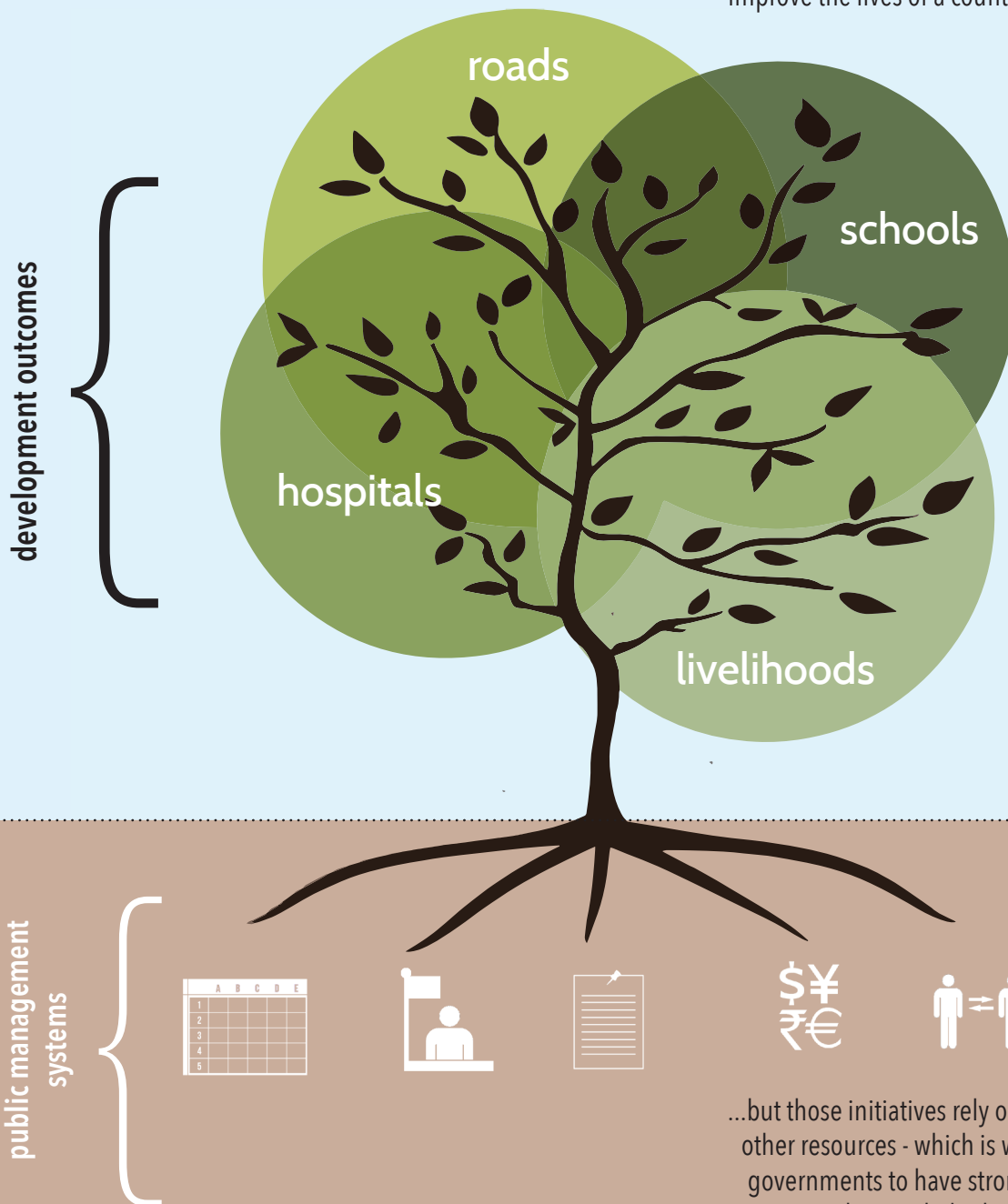# PUBLIC MANAGEMENT SYSTEMS: AN OVERVIEW

Public management systems are the core systems that enable a government to function and to provide services to its citizens. Just as in the private sector, they ensure that staff and resources are fairly allocated, effective, and properly used. In the public sector, these systems act as "roots," providing the support and funding that allow other policies and programs to flourish.

It's easier to see the effects of tangible projects that improve the lives of a country's population...

roads

schools

hospitals

livelihoods

development outcomes

public management systems

...but those initiatives rely on funding, staffing, and other resources - which is why it's so important for governments to have strong public management systems that can help these projects come to life.

WHAT'S THE iCHALLENGE?

The iChallenge aims to measure and compare how well these public management systems work. Governments can use this information to identify areas for improvement and to monitor progress. Researchers can use this information to build evidence on what works where and why. Citizens can use this information to hold governments accountable and demand change.

But to do that, we need more and better indicators - statistics that tell us how a system is performing relative to its purpose. The iChallenge is looking for indicators that fall under any of the following categories:

ENTRY CATEGORIES

Major Public Management Systems
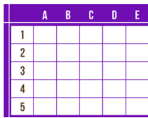
Public Financial Management

systems that govern the funding used by governments to provide goods and services to citizens

Public Administration and Civil Service

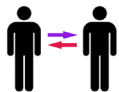systems that create efficient, effective government institutions

Public Information

systems that allow citizens to see and understand the internal workings of governments

Tax Administration

systems that provide the resources necessary for a country's growth and development

Procurement

systems that governments use to acquire the resources needed to function

Cross-Cutting Themes

Transparency

citizen ability to see and understand how these systems function

Accountability

mechanisms that hold management systems responsible for performance

Participation

systems that allow citizens to play an active role

SYSTEM OVERVIEW

PUBLIC FINANCIAL MANAGEMENT

What is it?

Public financial management focuses on the institutions, laws, organizations, and systems that govern the use of public finance, which is the funding governments use to provide goods and services to citizens. Good PFM systems enable effective, efficient, sustainable, and transparent spending.

PFM Functional Areas

These are some of the main areas where PFM quality can be measured. However, they're only intended as guidance - if you have an idea that falls outside of these categories, feel free to submit it.

budget formulation

How budgets are created, and whether they're made with policy goals in mind

budget execution

How well budgets are implemented, particularly with regard to predictability and control

accounting, reporting, and recording

How frequently and accurately records and information are kept

transparency

How available and accessible budget information is to the general public

external scrutiny and audit

How often and how closely public finances are scrutinized by outsiders

Why does it matter?

When governments manage public finances well, it's easier for them to use their resources in a way that reduces poverty and improves the quality of life for all of their citizens. Strong PFM practices also give citizens a say in how that money is used, and allow them to see if that usage is effective.

better PFM

- stronger internal controls
- better budgeting
- fewer payment delays
- more access to budget information

fewer opportunities for corruption
- cheaper credit
- higher levels of institutional trust
- less waste

increased funding for most critical programs
- more consistency between initial allocation and available funding

better and more consistent service delivery
- more incentives for contractors to work with government
- more available resources

scrutiny by citizens and legislatures
- better knowledge of institutional priorities
- more opportunities for citizen participation

These are just a few of the ways that stronger PFM systems lead to better overall government performance.

What are the current indicators?

A variety of indicators exist to measure PFM quality and efficiency. Some of these include:

- Adherence to a fixed budget calendar
- Payroll link to personnel database
- Scope and nature of audits performed
- Level of detail provided in citizen budget
- Budget outturns (variation between budget and actual spending)

Where's the data?

Our existing indicators come from PEFA (Public Expenditure and Financial Accountability) and the Open Budget Survey. (To see full surveys, visit our site at http://worldbank.org/ichallenge).

PEFA	Open Budget Index
Assessments of PFM practices in >80 countries; data begins in 2005	Analyzes public access to budget information across >100 countries; data begins in 2006

Where are the gaps?

We're interested in indicators across the system - both ideas for new ones and improvements on existing analyses. There are a few areas, however, that have less coverage than others.

- **Quantitative data.** Many of the current indicators are produced by experts and reflect their assessments. We're looking for ideas about how we can better use statistics that might provide useful insights into PFM effectiveness.
- **Linkage between budgets and results.** We need to strengthen our understanding of the connections between resource allocation and results achieved.
- **Citizen engagement.** Current indicators offer limited information about levels and effectiveness of budget input from everyday people.

SYSTEM OVERVIEW

PUBLIC ADMINISTRATION AND CIVIL SERVICE

What is it?

Public administration and civil service (PACS) systems focus on the creation of efficient, effective government institutions that encourage employee retention and promote strong staff performance. Strong PACS systems attract and retain committed civil servants, facilitate continued improvement, and serve as a vital link between citizens and government institutions.

PACS Functional Areas

These are some of the main areas where PACS quality can be measured. However, they're only intended as guidance - if you have an idea that falls outside of these categories, feel free to submit it.

strategy and coherence

Organizations that have a mission and practice results-based management

merit-based employment and retention practices

Merit-based hiring and management that motivates staff to achieve common goals

attractiveness to prospective civil servants

Pay levels and working conditions strong enough to attract qualified candidates and keep them motivated

learning and development opportunities

Training, mentoring, and coaching that ensure staff remain qualified to perform their jobs
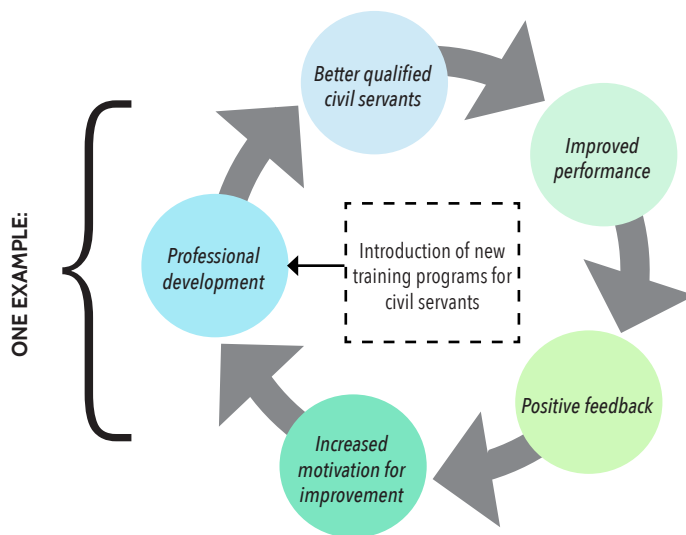
fiscally sustainable wages

Salaries that create a sustainable wage bill without depriving public sector projects of resources

Why does PACS matter?

The effects of a poorly run government institution can be felt across the public and private sectors. Without good hiring, staffing, and management practices, it's hard to attract and retain productive employees; without productive employees and efficient systems, resources are wasted, services may not be delivered, and the overall performance of a government goes down.

Even a simple improvement to the system, such as better training for public sector workers, has the potential to create sustainable systemic change.

ONE EXAMPLE:

Better qualified civil servants

Improved performance

Introduction of new training programs for civil servants

Professional development

Positive feedback

Increased motivation for improvement

What are the current indicators?

Here are a few of the statistics currently used to assess PACS health and performance:

- Difference in salary between comparable public- and private-sector positions
- Impartiality of public sector employees in policy implementation
- Reputation of civil service employment among graduates of elite universities

Where's the data?

Several datasets exist that provide information about procurement procedures around the world. A few are listed below. Surveys in solid boxes feature data from at least 20 countries, collected 2 or more times; those with dashed borders do not.

Evans and Rauch *(2000)*	**Global Integrity** *(ongoing)*	**WB Wage Bill and Pay Compression** *(2011)*	**Quality of Government Survey** *(2008-2010)*
Survey of 35 countries, 1970-1990; data only collected once	Examines presence of anti-corruption measures; country list varies by year	Measures size of wage bill and difference between highest and lowest salaries on pay scale, 2000-2008	Assesses government institutions in 107 countries; data only collected once

Where are the gaps?

- **Quantitative data.** Many of the current indicators rely heavily on the views of government officials and other experts. Indicators based on actual country data, however, are limited.
- **Strategy and coherence.** Very few statistics in current use attempt to assess government agencies' adherence to focus and/or mission.
- **Learning and development opportunities.** Current indicators do not define what these opportunities might be, nor do they analyze their presence or absence.

SYSTEM OVERVIEW

PUBLIC INFORMATION

What is it?

Public information systems allow citizens to see and understand the internal workings of government, and in doing so, they provide a way for the larger population to hold that government accountable for its actions. These systems are designed to make governments both more responsive to stakeholders and more responsible in their decisions and actions.

PI Functional Areas

These are some of the main areas where the quality of public information systems can be measured. However, they're only intended as guidance - if you have an idea that falls outside of these categories, feel free to submit it.

legal framework

Laws that protect citizens' right and ability to access information

institutional arrangements

Well-managed systems that facilitate easy engagement with information

records and information management

Internal organizational procedures that ensure all information is available

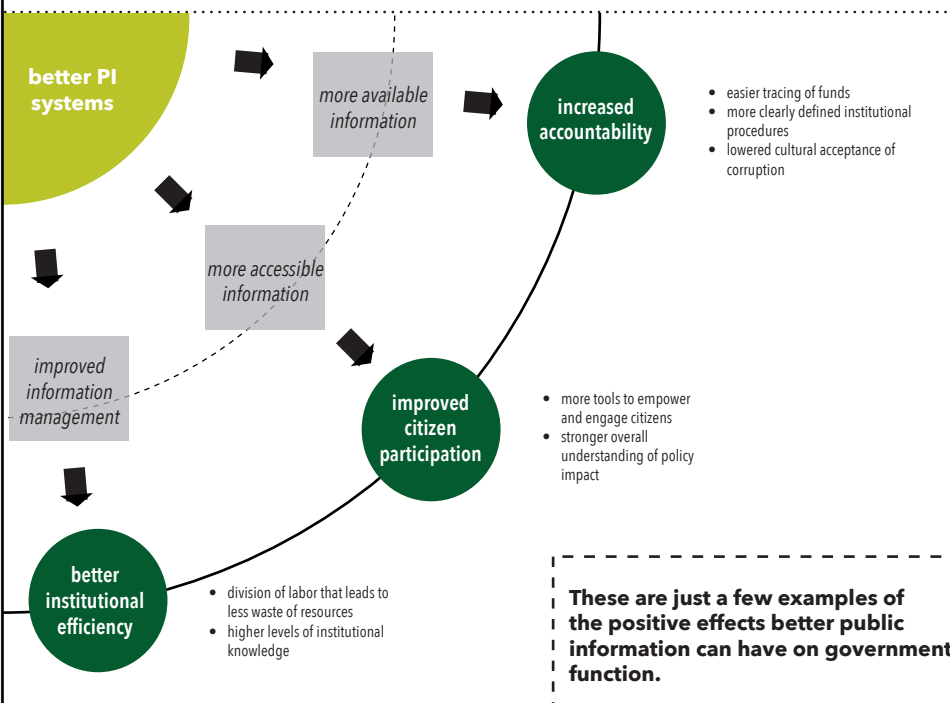**responsiveness to information requests**

Institutions designed to provide information quickly, easily, and accessibly

proactive disclosure *(including open data)*

Regular release of information in a format that allows for analysis and research

Why do public information systems matter?

Without the transparency that public information systems provide, it's much harder for citizens to engage effectively with their governments. By making this data easier to access, everyone is provided with the tools they need to hold institutions accountable and advocate for meaningful change.

better PI systems

more available information

more accessible information

improved information management

increased accountability
- easier tracing of funds
- more clearly defined institutional procedures
- lowered cultural acceptance of corruption

improved citizen participation
- more tools to empower and engage citizens
- stronger overall understanding of policy impact

better institutional efficiency
- division of labor that leads to less waste of resources
- higher levels of institutional knowledge

These are just a few examples of the positive effects better public information can have on government function.

What are the current indicators?

A variety of statistics exist to track the performance of public information systems.

- Cost of information access
- Timeliness of responses to information request
- Quality of information released
- Ability to provide budget input

Where's the data?

Here are a few of the datasets used to analyze the health of public information systems. Surveys with solid borders (below) cover › 20 countries, with two or more rounds of data collection; surveys with dashed borders do not meet at least one of those criteria.

Open Data Index	Global Integrity	Institutional Profiles Database	OECD Int'l Budget Practices and Procedures	Open Budget Index	PEFA
Assesses state of open gov't data in 70+ countries; only one round of data collected	Examines presence of anti-corruption measures; country list varies by year	Covers institutional characteristics in approximately 120 countries, 2001-2012	Examines budget institutions in 97 countries over the 2007-2008 period	Analyzes public access to budget information across >100 countries; began in 2006	Assessments of PFM practices in >80 countries; available data begins in 2005

Where are the gaps?

We're interested in indicators across the system - both ideas for new ones and improvements on existing analyses. There are a few areas, however, that have less coverage than others.

- **Records management**. Current indicators offer limited insight into how, and how well, governments manage their information.
- **Responsiveness.** More indicators are needed to measure how well and quickly governments respond to information requests.
- **Quantitative data.** Many data sets rely on outside assessment rather than providing actual, internal statistics about public information systems in a given country.

SYSTEM OVERVIEW

TAX ADMINISTRATION

What is it?	Effective taxation provides the resources needed for a country's growth and development. A tax administration system encompasses everything from how taxes are collected to how taxpayer disputes are resolved.

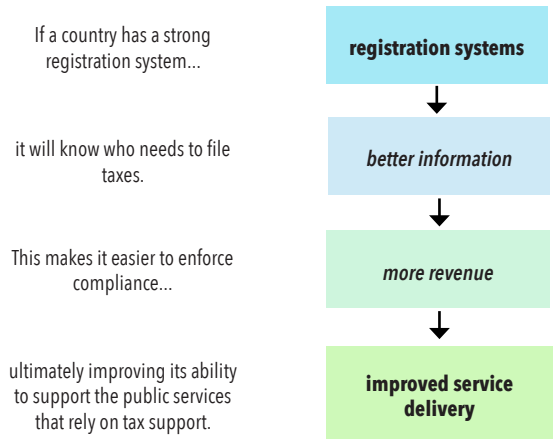## Tax Administration Functional Areas

These are some of the main areas where tax quality can be measured. However, they're only intended as guidance - if you have an idea that falls outside of these categories, feel free to submit it.

registration systems

Mechanisms that allow for effective and fair collection of information about taxpayers

quality taxpayer services

Accessible and useful assistance with the taxation process

filing compliance procedures

Practices that result in high levels of compliance among taxpayers at moderate cost

payment compliance procedures

Systems that encourage full tax payment

reporting compliance procedures

Procedures that facilitate accurate taxpayer reporting of income and obligation

dispute resolution mechanisms

Processes that allow taxpayers to settle disputes quickly and fairly

efficiency

Quick and effective tax administration and data processing

accountability and transparency

Frequent and open disclosure of tax administration data

clear risk information

Policies that address the risks of taxation in dynamic environments

Why are tax administration systems important?

When governments collect taxes in a way that is fair, equitable, and regular, they can not only increase the revenue available for public services, but also improve compliance and raise the likelihood that tax procedures will remain viable in the future. Poorly run tax systems, on the other hand, lead to waste, lost revenue, and a decrease in institutional trust.

(a sample results chain)

If a country has a strong registration system...

it will know who needs to file taxes.

This makes it easier to enforce compliance...

ultimately improving its ability to support the public services that rely on tax support.

registration systems
↓
better information
↓
more revenue
↓
improved service delivery

What are the current indicators?

Available statistics on the strength of tax systems vary widely. The list includes:

- Number of years firms have operated without formal tax registration
- Percentage of citizens who have paid bribes to tax officials during a given time
- Existence of a tax appeals mechanism
- Forecast/actual revenue ratio

Where's the data?

There are a variety of datasets currently used to analyze tax administration. Surveys with a solid border (see below) feature data from >20 countries, collected at least twice; surveys with dashed borders do not meet those criteria.

| TADAT	Transparency Int'l Global Corruption Barometer	OECD Tax Administration Survey	PEFA	Enterprise Surveys	Doing Business Survey
Diagnostic tool for tax administration; first data currently being collected	Tracks public perceptions of corruption in 107 countries	Surveys tax administration policies across 52 advanced and emerging economies	Assessments of PFM practices in >80 countries; data begins in 2005	Sector-specific surveys of business environments in 130+ countries; started in 2005	IFC/WB survey of business regulation and obstacles; data begins in 2004

Where are the gaps?

We're interested in indicators across the system - both ideas for new ones and improvements on existing analyses. There are a few areas, however, that have less coverage than others.

- **Quantitative data.** A number of current indicators rely heavily on outside assessment of tax administration regimes, rather than actual revenue and statistical data from governments.
- **Indicators that measure payment and filing.** TADAT has several indicators in these areas, but data is not yet available.

SYSTEM OVERVIEW
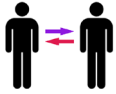
PROCUREMENT

What is it?

Procurement systems are used by government to acquire the goods and services they need to function and to build public assets. Some procurement processes include posting bids, selecting contractors, and negotiating terms of implementation. Transparency and oversight are critical for these systems to be efficient and effective.

Procurement Functional Areas

These are some of the main areas where procurement quality can be measured. However, they're only intended as guidance - if you have an idea that falls outside of these categories, feel free to submit it.

effectiveness, economy, and efficiency

Spending procedures designed to maximize return on investment

open competition

Mechanisms that give all qualified suppliers a chance to compete

fair, equitable, and equal treatment

Standards that promote unbiased treatment for all suppliers and contractors
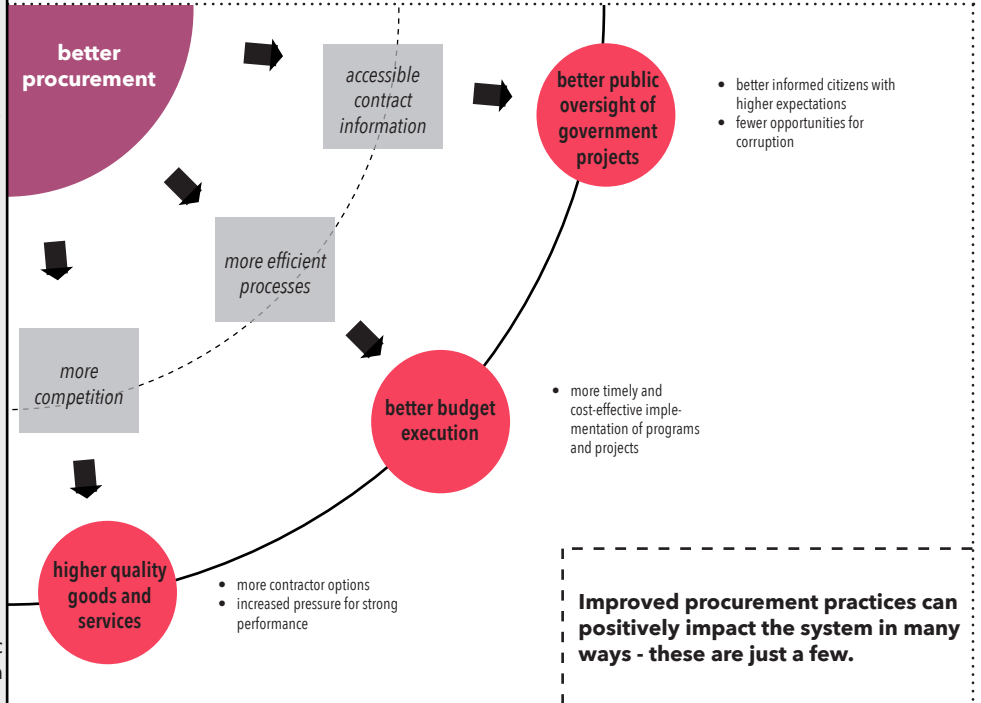
integrity

Procedures that limit the potential for corruption and abuse

transparency

Wide and open publication of public procurement records and information

Why does procurement matter?

Procurement systems affect how efficiently governments run on a day-to-day basis. When procurement is poorly run, money may be wasted on inefficient contracts, competition can be unfairly limited, and more opportunities for corruption arise. However, a well-designed procurement system can save money and provide the government with the resources that help it serve its citizens.

better procurement

accessible contract information

more efficient processes

more competition

better public oversight of government projects
- better informed citizens with higher expectations
- fewer opportunities for corruption

better budget execution
- more timely and cost-effective implementation of programs and projects

higher quality goods and services
- more contractor options
- increased pressure for strong performance

Improved procurement practices can positively impact the system in many ways - these are just a few.

What are the current indicators?

A limited number of procurement-focused indicators are available. Some include:

- Predictability of bid results
- Enforcement of conflict-of-interest regulations
- Public access to timely and reliable procurement information
- Use of competitive methods

Where's the data?

Several datasets exist that provide information about procurement procedures around the world. A few are listed below. Surveys in solid boxes feature data from at least 20 countries, collected 2 or more times; those with dashed borders do not.

Global Integrity	Institutional Profiles Database	Global Budget Index	PEFA	Enterprise Surveys	MAPS
Examines presence of anti-corruption measures; country list varies by year	Covers institutional characteristics in approximately 120 countries, 2001-2012	Analyzes public access to budget information across >100 countries; began in 2006	Assessments of PFM practices in >80 countries; data begins in 2005	Sector-specific surveys of business environments in 130+ countries; started in 2005	Methodology designed to assess procurement procedures; full data not yet available

Where are the gaps?

- **Performance data.** Many current indicators tend to focus on compliance with existing regulations and reforms, rather than performance data that offer insight into efficiency, effectiveness or value for money.
- **Quantitative data.** Most of the data available relies on outside assessments rather than on actual internal statistics from the countries being analyzed.