an integrated HR management, diversity management, improving employee engagement and corporate health management. The aim is to promote and to secure work ability and motivation; however, these were just recommendations without any binding force.

Performance appraisals are well established within the federal government and required by civil service regulation but are implemented in a decentralized way (e.g. the specific rating system used). The actual frequency is set at the ministry level and thus varies across ministries but is commonly conducted every 2 years. The system is quite traditional (Staroňová 2017) and is based on a multidimensional assessment (assessing past results, past behaviour, strengths, job knowledge, competences, future developments and goals, improvement recommendations), a rating exclusively conducted by the superior (with some first experiences with 360° assessments only in single ministries) and the possibility for the assessed civil servant to add his/her own comments to the draft appraisal report and the involvement of equal rights

representative, staff council representative and representative of the severely disabled persons. Contrary to most other EU MS, there is no formal arrangements for the involvement of the assessed civil servant and no central scheme for training. A quota system of forced distribution exists for the two highest rating categories of 10% and 20%, respectively. The results are mostly used for promotion decisions and – due to the overall strong legal culture – are always overshadowed by the possibility of being used for administrative lawsuits when employees litigate for non-promotion. Development and learning only plays a minor role with regard to performance appraisals.

3.3.4. Remuneration

The basis of remuneration is very different for civil servants and public employees (see 3.2.) but for both categories is a rather traditional career-based system with remuneration based on a combination of a basic salary – based on qualification-specific position/function and seniority, and is organized in a transparent system of remuneration groups (*Besoldungsgruppen*) plus various types of supplements (e.g. for families, specific agencies, specific functions, specific burden) (BMI 2014)

In 2005, a new wage agreement for public sector employment at the federal level was reached, followed in 2006 at state level. This entailed the possibility of performance related pay, and also entailed a maximum share of 8% of the overall salary costs to be used for variable pay. The system, however, started with only 1% over the overall payroll costs and remained at a low scale. A rather bureaucratic procedure and a leadership culture very hesitant to make a stronger differentiation has limited the impact of this system in practice, both with regard to incentivizing higher performance but also with regard to allowing government to better compete for skilled labour.

A systematic comparison of public vs. private sector remuneration is very difficult to conduct due to different and rather complex systems within the public sector, an overall higher qualification in the public sector, but also to a more generous retirement system, especially for civil servants. Whereas public sector trade unions regularly complain about an overall lower remuneration for the public sector, more systematic comparisons and analyses indicate that average public sector payment in average is quite appropriate. Calculations by the Deutsches Institut für Wirtschaftsforschung (DIW) based on official salary statistics from Destatis⁷ show that average public sector salaries for different qualifications are about 25-30% below average salaries in the chemical industry but well in line with most other industries. The only gap is for very high-skilled employees.

3.3.5. Senior civil service

Germany does not have a separate or distinct senior civil service system, and senior civil servants are recruited through career progression with public service.

3.3.6. Politicization and patronage

The German (federal) bureaucracy is characterized by a medium level of politicization (cf. Pollitt and Bouckaert 2011: 50). The first two hierarchical levels within the federal ministries are positions for so-called 'political civil servants', who can be removed from

⁷ <https://www.iwkoeln.de/presse/iw-nachrichten/beitrag/oeffentlicher-dienst-die-maer-vom-schlechten-lohn-280669>

office without specifying a reason. This constitutional provision is intended to secure the political loyalty of higher civil servants to the minister of the day. While incoming ministers do not necessarily replace all 'political civil servants', there is generally a high level of congruence of political affiliation between the ministers and the top civil servants, although career tracks are usually separated. Bureaucrats play a traditionally strong role in policy-making, and the 'minister-mandarin relations' have been characterized as a dialogue model (Mayntz and Scharpf 1975) of mutual exchange. More recently, a stronger functional politicization (Schawnke and Ebinger 2006) and growing diversity of policy advice have been diagnosed (Goetz 2007). However, in comparative perspective, ministerial bureaucrats still play a strong role in policy-making. The COCOPS survey conducted among top civil servants in 20 European countries also confirmed a medium politicization of public administration in Germany (based on 3 items), higher than in the Netherlands, the Scandinavian and Anglo-Saxon countries but lower than in Austria, France or Eastern European countries (Bach et al. 2015).

HR system (Career vs. position based)	Employment status (civil servant as standard; dual; employee as standard)	Differences between civil servants and public employees (high, medium, low)	Turnover (high, medium, low)
Career based	Dual	low	Very low

Coherence among different government levels (high, medium, low)	compensation level vs. private sector (much higher, higher, same, lower, much lower)	Formal politicization through appointments (high, medium, low)	Functional politicization (high, medium, low)
Medium	Lower	Medium (the two highest levels of state secretaries and Abteilungsleiter at the federal government level)	medium

4 POLITICAL ADMINISTRATIVE SYSTEM AND POLITICAL ECONOMY

4.1 Policy making, coordination and implementation

4.1.1. State system

Germany is a *federal parliamentary democracy* with policy-making powers shared between the central level and the 16 federal states. Legislative powers are shared between the federal parliament (Bundestag), which is elected on the basis of a mixed-member proportional system, and the federal council, which represents the governments of the federal states (and hence is *not* constituted of directly elected members, as in many other federal systems). According to the constitutional set-up, policy-making powers are fairly centralized at the federal level, i.e. the federal states have limited policy-making autonomy. At the same time, the state governments (collectively) have strong veto powers through their representation in the federal council. The *implementation* of federal legislation in most policy areas is delegated to the state level, where, in turn, implementation is further delegated to local authorities. This functional division of policy-making and -implementation (instead of a division along policy areas) and the involvement of the 16 state governments create interdependencies between

levels of government and the need to cooperate (cooperative federalism). Hence, the characterization of Germany's state structure as *federal* and *coordinated* (according to Pollitt and Bouckaert 2011: 50).

The *executive government* has been categorized as 'intermediate' between the poles of 'majoritarian' and 'consensual' executives (according to the categories of Lijphardt 2012, applied by Pollitt and Bouckaert 2011, 50). In the past, the political support for the executive was based on minimal winning coalitions, but more recently (2005-2009 and 2013-2017) grand coalitions have supported the government. In general, the logic of coalition government is strongly engrained in the executive politics of Germany, which results in centrist policies and a policy-making style based on consensus. Horizontally, the executive government is organized on the three constitutional principles (§ 65 GG): While the chancellor principle stipulates that the chancellor (the head of government elected by the majority of the Bundestag) sets the 'guidelines' of policies, the departmental principle grants the federal ministers autonomy in managing their departments, and the cabinet principle establishes cabinet as a collective decision-making body. In practice, the prevalence of coalition governments results in a comparatively high level of departmental autonomy in policy-making at the federal government level. Typically, policy-making initiatives are developed within individual departments, and cross-departmental policies are developed in a process of interdepartmental coordination. In routine policy issues, the chancellor and the chancellor's office act as mediators and facilitators of horizontal interdepartmental coordination. The departmental principle has a strong constraining effect on government-wide administrative reforms, such as HR management, E-Government and performance management. With limited roles in policy implementation, German federal ministries are small by the standards of OECD countries. They play a key role in policy-making and the law-making process but are not directly involved in implementation or control of implementation. The state and local governments therefore have substantial administrative capacities as a result of their role in implementing federal legislation. Non-ministerial bodies of the federal administration mainly provide advisory functions to the ministries, rather than directly implementing policies. The Federal Labour Agency represents an important exception to that pattern.

State Structure (federal - unitary) (coordinated - fragmented)	Executive Government (consensus - intermediate - majoritarian)	Minister-mandarin Relations (separate - shared) (politicized - depoliticized)	Implementation (centralized - decentralized)
Federal & coordinated	Intermediate	Separate & fairly politicized	Strongly decentralized

4.1.2. Policy decision-making

Germany is a coordinated market economy with a tradition of corporatist interest intermediation, i.e. peak interest organisations who play an important role in policy-making. While the corporatist model to govern fiscal policy based on negotiation between the state, unions and employers' associations has been discontinued and the corporatist element is considered weaker than in Scandinavian countries, this tradition still shapes policy-making and the governance of social services (for example in the health care system and the social security administration). Interest organisations usually have close links to individual units in the ministerial bureaucracy, and the ministries

involve peak associations at early stages in the law-making process, usually before the general public or an open stakeholder consultation is staged.

And while stakeholder dialogue and citizen participation plays a substantial role in policy-making, this process is mediated through interest organisations at the national level. Federal bureaucratic policy-making is relatively non-transparent in regard to citizen participation and public consultations, and is organized in a discretionary way by individual ministries (in the absence of strong central rules for public consultations). Citizen participation is more influential at the local level through the formation of citizen initiatives and more recently new opportunities for direct democracy (i.e. referenda), which were introduced into state constitutions after 1990 (as a reaction to the democratic revolution in East Germany).

The policy style resulting from this set-up is one of incrementalism and the middle way: radical policy changes are absent, as are policy choices which deviate strongly from centrist positions.

Political economy (liberal – coordinated)	Interest intermediation (corporatist – pluralistic)	Citizen participation (strong – weak)	Policy style
Coordinated	Fairly corporatist	Medium	Incrementalist, middle way

4.1.3. Relationship between political level and administration

Sources of policy advice (mandarins, cabinets, external experts)	Administrative autonomy (high – medium – low)	Patronage & politicization (formal, functional) (merit – patronage) (high – medium – low)	Public Service Bargains (Agency – Trustee)	Stability (high – low – no turnover after elections)
Mainly mandarins and some external experts	High	Merit based & fairly high level of politicization	Trustee bargain dominant	Medium

The relationship between political and administrative levels in policy-making has been characterized by a strong position of the ministerial mandarins in providing policy advice. The high level of topical/policy field expertise (*Fachwissen*) in the federal bureaucracy ensured their strong role in policy-making. At the same time, the federal ministries also relied on expert advice – provided by government agencies with scientific advisory functions that carry out a programme of “departmental research” (*Ressortforschung*), and by academic advisory bodies attached to individual ministries. State-financed research institutions play an important role as well, in particular in economic policy-making. And while advice of a political nature made directly to the ministerial leadership has become more important, which also increases leadership support staff (*Leitungsstäbe*), political cabinets have not developed to a size common in other countries. The civil service status of ministerial officials and the strong legal entrenchment of administrative structures, as well as the strong representation of civil servants in the political arena, are the foundations of a high level of administrative autonomy vis-à-vis the political leaders. Political leaders, in turn, can rely on “personal

loyalists" at a ministry's first two hierarchical levels (division and sub-division leaders). These positions are staffed by "political civil servants", who can be dismissed without reason (thus, loyalty to the leadership of the day is a precondition for staying in the job). While informal political appointments are also made in the lower ranks of the federal ministries, the system is overall fairly merit-based with a low level of personal patronage. However, this is not to be confused with the absence of partisanship among ministerial officials – party political affiliations of mid-ranking ministry officials are often openly communicated, and members of the same party also form informal groups (so-called "brigade groups", *Kampfgruppen*). These elements of partisanship are somehow in tension with the overall strength of a rather traditional public service bargain, which stresses the independence of the civil servant who must be loyal not only to the leadership but also to state and constitution. As previously mentioned, the trustee-type of loyalty bargain is combined with a competency bargaining emphasizing "wonk" skills of specialized policy expertise and a limited relevance of performance orientation of the reward bargain.

In terms of responsiveness to political changes, the German civil service system allows the ministerial leadership to appoint political loyalists to the first two hierarchical levels. As has been mentioned, employees of the first two hierarchical levels can be dismissed without justification. 140 of those "political civil servants" exist in the German federal administration. The highest number of dismissals after a change in government was 70 in 1998 (when a centre left government followed a centre right).

Overall, policy-making in Germany is characterized by very high policy stability (or sustainability). The key forces leading to the absence of rapid policy changes are the nature of the federal system, which requires the consent of the majority of state governments with major policy decisions, the prevalence of coalition governments, the fragmentation of the federal government, the importance of corporatism and interest groups, as well as the strong role of the judiciary (i.e. constitutional court) in setting boundaries to policy change. Scholars have therefore described Germany's policy style as "politics of the middle way". Administrative autonomy and strength is another important contributing factor.

4.2 Administrative tradition and culture

Germany's administrative culture is strongly shaped by the so-called "*Rechtsstaat*" tradition (e.g. Ziller 2003), which strongly emphasizes a separate body of administrative law, legal training and an independent status of civil servants. A deeply ingrained civil service identity and ethos (Ellwein and Zoll 1973; Luhmann and Mayntz 1973; Bosetzky 1994) is part of the German administrative culture. Civil servants (who form the so-called *Berufsbeamtentum*) enjoy a special status that functionally-historically derives from their specific relationship with the state and the sovereign character of public tasks (e.g. Mayntz 1997). As a result, they enjoy life-long tenure, career paths with promotions based on seniority, and protection from job transfers. Transfers to private sector employment are likewise very uncommon. This results in a very low cross-sectoral mobility of civil servants (Derlien 2003, 2008). In addition, older statistics (Derlien 2003) but also more recent surveys (Hammerschmid and Oprisor 2016) show that the majority of high-level civil servant positions are still filled by lawyers, and management skills remain irrelevant as a recruitment criterion; hence, the legalistic culture is likely to live on (Klages 2001). Finally, since these principles are partly laid down in the constitution,

the status quo of the administrative structure is firmly entrenched (constitutional amendments require two-thirds majorities in both chambers of parliament).

This Rechtsstaat administrative culture implies an emphasis on formal processes, rules, directives and stability (e.g. König 2001; Derlien 2003; Kickert 2005). Indeed, administrative work in Germany is in principle organized in a quasi-judicial fashion: Since almost all bureaucratic decisions are potentially subject to appeal in administrative courts, decisions are to be taken in an objective, equitable, impartial and legal-rational manner both vis-à-vis the citizen and the sovereign (e.g. Ziller 2003). In other words, legal and procedural correctness prevails over performance and results; in a neo-institutionalist understanding (March and Olsen 1989) a logic of appropriateness prevails over a logic of consequentiality. Consequently, most procedures, especially those for budget and personnel administration, are subject to statutory regulation.

This model strongly emphasizes legality as a key administrative value (in contrast to performance); impartiality and "Gleichbehandlung" (equal treatment of citizens) are also connected to it. The model is also linked to an organisational governance model that is described as fairly procedural, i.e. a strong emphasis on input regulation, fixed allocation of tasks and procedures – in contrast to an output or performance oriented management model. Given the strong emphasis on legality, not least enforced through a system of administrative courts, it is not surprising that Germany is considered a country shaped by an abundance of bureaucratic regulation and too much red tape. However, one has to be careful when separating stereotypes and empirical reality (Jann, Wegrich, Tiessen 2007). While most studies agree that many policy areas are densely regulated, the density of regulation is also not exceptionally high. The level of compliance cannot be considered as consistently high, which may be somewhat counter-institutive. The enforcement of the tax code is also an area where compliance cannot be considered high. In general, enforcement authorities are known for their inclination to use administrative discretion for a rather flexible application of general rules to individual cases. Hence, while the image of the Rechtsstaat culture and a procedural administration is certainly correct, in particular when compared to strong managerial cultures, the German administrative culture and practice is also shaped by an orientation towards *cooperative administration* (Benz 1994), negotiating and bargaining in the application of law. Federalism and the conservative welfare state contribute to this element of flexibility in the administrative system, since it leads to the engagement of social partners in the supervision or co-governance of many important administrative domains, ranging from social insurance and health insurance funds to occupational health and safety or old age care inspections.

Administrative Culture Rechtsstaat, public interest	Welfare State (liberal, conservative, social-democratic)	Public Sector Openness (open, medium, closed)
Rechtsstaat	Conservative	Closed

Key PA Values	Managerial vs Procedural (Managerial, Mixed, Procedural)	Red Tape (regulatory density) (very high to very low)	Discretion/autonomy (high, low, medium)	Rule of Law/Compliance (high, low, medium)
Legality, impartiality, equality,	Procedural	High	High	Medium

Hofstede national cultural dimensions

Dimension	Value	Average EU28
Power distance	35	52
Individualism/Collectivism	67	57
Masculinity/Feminity	66	44
Uncertainty Avoidance	65	70
Long-term Orientation	83	57
Indulgence/self-restraint	40	44

Germany's administrative culture is a partial reflection of wider societal and political culture and values. Germany's strong economic position and fiscal discipline is reflected nicely in Hofstede's Model on National Dimensions. Germany scores especially high on long-term orientation (83 vs. EU28 average of 57). This dimension describes how every society has to maintain some links with its own past while dealing with the challenges of the present and future. Germany's high score of 83 indicates that it is a pragmatic country with a high ability to adapt traditions easily to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results. Germany is also among the uncertainty avoidant countries but with a value rather similar to the EU average (65 vs. EU28 average of 67). It indicates to what extent members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these. Thus, it is in line with the high stability of German civil service. This feature of national culture is also reflected by the law system, as rules are a major way of uncertainty avoidance. Details are equally important to creating the certainty that a specific topic or project is well-thought-out. Therefore, "being obsessed with rules for their own sake is reflected by the relatively high uncertainty avoidance of the German culture, while the tendency to save, connected with austerity measures, is a reflection of long-term orientation" (Schachner on www.itm.org). The comparatively low power distance score (35 vs. EU28 average of 52) reflects the highly decentralised system built on a strong middle class. Co-determination rights are comparatively extensive and a direct and participative communication style is common, there is a dislike for control and leadership is challenged to demonstrate expertise. German society is also truly individualistic (67 vs. EU28 average of 56). This indicates a strong belief in the ideal of self-actualization and a sense of duty and responsibility as found in the principles of German civil service. The rather high masculinity value (66 vs. EU28 average of 44) indicates that German society is substantially driven by competition, achievement and success, with success being defined by the winner / best in the field – a system of values that starts in school and continues throughout organisational life. Performance is highly valued and required as soon as children are separated by the system into different types of schools at the age of

ten. Work is extremely important and Germans draw a great deal of self-esteem from their tasks.⁸

5 GOVERNMENT CAPACITY AND PERFORMANCE

5.1 Transparency and Accountability

Indicator	Value 2014	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
Access to government information (1-10)	7.00	15	8.00	10	0.00	+5
	Value 2013	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
Transparency of government (0-100)	29.71	23	60.29	14	+30.57	+9
	Value 2010	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
Voice and accountability (-2.5,+2.5)	1.31	9	1.43	6	+0.12	+3
Control of corruption (-2.5,+2.5)	1.74	6	1.82	7	+0.08	-1
TI perception of corruption (0-100)	79.00	7	81.00	5	+2.00	+2
	Value 2010	EU28 rank	Value 2014	EU28 rank	Δ Value	Δ Rank
Gallup perception of corruption (%)	54.00	8	38.00	5	-16.00	+3

Sources: Bertelsmann Stiftung, European Commission, World Bank, Transparency International, Gallup World Poll.

As the data show, the German government has a mixed record when it comes to transparency and accountability. In the context of a strong and embedded democracy, accountability generally works well. Scholars occasionally argue that the nature of the German system, with its high consensus requirements, obscures clear accountability of the political executive to obtain results. But the upside of that system is that there is political accountability also at the local and regional levels. Administrative accountability in its traditional form works well in Germany due to a strong bureaucratic model. A somewhat different assessment needs to be made for the area of transparency. With its tradition of corporatist, negotiated and often informal decision-making, a high level of transparency has not been a strong suit of German public administration in general. And while government programmes since the late 1990s/early 2000s have increased transparency and in particular access to government information, Germany is still far from being a frontrunner in this field. The programmes to increase transparency are characterized by much talk, a few decisions, but limited action.

5.2 Civil Service System and HRM

Indicator	Value 2012	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
Impartiality (1-7)	2.70	11	1.92	8	-0.78	+3
	Value 2012	EU26 rank	Value 2015	EU26 rank	Δ Value	Δ Rank
Professionalism (1-7)	4.52	10	5.22	6	+0.70	+4
Closedness (1-7)	5.64	9	5.71	6	+0.07	+3

Source: Quality of Government Institute Gothenburg.

As described above, the German civil system shows strong features of a pronounced career-based system strongly shaped by historical traditions. In spite of many initiatives, reform programs and legal changes to modernize HRM and the civil service, the

⁸ See <https://geert-hofstede.com/germany.html>

outcomes of these efforts have been rather marginal. The overall impression is still of a traditional career-based system and strong legally-based approach to personal administration, and less a managerial HRM understanding. The system is still characterized by a strong differentiation from the private sector employment system, which explains the high closedness, as also confirmed by the QoG indicator. The increase in ranking also confirms that most other EU member states show a stronger dynamic in aligning public sector employment to private employment over the last years.

Professionalism and impartiality have always played an important role and are anchored in the traditional principles of a civil service. They clearly mirror that civil service in Germany is still well in line with the traditional Max Weberian model of bureaucracy. Professionalism and impartiality are firmly anchored in the current regulations with regard to recruitment, training and education; this is confirmed by the high rank of these indicators. Professionalism, however, is based on a rather limited perspective and puts an overarching emphasis on legal competence and policy relevant expertise (Fachwissen). Managerial, leadership or public policy expertise is still limited, along with a more skill/competency oriented approach to HRM.

In the findings from the Zukunftspanel 2014 and 2015, executives expressed a clear need for reform in many areas, such as employee motivation, leadership/executive development, long-term staff planning and leadership competencies for their own administration (Zukunftspanel 2015). A key issue also seems to be the continuous deficit in the existing civil service system to foster mobility and performance incentives. The COCOPS top civil servant survey, for example, showed the lowest level of private sector or NGO professional experiences among top civil servants of all the 20 countries surveyed. And high absenteeism rates as well as the challenge to attract specialized experts (esp. with regard to IT and at the local level) also need to be addressed better.

5.3 Service delivery and digitalization

Indicator	Value 2013	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
E-government users (%)	14.48	19	16.93	21	+2.45	-2
Pre-filled forms (%)	43.71	17	34.14	18	-9.57	-1
Online service completion (%)	66.86	19	82.71	17	+15.86	+2
	Value 2010	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
Online services (0-1)	0.55	7	0.84	11	+0.29	-4
	Value 2013	EU27 rank				
Barriers to public sector innovation (%)	15.75	23				
			Value 2015	EU28 rank		
Services to businesses (%)			49.50	13		
	Value 2011	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
Ease of Doing business (0-100)	79.59	6	79.87	7	+0.28	-1

Source: European Commission Digital Economy and Society Index UN e-government Index, EU Scoreboard Public innovation, Eurobarometer num.417, World Bank Ease of Doing Business.

An overall assessment of service delivery for Germany is nearly impossible because most services are provided at the state and local government level, and a great number of the various public sector organizations often have different capacities and performances. Germany is also notoriously weak in collecting systematic comparative performance information to compare services among different state or local governments, which is

regarded as undue intervention in the constitutionally guaranteed autonomy of these government levels. The attempt to introduce the possibility of benchmarking through an own paragraph (Art. 91d GG) in the constitution in 2009 did not have a broader effect and can be seen as "symbolic legislation".

With regard to public service delivery predictability, reliability equal treatment and clear standards are obvious strengths of the German system. Performance overall is rather high with regard to standardized services. A wave of NSM reforms to strengthen customer orientation at the local government level in the late 90s, along with other reforms such as the 115 service number (see T2 report), have brought clear improvements with regard to service delivery and there is evidence of positive in efficiency and customer orientation (Bogumil et al.2007).

Data from a more recent representative survey on how citizens and businesses perceive the quality of services– see <http://www.amtlich-einfach.de/> – published in 2016 show a high to moderate satisfaction with businesses and services in regard to public services (well in line with the indicator on services to businesses above). The OECD 2013 Government at a Glance Data also confirm a level of satisfaction and confidence across public services (judicial, national government, local police, education, health care) higher than the OECD average.⁹

Germany's excellent rank in public sector innovation (indicating very low barriers), however, comes somewhat as a surprise and is not in line with the overall public perception and especially in the structural features of German public administration, with a strong procedural logic and high level of stability, and a common culture of failure-avoidance.

In contrast to this overall rather positive assessment of routine services, the clear weakness of German public administration is in digitalization and e-government, as shown in the indicators in the table. Despite more than 15 years of initiatives, strategies and laws to foster e-government and digitalization, e-government progress is rather modest and Germany is clearly lagging behind many other EU countries with regard to its implementation. In most comparisons, Germany is ranked mid-field and is clearly behind the leading countries. The lack of progress with regard to digitalization/e-government is also broadly seen by policy-makers and public administration. In a recent study, the National Regulatory Council came to the rather harsh conclusion that in Germany, "E-government in the form of interoperable, fully digitalized offers for administrative transactions and interactions de facto does not exist."¹⁰

Key reasons for the slow progress is a lack of effective steering and funding in the federal system. At the moment, most states and local governments have their own IT structure and solutions, with only rather limited coordination and cooperation between them.

⁹ Source: http://www.oecd.org/gov/GAAG2013_CFS_DEU.pdf

¹⁰ Nationaler Normenkontrollrat (2015): E-Government in Deutschland: Vom Abstieg zum Aufstieg

5.4 Organization and Management of Government

Indicator	Value 2014	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
Strategic planning capacity (1-10)	4.00	21	4.00	20	0	-1
Interministerial coordination (1-10)	5.67	19	5.67	18	0	+1
SGI Implementation capacity (1-10)	6.71	12	7	9	+0.29	+3
	Value 2012	EU26 rank	Value 2015	EU27 rank	Δ Value	Δ Rank
QOG Implementation capacity (1-7)	5.3	9	4.7	22	-0.6	-13

Source: Bertelsmann Stiftung, Quality of Government Institute Gothenburg.

The organization and management of government in Germany is characterized by a generally high level of administrative quality and a low level of activities in terms of reforming and modernizing administration and management. As reflected in the data, strategic planning in particular is a blind spot of the German federal administration. After strong reform efforts in the late 1960s/early 70s, this reform field was almost completely abandoned and the combination of a legalistic administrative culture and strong departmentalism now provide strong barriers to renewed efforts for strategic planning. The same mechanisms apply to inter-ministerial coordination. Concerning implementation capacity, we see mixed, if not contradictory results in the two different data sets. Since the Bertelsmann indicator sets works with objective data, and the QoG study only relies on a few expert assessments, we would caution in over-interpreting the findings of the latter. We consider the implementation capacity as high, although implementation mainly relies on traditional legal means of coordination and control.

5.5 Policy-Making, Coordination and regulation

Indicator	Value 2014	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
Societal consultation (1-10)	7.00	8	7.00	7	0	+1
Use of evidence based instruments (1-10)	8.33	4	8.33	4	0	0
	Value 2010	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
Regulatory quality (-2.5,+2.5)	1.58	8	1.67	7	+0.09	+1
Rule of law (-2.5,+2.5)	1.62	9	1.78	9	+0.16	0

Source: Bertelsmann Stiftung, World Bank.

The field of policy-making, coordination and regulation is clearly a strong area of the German administrative system. The reason for the good performance is a combination of a generally high quality of the German public sector in the area of the rule of law and regulatory quality with effects of more recent reforms. The generally high level of education and training, the legal and court system and the low level of corruption are among the main factors for the traditionally high quality of policy-making and regulation (despite weaknesses in terms of strategic planning, as discussed above). More recent reforms have been particularly effective with regards to the use of evidence based instruments. While the German federal government introduced tools of evidence-based policy-making as early as the 1970s (cost benefit analysis, impact assessment), the establishment of the "Nationaler Normenkontrollrat" (National Regulatory Control Council) in 2006 resulted in a stronger oversight of the impact assessment practices of ministerial departments (if limited to compliance costs assessments).

5.6 Overall government performance

Indicator	Value 2010	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
Trust in government (%)	32.00	13	39.00	8	+7.00	+5
	Value 2011	EU27 rank				
Improvement of PA over last 5 years (%)	5.00	20				
Indicator	Value 2010	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
Public sector performance (1-7)	5.22	8	5.44	7	+0.22	+1
Government effectiveness (-2.5,+2.5)	1.57	8	1.74	5	+0.17	+3

Source: Eurobarometer 85, Eurobarometer 370, World Bank, World Economic Forum.

Due to the fragmented and strongly decentralized administrative system and the high departmental autonomy enshrined in the Constitution, it is difficult to derive an overall picture of government performance in Germany. Overall trust in government but also in key public institutions such as justice or police tends to be high, and the levels of trust have substantially increased in the aftermath of the financial crisis, when the German government demonstrated a great capability to cope with the economic and financial challenges, as is also shown in the Eurobarometer indicator above. The Gallup trust in government data published by the OECD confirm this strong increase. The rather low rank of the improvement indicator between 2005 and 2010 is due to a period of tight budget discipline and an overall decrease in staff, which led to more work pressure. This indicator would clearly show a better rank for the more recent period.

The overall assessment of the quality of German public administration by the World Bank government effectiveness indicator and the WEF performance indicator ranks Germany in the upper quarter of all EU MS and well above the EU MS average. These indicators measure the perceived quality of public services and administration overall and indicate a clear improvement during the period 2010-2015.

REFERENCES

- Bach, T. (2014). Autonomie und Steuerung im Ländervergleich. In *Autonomie und Steuerung verselbständigter Behörden* (pp. 181-212). Wiesbaden: Springer VS.
- Bach, T., & Jann, W. (2010). Animals in the administrative zoo: organizational change and agency autonomy in Germany. *International Review of Administrative Sciences*, 76(3), 443-468.
- Benz, A. (1994). *Kooperative Verwaltung. Funktionen, Voraussetzungen, Folgen*. Baden-Baden: Nomos.
- BMI (Ministry of Interior) (2014): *Der öffentliche Dienst des Bundes: Ein attraktiver und moderner Arbeitgeber*. Berlin 2014.
- Bogumil, J./Grohs, S./Kuhlmann, S. and A.K. Ohm (2007): *Zehn Jahre Neues Steuerungsmodell – Eine Bilanz kommunaler Verwaltungsmodernisierung*, Berlin: edition sigma.
- Bosetzky, H. (1994). Bürokratische Sozialisation in den Zeiten des Wertewandels. In Derlien, H., Gerhardt, U., Scharpf, F.W. (Eds.), *Systemrationalität und Partialinteresse* (pp. 99-122). Baden-Baden: Nomos.
- Demmke, C., & Moilanen, T. (2010). *Civil Services in the EU of 27: Reform Outcomes and the Future of the Civil Service*. Peter Lang.
- Derlien, H.-U. (2003). Mandarins or managers? The bureaucratic elite in Bonn, 1970 to 1987 and beyond. *Governance: An International Journal of Policy*, 16(3):401-428.
- Derlien, H.-U. (2008). The German public service: Between tradition and transformation. In Derlien, H.-U., Peters, G. (Eds.), *The State at Work Vol. 1: Public Sector Employment in Ten Western Countries* (pp. 170-195). Cheltenham.
- Demmke, C. and T. Moilanen (2010): *Civil Services in the EU of 27: Reform Outcomes and the Future of the Civil Service*, Wiesbaden: Peter Lang.
- Destatis: *Personal des öffentlichen Dienstes 2015*, Fachserie 14, Reihe 6, published June 2016
- Ellwein, T., & Zoll, R. (1973). *Berufsbeamtentum, Anspruch und Wirklichkeit: zur Entwicklung und Problematik des öffentlichen Dienstes*. Gütersloh: Bertelsmann Universitätsverlag.
- Fleischer, J. (2010). A dual centre? Executive politics under the second grand coalition in Germany. *German Politics*, 19(3-4), 353-368.
- Goetz, K. (2007). German officials and the federal policy process: The decline of sectional leadership. In Page, E., & Wright, V. (eds.) *From the active to the enabling state* (pp. 164-188). Palgrave Macmillan UK.
- Irish EU Presidency Study (2013)
- Hammerschmid, G., & Oprisor, A. (2016): German public administration: incremental reform and a difficult terrain for management ideas and instruments. In Hammerschmid G. et al. (eds.):
- Public Administration Reforms in Europe: The View from the Top*, Cheltenham: Edward Elgar, pp. 63-72.
- Jann, W., Wegrich, K., & Tiessen, J. (2007). *Bürokratisierung und Bürokratieabbau im internationalen Vergleich-wo steht Deutschland*. Friedrich Ebert Stiftung, Berlin [<http://library.fes.de/pdf-files/do/04405.pdf>, last access: 22.02.2017]
- Kickert, W. J. M. (2005). Distinctiveness in the study of public management in Europe. *Public Management Review*, 537-563.

- Klages, H. (2001). The situation of the German civil service. In König, K., Siedentopf, H. (Eds.), *Public Administration in Germany* (pp. 441-456). Baden-Baden: Nomos.
- Knill, C. (2001). *The Europeanisation of national administrations: Patterns of institutional change and persistence*. Cambridge: Cambridge University Press.
- Kuhlmann, S., & Wollmann, H. (2014). *Introduction to comparative public administration: Administrative systems and reforms in Europe*. Cheltenham: Edward Elgar Publishing.
- Lijphart, A. (2012). *Patterns of democracy: Government forms and performance in thirty-six countries*. New Haven, CT: Yale University Press.
- Luhmann, N., & Mayntz, R. (1973). *Personal im öffentlichen Dienst* (Vol. 7). Baden-Baden: Nomos.
- March, J. G., & Olsen, J. P. (1989). *Rediscovering institutions. The Organizational Basis of Politics*. New York: Free Press.
- Mayntz, R. (1997). *Verwaltungsreform und gesellschaftlicher Wandel*. In: Grande, E. & Prätorius, R. (eds.) *Modernisierung des Staates? Staatslehre und politische Verwaltung, Band 1* (pp. 65-74), Baden-Baden: Nomos
- Mayntz, R., & Scharpf, F. W. (1975). *Policy-making in the German federal bureaucracy*. Amsterdam: Elsevier.
- Pollitt, C., & Bouckaert, G. (2011). *Public Management Reform: A Comparative Analysis - New Public Management, Governance, and the Neo-Weberian State*, 3rd Edition. Oxford: Oxford University Press.
- Reichard C. and M. Röber (2012): *Education and Training of Senior Civil Servants in Germany*, Paper presented at the XII World Congress of Political Science, Madrid, July 2012.
- Ziller, J. (2003). The continental system of administrative legality. In Peters, G., Jon, P. (Eds.), *Handbook of Public Administration* (pp. 260-268). London: SAGE.
- Fiedler, J., G. Hammerschmid and L. Löffler (2017): *Germany: An Outlier in Terms of Fiscal Adjustment*. In Ghin, E.M., H.F. Hansen and M.B. Kristiansen (eds.): *Public Management in Times of Austerity*, Routledge Critical Studies in Management. London: Routledge, pp. 53-70.
- Staroňová, Katarína (2017): *Performance Appraisal in the EU Member States and the European Commission*, Study for the 67th EUPAN Directors General meeting of the European Union Public Administration Network members, February 2017.
- Wolff, H.A. (2011): *The Civil Service in Germany: Annual Report 2011*, ius Publickom Network Review.

Getting in touch with the EU

In person

All over the European Union there are hundreds of Europe Direct Information Centres. You can find the address of the centre nearest you at: <http://europa.eu/contact>

On the phone or by e-mail

Europe Direct is a service that answers your questions about the European Union. You can contact this service

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696 or
- by electronic mail via: <http://europa.eu/contact>

Finding information about the EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: <http://europa.eu>

EU Publications

You can download or order free and priced EU publications from EU Bookshop at: <http://bookshop.europa.eu>. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see <http://europa.eu/contact>)

EU law and related documents

For access to legal information from the EU, including all EU law since 1951 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

Open data from the EU

The EU Open Data Portal (<http://data.europa.eu/euodp/en/data>) provides access to datasets from the EU. Data can be downloaded and reused for free, both for commercial and non-commercial purposes.

