

DO POLITICIANS MATTER IN PUBLIC SECTOR MANAGEMENT REFORM?
OR
WHAT ROOM TO MANEUVER DO PUBLIC MANAGERS HAVE?

Paper for 14th IRSPM Conference in Berne, Switzerland / April 7-9, 2010

Panel 15

"Politicians versus managers: the long-standing dilemma in public management literature"

Lukas Summermatter & Labinot Demaj

Dr. Lukas Summermatter
University of St. Gallen, Institute for Public Services
and Tourism (IDT-HSG)
Dufourstr. 40a
9000 St. Gallen
Switzerland
lukas.summermatter@unisg.ch
Phone: +41 71 224 7345
Fax: +41 71 224 2536

Labinot Demaj
University of St. Gallen, Institute for Public Services
and Tourism (IDT-HSG)
Dufourstr. 40a
9000 St. Gallen
Switzerland
labinot.demaj@unisg.ch
Phone: +41 71 224 7345
Fax: +41 71 224 2536

CONTENTS

Introduction	1
Research on Legislative-Executive Relations.....	2
Method and Data.....	6
Research Design.....	6
Data.....	8
New Accounting Model of the Swiss Confederation.....	8
Results and Discussion.....	10
Results.....	10
Discussion	12
Conclusion	14
References.....	16

ABSTRACT

This paper aims at mapping public managers' substantial influence on administrative reforms as a consequence of politicians' missing demand for influence. Since any major public sector management reform is closely linked with changes in the corresponding regulation, we essentially focus on legislative-executive relations and, in particular, on the influence parliamentarians exert on the respective bill. The introduction of a 'New Accounting Model' at the national level of the Swiss federal administration and the total revision of the Financial Budget Act serve as objects of in-depth study. Based on the tradition of policy-oriented legislative research the underlying assumption of the analysis is that parliamentarians' influence on legislation varies according to the content of a specific policy. In order to disclose legislators' rationale to intervene in some aspects of the Financial Budget Act while being indifferent towards other regulations, a content analysis of the parliamentary debate over the draft bill is conducted. By matching every statement with the topic(s) addressed an unbiased picture of the debate is obtained. In addition, the amount of statements devoted to a theme makes it possible to highlight 'debate dominating topics' and infer an issue's relevance for parliamentarians. The analysis shows that topics related to the cornerstones of the reform were of low relevance to legislators. Instead, debate dominating topics inhered politically contestable issues. This, in turn, suggests that public managers enjoy substantial freedom of action concerning managerial realms due to politicians' missing demand for it.

INTRODUCTION

During the last three decades, governments at all levels have been exposed to major reforms. A large part of these reforms set focus on innovating public administration structures and processes ('management innovation', see Berry, 1994; Stata, 1989). The change of the accounting system from a cash basis to an accrual basis was one of the reform projects many governments have passed through, and some still do (Klaus Lüder & Rowan Jones, 2003; Pollitt & Bouckaert, 2004). In 2006, Switzerland started the implementation of the 'New Accounting Model (NAM)' at the national level and changed its system to full accrual accounting and budgeting. A lot of research has been done on content and process of accounting reforms in general (e.g. Bourmistrov & Mellemvik, 2005; Chan & Xiaoyue, 2002; K. Lüder & R. Jones, 2003; Montesinos & Vela, 2002; Olson, Guthrie, & Humphrey, 1998). Most of this research argues from an administrative point of view treating politics as context and politicians as one amongst other stakeholders. This contradicts the statement that 'the question of public finance is one of fundamental constitutional significance' (Pallot, 2006, p. 25).

This paper focuses on the influence politicians had on this specific public sector management reform to the end that implications for public managers can be drawn with respect to the design of prospective administrative reforms. In other words, this article provides an evaluation of the substantial room to maneuver for public managers in setting up new structures and processes for their agencies by defining the venue politics demands for itself. Our objective is not to describe how public managers have exhibited strengths or weaknesses in relation to parliament. We rather want to realign the thinking about which aspects of the reform public managers *may* de facto decide by disclosing in which aspects of the reform politicians intervene. The following 'field specific' research question shall therefore be answered: *What substantial influence may public managers exert on public sector management reforms as a consequence of politicians' missing demand for influence?* The normative laden question of what public managers and politicians *should* do is not part of this analysis.

When we talk about public managers' and politicians' influence on public sector management reform - in that case on the NAM -, we essentially focus on legislative-executive relations and, in particular, on legislature's influence on public administration's organization and functioning. This is because of two fundamental requirements for the civil service of democratic systems in order to claim legitimacy for specific actions: a legal basis and an adopted budget. Hence, a major innovation concerning an administration's institutional set-up or its modus operandi is closely linked with changes in the respective legislation, the budget, or both (Dearing, 1994, p. 22). This paper illuminates the legislative aspect of influence and examines the influence Swiss legislators exerted on the revision of the Financial Budget Act; that is, the corresponding bill to the NAM. The focus on the chosen policy area and the empirical research are therefore directed towards answering the following 'project specific' research question: *What substantial impact did Swiss legislators have on the revision of the Financial Budget Act?*

Existing theoretical foundations and approaches in legislative research are heavily based on findings from the 1960s and 1970s (see Loewenberg, Patterson, & Jewell, 1985). Jegher (1999, p. 14) concludes that three possible points of departure can be drawn from this body of knowledge

when attempting to analyze parliamentary influence on legislation; thereby following the classic differentiation by scholars of political science between polity-, politics-, and policy-oriented approaches (e.g. Beyme, 2008, p. 29). Although each tradition has its specific strengths the authors of this paper prefer the policy-oriented approach, since it is more suited for answering the research questions at hand, however.

Conventional policy-oriented legislative research classifies draft bills according to policy domains proposed by Clausen (1977), to the policy's consequences defined by Lowi (1972) and/or to the policy's importance for the designated community proclaimed by Blondel (1970) and measures subsequently the degree of significant amendments (e.g. Jegher, 1999; Spitzer, 1983; Zehnder, 1988). The amount of amendments, in turn, represents the indicator for legislators' degree of influence. This method is unrewarding due to one obvious but fundamental caveat: The conventional approach is misleading because legislators' reservations about certain articles of the draft bill may relate to aspects others than those concerning the public sector management reform per se. Instead, a review of the parliamentarians' so called 'floor activity' is proposed in order to reveal legislators' substantial impact on this specific policy area ('floor activity', see Spitzer, 1983, p. 561 ff.); that is, an evaluation of parliamentarians' statements in terms of content and magnitude based on protocols of the legislative procedure. The aim is to match every single statement during the debate with the topic(s) the individual request to speak did address. The list of addressed topics results therefore from the analysis itself and is not compiled prior to it.

In that sense, this paper illustrates, first, that the parliamentary debate was shaped by 17 overall topics - ranging from detailed aspects of the NAM to unspecific moral calls. Second, the debate was dominated by three topics; that is, 58% out of 1'188 statements made by parliamentarians addressed one of these three issues. The remaining 42% of parliamentarians' statements are almost equally scattered over the other 14 topics. Third, the three debate dominating topics do not address the cornerstones of the public sector management reform but inhere politically contestable issues. The inversion of this last finding represents the papers' concluding thesis: *When designing public sector management reforms undifferentiated preemptive obedience towards politics excludes feasible options. Public managers may de facto decide solely on managerial realms.*

STRUCTURE: In order to elaborate our argument we will, as a beginning, reveal dominant concepts for analyzing the nexus at hand and disclose existing knowledge about it. Next, the research design and the explication of the empirical data will be illustrated. Then, a brief description of the reforms' cornerstones will build the background for presenting and discussing, subsequently, the results of the analysis before conclusions are drawn.

RESEARCH ON LEGISLATIVE-EXECUTIVE RELATIONS

Existing theoretical foundations and approaches in legislative research are heavily based on findings from the 1960s and 1970s. With this respect, the miscellany edited by Loewenberg, Patterson & Jewell (1985) offers a comprehensive inventory of research conducted by leaders in this field of study. Jegher (1999, p. 14) concludes that three possible points of departure can be drawn from this body of knowledge when attempting to analyze parliamentary influence on legislation; thereby following the classic differentiation by scholars of political science between polity-, politics-, and policy-oriented approaches (e.g. Beyme, 2008, p. 29).

POLITY-ORIENTED LEGISLATIVE RESEARCH is concerned with the study of rules, norms, institutions within which the legislature and the executive interact. From this perspective, the influence of parliaments on legislation is a consequence of their stance assigned by the *general constitutional order* of the specific country. One can think of presidential and parliamentary forms of governments to grasp the notion of the approach. In these two types of political systems the relationship between the executive and legislative branches of government differs most (see Jackson & Jackson, 1997, pp. 203-204). The United States is the oldest, classic form of presidential government shaped by the principle of 'separation of powers' and accomplished by the separation of the personnel of the various branches of the government. Within this system, the executive and legislative branches are selected independently and neither one has the ability to dissolve or remove the other from office - except in the case of incapacity or significant legal wrong-doing (Kreppel, 2008, p. 161). In parliamentary governments such as the Westminster model, by contrast, a 'separation of powers' and personnel does not exist. The executive branch is selected from within, and by, the legislature. Systems following this type of model adhere to the principle of 'fusion of powers'; that is, the unification of the executive and legislative branches (Jackson & Jackson, 1997, p. 204). Formally, the executive branch is responsible to the legislature throughout its tenure. Regardless of the electoral cycle, this means that the executive can be removed from office any time should a majority of the legislature oppose it (Kreppel, 2008, p. 161). Vice versa, the constellation leads to the fact that the executive is the *law-making* part of the allegorical two-body image whereas the parliament turns into a *law-giving* role. Therefore, Westminster-like parliaments are more an 'arena'. They are platforms where the non-governing parties' function is not law-making but to uncover the processes from which individual bills result (Polsby, 1975, p. 277 ff.). With respect to the parliaments' influence on legislation Lijphart (1984, p. 78 ff.) concludes that the stronger the separation of powers between the executive and the legislature is, the more independent parliamentarians act and the more influence the parliament has on legislation. From his analysis of 21 democracies the author classifies the United States' Congress as 'strikingly powerful' and the Swiss Federal Assembly as 'the second powerful legislature'.

POLITICS-ORIENTED LEGISLATIVE RESEARCH is concerned with the political process that precedes legislation. From this perspective, a polity-oriented analysis of legislative-executive relations in the cases of parliamentary systems is misleading, because a two-body image of the two branches of government as a sort of rivals does not exist. Therefore, King (1976, pp. 20-21) noted that an analysis based on the notion of separation of powers is not sufficient in explaining the nexus. According to him, political parties play a vital role for the analysis of the relationship between the legislature and the executive (King, 1976, p. 12). King's analytical conception requires an identification and separate consideration of a number of quite distinct *political relationships* when trying to understand the phenomena. In addition, these relationships tend to vary considerably from country to country (King, 1976, p. 11). In essence, the author identifies, depending on the system of government, four 'modes of legislative-executive relations' according to which the impact of assemblies on legislation varies (King, 1976, pp. 12-20, 31-32): 'intra-party mode', 'opposition mode', 'non-party mode', and 'cross-party mode'. King's approach of defining dominant modes of interaction between the executive and the legislature represents one alternative of the politics-oriented legislative research. Instead of analyzing relationships, Loewenberg & Patterson (1979, p. 212 ff.) focus on the *decision-making process* and try to uncover voting patterns of legislators. Depending on the specific system of government parliamentarians may vote based on individual

preferences, align with the party line or decide according to ad hoc coalitions as the case arises (see also Collie, 1985, p. 497). A party's relevance for and, hence, the legislator's influence on law-making can be inferred from the party structure, its relative strength compared to other parties, its ideology, its stance within the political system and its function in the process of making the executive branch of government. Loewenberg & Mans (1988, pp. 175-176) studied the legislatures of Belgium, Italy and Switzerland with respect to these characteristics. Of the three parliaments, the Swiss Federal Assembly and the Swiss legislators respectively turned out to be the least party organized and showed a low party loyalty; implying a high impact of the Swiss legislature as a government power on law-making compared to the executive branch of government.

POLICY-ORIENTED LEGISLATIVE RESEARCH assumes that political relationships and decision-making processes described above are heavily dependent on the content of a specific bill. In other words, the policy-coalition is mainly a function of policy *content* (Collie, 1985, p. 483). Clausen (1977) defined for the United States' legislation five *policy domains* that prescribed the durability and dominance of congressional voting alignments and have come to constitute the framework within which policy coalitions are assessed: 'government management', 'social welfare', 'international involvement', 'civil liberties', and 'agricultural assistance' (Collie, 1985, p. 482). Somehow on a more abstract level of analysis is the policy scheme developed by Lowi (1972, p. 299 f., 1975, pp. 132-143) thereby assuming that 'policies determine politics'. His study focuses on the overall *consequences* of a specific policy. One might classify bills according to whether they aim at 'redistributing' goods (fiscal, monetary, social welfare policies), at 'distributing' them (pork barrel and other concrete, discrete benefits), at 'regulating' activities (manipulation of individual conduct through sanctions) or whether they represent a 'constituent or system maintenance policy' (administrative, overhead policies) (Spitzer, 1983, p. 556). Lowi (1972, pp. 306-307, 1975, pp. 132-143) is able to show that Congress' impact, measured as amendment counts on passed bills, is lowest for distributive policies, is superior for redistributive policies and is the highest for regulative policies. Yet another strand within the policy-oriented legislative research represents the notion developed by Blondel (1970). In an attempt to measure generally the part played by assemblies in the field of rule-making, the author proposes to focus on the *importance* of individual bills measured by the extent to which they appear to be designed to affect the community (Blondel, 1970, pp. 73-74).

The different approaches to legislative-executive relations can be classified according to the perspective of analysis each claims. The classification has implications for the underlying question of this paper. If parliamentarians matter in public sector management reform is illuminated by the policy-oriented approach, point of departure is the constitution of a specific country and the rights and duties it allocates to each branch of government - particularly with respect to the area of the administration's organization and functioning. The legislative-executive relations and the degree of legislatures' influence on law-making are therefore evaluated from a 'static' point of view; because changes in these relations are only possible if the *structural* order between the two branches alters: for example when competences are reallocated. The politics-oriented approach sets its focus on the analysis of relationships between the actors. The question whether politicians matter in public sector management reform is examined by observing the *process* of law-making and the distinctive relational patterns arising from it. The policy-approach is interested in the specific *output* of a law-making process. From this perspective, if politicians matter in public sector

management reform or not is contingent upon the specific policy domain, its consequences and the bills' importance for the affected community.

Existing research on politicians' relevance for public sector management reform is unsatisfactory due to several reasons. First, different notions about the 'right' political order lead to different conceptions about legislatures and their function within the system of government. Rockman (1985, p. 519) therefore recalls that for polity-oriented legislative research 'much of the literature on [...] executive-legislative relations [...] is either straightforwardly or implicitly prescriptive, pervaded by assumptions about government and its proper institutional arrangements, activities, and norms'. Second, to put the different ideological party positions and the various political ambitions of parliamentarians at the center of attention might be helpful for politics-oriented approaches to explain legislator's bid for influence concerning politically sensitive bills but leaves us in the dark about more uncontroversial acts. Third, although research led by the premise of 'policies determine politics' represents a reasonable approximation to the centre of interest (Lowi, 1972, p. 299), the very aspect of what substantial impact parliamentarians exert on public sector management reform is left untouched.

A typical approach for these last kind of studies is to classify draft bills according to policy domains proposed by Clausen (1977), to the policy's consequences defined by Lowi (1972) and/or to the policy's importance for the affected community proclaimed by Blondel (1970) and to measure subsequently the degree of significant amendments (e.g. Jegher, 1999; Spitzer, 1983; Zehnder, 1988). Based on this methodology, Zehnder (1988, p. 81) was able to show for the Swiss Federal Assembly that the frequency of modification is significantly above the average for draft bills concerning 'economic policy', 'social welfare' or 'agriculture'; for draft bills implying 'redistributive' consequences; and for policies classified as 'important' for the designated community. By contrast, draft bills concerning 'security policy', 'foreign policy', 'government management' or 'transport and energy policy'; draft bills implying 'constituent policy'; and policies classified as 'unimportant' for the respective community have a frequency of modification that lies significantly below the average (Zehnder, 1988, pp. 81-82). From these results it is then inferred that legislators exert more or less influence on a specific policy area. The authors of this paper assume that this research strategy does not disclose the full picture.

The Financial Budget Act can be classified with respect to the policy domain as a bill concerning 'government management', with regard to its consequences as a 'constituent or system maintenance policy' and the relevance for the designated community as 'important' - in this case affecting the legislative and the executive branch of government ("Bundesgesetz über den eidgenössischen Finanzhaushalt," 2005, article 2). Applying the first two categorizations just described to the Financial Budget Act would suggest a below the average frequency of modification and hence a low influence of parliamentarians on the bill. In fact, the Financial Budget Act differs remarkably from the draft version. Parliamentarians exerted a high influence by making amendments in 20 out of 67 articles, which affected overwhelmingly key aspects of the bill (for 'key aspects' see Zehnder, 1988, p. 61). Although this fact supports Blondel's (1970, pp. 73-74) proposition that it is a bill's importance for the designated community that predicts legislature's extent of influence, the approach does not disclose the rationale that leads parliamentarians to intervene only in certain regulations of the Financial Budget Act and amend the draft bill. Is it really the design of the accounting model that triggered political attention and subsequently intervention?

In order to explain the significant intervention of parliamentarians, an analysis of the concrete content of the parliamentary debate on the Financial Budget Act is necessary. This strategy examines the specific areas of the debate, illustrates the aspects of interest and thereby allows subsequently to infer the parliamentarians' substantial relevance for the public sector management reform.

METHOD AND DATA

Research Design

The research design discloses the very idea of this paper, as the logical model of proof that connects the empirical data to a study's research questions and, ultimately, to its conclusions. In doing so, three questions will be answered in the course of this chapter: what questions to study, what data are relevant and need to be collected, and how to analyze the results (Yin, 2009, p. 26 ff.).

WHAT QUESTIONS TO STUDY? The introduction of the NAM at the national level of the Swiss public administration and the corresponding revision of the Financial Budget Act respectively serve as objects of in-depth study. Within the tradition of policy-oriented legislative research the case aims at investigating the particularity and the complexity of a single reform in order to draw, ideally, more general conclusions considering legislature's influence on public sector management reforms (Lamnek, 1995, p. 5 f.; Stake, 1995, p. xi). The inversion of this conclusion allows ultimately to evaluate what substantial influence public managers may exert on this field. The focus on the chosen policy area and the empirical research are therefore directed towards answering the 'project specific' research question: *What substantial impact did Swiss legislators have on the revision of the Financial Budget Act?*

WHAT DATA ARE RELEVANT AND NEED TO BE COLLECTED? As stated in the introduction, this paper sets its focus on the legislative aspect of influence. Remaining on the level of the various classification systems introduced above would imply to measure the Swiss parliamentarians' influence on the Financial Budget Act and thus their relevance for public sector management reform by counting the amendments made. As broached the issue before, this method is unrewarding due to one obvious but fundamental caveat. The conventional approach is misleading because legislators' reservations about certain articles of the draft bill may relate to aspects others than those concerning the public sector management reform per se - one can think of judicial issues or editorially induced changes, for instance. Instead, the authors of this paper propose to conduct a review of the parliamentarians' so called 'floor activity' in order to reveal legislators' influence in this specific policy area; that is, an evaluation of parliamentarians' statements in terms of content and magnitude. The unit of analysis therefore is the individual parliamentarian who participated in the debate. The aim is to match every single statement during the debate with the topic(s) it addressed. In which way these data will allow to draw a more accurate answer to the project specific research question is the subject of the final aspect of the research design.

HOW TO ANALYZE THE RESULTS? In order to disclose the logic that links the data collected by the proposed approach and the research questions stated before, one can start with some conditions

of the Swiss legislative procedure and the organization of the parliamentary debate, respectively (Schweiz Bundesamt für Justiz, 2007, pp. 19 ff., 60 ff.): The Swiss legislative procedure can be divided in a pre-parliamentary and a parliamentary phase (see Table 1).

The *pre-parliamentary phase* is characterized as a process where public administration agencies, parliamentarians, experts and interested stakeholders may participate in the preparation of the draft bill, however. Its end is marked by the composition of the draft bill, in this case the draft Financial Budget Act ("Bundesgesetz über den eidgenössischen Finanzhaushalt (Entwurf)," 2005), and the so called 'Botschaft' (see Bundesrat, 2004); a corresponding explanatory document concerning the draft bill. Both documents are prepared by the Swiss executive branch of government for the attention of the two chambers of the Swiss Federal Assembly, the National Council and the Council of States. The Financial Budget Act's *parliamentary phase* started when the draft bill and the 'Botschaft' were submitted to the finance committee of the first chamber, which is the National Council. The committee, then, passed the draft bill to the Plenary Assembly of the National Council. Next, the draft bill and the one including the amendments of the first parliamentary chamber were passed to the finance committee of the second chamber, which is the Council of States. It debated on both versions of the Financial Budget Act and handed them over to the Plenary Assembly of the Council of States. Since there was no consent about the draft bill's final version, it was sent back and forth to each chamber in order to reconsider the divergent suggestions and come to a final conclusion over which it could be voted in the Plenary Assemblies of both Chambers. The Financial Budget Act was ultimately adopted by both chambers in October 2005.

Legislative Procedure	Debating Entity	Timeframe
A. Pre-parliamentary Phase		
	Sounding Board	
B. Parliamentary Phase		
<i>Debate of each article</i>		
1st Chamber: National Council	Finance Committee	31.1. - 15.2.2005
	Plenary Assembly	8.3. - 17.3.2005
2nd Chamber: Council of States	Finance Committee	21.3. - 10.5.2005
	Plenary Assembly	13.6.2005
<i>Composition of differences</i>		
1st Chamber: National Council	Finance Committee	24. - 26.8.2005
	Plenary Assembly	19.9.2005
2nd Chamber: Council of States	Finance Committee	21.09.2005
	Plenary Assembly	28.9.2005
1st Chamber: National Council	Finance Committee	3.10.2005
	Plenary Assembly	3.10.2005
2nd Chamber: Council of States	Finance Committee	4.10.2005
	Plenary Assembly	4.10.2005
<i>Final vote</i>		
1st Chamber: National Council	Plenary Assembly	7.10.2005
2nd Chamber: Council of States	Plenary Assembly	7.10.2005

Table 1: Relevant legislative procedures and debating entities

Irrespective of the specific entity that is dealing with the draft bill during the parliamentary phase, each debate of the legislative procedure is organized according to the bill's chronological order; that is, article one is discussed first, then the legislators proceed with article two, and so on. If articles relate to each other they can be discussed altogether. An article is passed without discussion and without voting, if there is consent among parliamentarians about a specific regulation. Thus, statements, discussions and voting over a regulation originate when there are divergent ideas about the content or the formulation of an article.

A systematic analysis of the topics addressed by occurring statements allows, first, to draw an unbiased picture of the aspects that dominated the parliamentary debate on the revision of the Financial Budget Act. The evaluation makes it, next, possible to assess a topic's relevance for parliamentarians compared to that of others - thereby assuming that relevance is positively linked to the amount of statements made. Last, the proposed approach highlights the parliamentarians' de facto bid for influence by identifying areas of intense relevance and thereby revealing if the very cornerstones of the public sector management reform are of relevance to legislators or not - assuming that the bid for influence is positively linked with the amount of statements made concerning an individual topic.

Data

According to the framework just illustrated the empirical base of the study consists of the Swiss Federal Assemblies' protocols concerning the revision of the Financial Budget Act. In total, 343 pages of protocols were analyzed covering a time span of almost four years (November 2001 until October 2005). With the help of MAXQDA2007, a widely used text analysis software in social sciences, every request to speak was coded, first, according to the specific parliamentarian and next, according to the topic(s) the request to speak addressed. The final list of topics addressed represents a result of the analysis and was not compiled prior to it. Requests to speak from the Federal Council (the executive branch of the Swiss government), exponents of the Federal Finance Administration (FFA) or experts were excluded, so that only parliamentarians' statements could be analyzed.

NEW ACCOUNTING MODEL OF THE SWISS CONFEDERATION

In summer 2000, Peter Siegenthaler, director of the FFA, received an external report about a 'New federal accounting model' (see Schedler & Knechtenhofer, 2000). Based on this report he started the formal project within the FFA which aimed at implementing a new accounting model for the federal administration. Compared to the external report the version of the model sent to the finance committees of both chambers and therefore proposed by the FFA to introduce differed substantially. Particularly, all NPM-elements were removed from the initial model (Summermatter & Schedler, 2009, p. 14). The corresponding bill to the FFA-model was debated according to the legislative procedure depicted in Table 1. In the pre-parliamentary phase Peter Siegenthaler established a Sounding Board that consisted of representatives of the two finance committees. Its aim was twofold: On the one hand, the Sounding Board represented formally an entity that should ensure the continuous reporting of the project activities to other parliamentarians. On the other hand, the Sounding Board was a vehicle to ensure political feasibility of the public sector management reform.

In order to assess whether politicians discussed cornerstones of the NAM during the legislative procedure or not, constitutive elements of the new model are described below. According to the official brochure of the New Accounting Model the most important new elements can be stated as follows (Federal Finance Administration, 2008, p. 6):

- "[...] The *basic components* of the NAM are [...] the income statement, the balance sheet and the financing and cash flow statement. At the level of administrative units, investments are posted separately. This statement of investments is combined with the items from the income statement for the purpose of credit appropriation to form the «credit view», which is being introduced as the *new budget format* at the level of administrative units.
- [...] The *income statement is the foundation* for accounting and budgeting, performed on a decentralized basis at the administrative units, as well as for the Confederation's budget and financial statement [...].
- Transition to a business-oriented accounting system: This is based on the principle of *accrual accounting and budgeting* [...].
- [...] In following the *International Public Sector Accounting Standards (IPSAS)*, the new accounting system ensures transparent government accounts and a high standard of financial reporting. [...] In the balance sheet, in particular, the application of new principles results in significant valuation adjustments.
- [...] The *financing statement remains in the foreground for overall fiscal policy* management of the federal budget [...]. The new sources of information provide a clearer picture of the federal budget as a whole, the spending trends in the various task areas, and the financial situation within the administrative units.
The underlying principle of dual control in the NAM results in some completely new features, particularly for the *administrative units, which are now managed on the basis of the income statement and the statement of investments as well as operational cost accounting*. Along with the credit responsibility being further decentralized to the consumer units, the improved management information fosters greater cost awareness and value-for-money public management. [...]
Furthermore, the *FLAG model* will be extended to numerous other administrative units.
- [...] In certain areas, the exchange of goods and services within the federal administration is treated as a credit. With the use of *internal service charges*, the Confederation wants to raise the level of cost transparency in public management and also create competition between internal suppliers and external competitors. Both of these objectives aim to improve operating efficiency. The application of internal service charges is only possible if the service provider uses cost and performance accounting.
- *Cost accounting* is being introduced comprehensively at the federal level along with *[performance] accounting*. [...] The expansion of management information allows a focused cost management for the administrative units and, at a federal level, the use of benchmarking tools.

- [...] *Reporting has been given a complete makeover*, which includes new content. [...] The new financial reporting strives to present a factual, clear and understandable picture of the Confederation's earnings, financing and asset situation. One new component of reporting is the *extended notes section*, which provides additional information on the budget and financial statements."

Based on these main features, topics in Table 2 addressing cornerstones of the New Accounting Model were marked grey.

RESULTS AND DISCUSSION

Results

In total, 52 issues were addressed by politicians in the course of the legislative procedure. Some of them related to each other and treated different aspects of the same topic. It was therefore possible to group them and build 17 overall topics. Table 2 shows the results of the analysis. The vertical axis lists the 17 different topics. The horizontal axis is organized according to the debating entities of the legislative procedure. Before evaluating the 'Overall Debate Dominance' of the various topics, each entity is considered separately: in this way, the dominance of each topic with respect to the debates of the Sounding Board, the National Council's Finance Committee, the Plenary Assembly of the National Council, the Council of States' Finance Committee, and the Plenary Assembly of the Council of States is assessed:

SOUNDING BOARD: In total, 173 statements were made by parliamentarians in the pre-parliamentarian phase. The most thematized issue in the Sounding Board's meetings was the prospective 'Budget's granularity' (27%), followed by topics concerning the 'Accounting policy' such as accruals and third party funds (17%). No or almost no statements were made relating to the 'Implementation of the NAM' (0%), 'Cantons and the NAM' (0%) or 'Management by performance contracts and one-line budgets' (1%).

NATIONAL COUNCIL'S FINANCE COMMITTEE: By contrast, the finance committee of the National Council debated to a large extent about the shifting competencies and the changing relationship between the Federal Assembly, the Federal Council and the public administration (35% out of 364 total statements made by parliamentarians of this debating entity). To a lesser extent statements about the 'Defusing respectively accentuation of the debt break' (19%) and issues relating to 'Credit lines' (12%) dominated the debate during the committee's sessions. Aspects concerning 'Implementation of the NAM', 'Cash vs. accrual accounting' and 'Cost and performance accounting' were not addressed.

PLENARY ASSEMBLY OF THE NATIONAL COUNCIL: In total, parliamentarians made 192 statements during their meetings. The cases in point in the Plenary Assembly of the National Council were the 'Defusing respectively accentuation of the debt break' and the changing 'Power relations between branches of government'. Parliamentarians addressed the first of these two topics in 192 statements; that is, 39% of all statements of this debating entity. The changing relationship between legislature and the two branches of the executive, the other dominating topic of the plenary de-

bate, accounts for 33% of the parliamentarians' statements. Among other topics, 'Implementation of the NAM', 'Management by performance contracts and one-line budgets' as well as 'International Public Sector Accounting Standards (IPSAS)' were not addressed.

COUNCIL OF STATES' FINANCE COMMITTEE: Issues about the changing 'Power relations between branches of government' represented 27% out of 367 statements made in the finance committee of the Council of States. 23% of the statements made focused on the reforms' effects on 'Credits lines'. In contrast to the National Council's finance committee and its plenary assembly, the Council of States' finance committee debate was to a considerable extent shaped by 'Juridical reservations' (11%). The committee debated also, among other topics, about 'Accounting policy' (9%), the 'Defusing respectively accentuation of the debt break' (5%) and 'Management by performance contracts and one-line budgets' (5%). In addition, 'Public administration efficiency' was not addressed and only a few statements related to the 'Implementation of the NAM' (1%), 'Cost and performance accounting' (1%) and 'Budget's granularity' (1%).

	<i>Overall Debate Dominance (S=1'188)</i>	<i>Sounding Board (S=173)</i>	<i>Finance Committee National Council (S=364)</i>	<i>Plenary Assembly National Council (S=192)</i>	<i>Finance Committee Council of States (S=367)</i>	<i>Plenary Assembly Council of States (S=92)</i>
Power relations between branches of government	29%	8%	35%	33%	27%	40%
Defusing resp. accentuation of the debt break	15%	2%	19%	39%	5%	14%
Credit lines	14%	9%	12%	3%	23%	12%
Accounting policy	9%	17%	7%	4%	9%	3%
Juridical reservations	5%	1%	1%	1%	11%	13%
Budget's granularity	5%	27%	3%	0%	1%	0%
Reporting	5%	8%	7%	3%	3%	3%
Transparency issues	4%	2%	6%	6%	2%	2%
International Public Sector Accounting Standards (IPSAS)	4%	3%	6%	0%	5%	3%
Control of administration	3%	10%	1%	5%	1%	3%
Management by performance contracts and one-line budgets	2%	1%	0%	0%	5%	2%
Cantons and the NAM	1%	0%	1%	0%	4%	0%
Moral calls	1%	0%	1%	4%	0%	1%
Cost and performance accounting	1%	6%	0%	1%	1%	0%
Cash vs. accrual accounting	1%	3%	0%	1%	2%	0%
Public administration efficiency	1%	3%	1%	2%	0%	2%
Implementation of the NAM	0%	0%	0%	0%	1%	0%

Table 2: Topics addressed during the parliamentary debate in the course of the Financial Budget Act's revision

PLENARY ASSEMBLY OF THE COUNCIL OF STATES: Out of 92 statements made by parliamentarians of the Council of States 40% concerned the changing relationship between the legislature, the Federal Council and the public administration. Far less dominating were statements related to the 'Defusing respectively accentuation of the debt break' (14%), 'Juridical reservations' (13%), and

'Credit lines' (12%). No statements were made concerning the 'Implementation of the NAM', 'Cash vs. accrual accounting', 'Cost and performance accounting', 'Cantons and the NAM' and 'Budget's granularity'.

The examination of the legislative procedure counted a total of 1'188 statements from parliamentarians. Overall, each finance committee accounts for 31% of the total statements made. The National Council's Plenary Assembly accounts for 16% of all statements and hence doubles the amount of statements made by the Plenary Assembly of the Council of States. The remaining 14% of statements were made within the Sounding Board.

The spread of the 'Overall Debate Dominance' of the various topics is illustrated in the first column of Table 2. 29% of these statements thematized the changing 'Power relations between branches of government'. Most of these statements, in turn, were made by the National Council's Finance Committee (37%). The 'Defusing respectively accentuation of the debt break' represents the second most addressed topic and amounts for 15% of all statements. Most statements that addressed this item stem from the Plenary Assembly of the National Council (42%). 'Credit lines' represents the third most addressed topic and accounts for 14% of the total statements made by parliamentarians during the relevant legislative procedure. The highest amount of statements concerning this issue stem from the Council of States' Finance Committee (54%).

Discussion

FINDINGS: The method used and illustrated in the research design claimed to provide three insights: first, to draw an unbiased picture of the aspects that dominated the parliamentary debate; second, to assess a topic's relevance for parliamentarians compared to that of others; and third, to highlight the parliamentarians' de facto bid for influence by revealing if the cornerstones of the public sector management reform are of relevance to them or not.

Overall, one can note that almost 60% of statements made by parliamentarians addressed either issues related to 'Power relations between branches of government', the 'Defusing respectively accentuation of the debt break', or aspects of the 'Credit lines'. These topics dominated the debate on the revision of the Financial Budget Act. Topics related to the cornerstones of the NAM were of lower relevance to parliamentarians. In total, the 7 NAM-related topics highlighted in grey account for only 24% of all statements. For example, the fundamental question whether cash or accrual should be the accounting principle was hardly discussed; only 14 statements - 1% of all statements - addressed this issue. These results show that parliamentarians' bid for influence in the course of the Financial Budget Act's revision focused on other aspects than those concerning the public sector management reform itself.

Considering the different legislative entities involved in the revision of the bill one can hold that although it is the Plenary Assembly of each chamber that ultimately votes on the Financial Budget Act, it is the finance committee of the each chamber which shapes the debate: 62% out of 1'188 statements stem from either the National Council's or the Council of States' finance committee. This finding confirms Lüthi's (1997, p. 69) conclusion that the Federal Assembly's legislative commissions impact the decision-making process to a great extent since their amendments are almost always accepted by the Plenary Assemblies.

IMPLICATIONS FOR THE PROJECT SPECIFIC RESEARCH QUESTION: As its project specific research question this paper illuminated the substantial influence Swiss legislators had on the revision of the Financial Budget Act. Zehnder's (1988, p. 77) empirically founded study about the Federal Assembly's varying influence on legislation would have suggested a low impact - based on Clausen's (1977) classification system of *policy domains* and Lowi's (1972) categorization of the bill's *consequences*. Only Blondel's (1970) approach of considering a specific bill's *importance* for the affected community led to the assumption that there would have to be interventions by the parliament. In this case, parliamentarians intervened enormously by making 20 amendments and thereby influencing also key aspects of the bill. How is it possible to explain the rationale of these various interventions? We argue here that Clausen's (1977), Lowi's (1972) and Blondel's (1970) approaches need to be applied *within* the different facets of a specific bill in order to understand legislator's bid for influence in some aspects and explain their indifference towards other regulations.

Starting with Clausen's (1977) policy domains one can infer that NAM-related topics were not of particular dominance because they all deal with 'government management' issues. According to Lowi (1972) one can explain legislators' lack of interest in these aspects by acknowledging that the NAM cornerstones' consequences produce 'constituent and system maintenance' effects. Blondel's (1970) argument would explain legislators' low interest in NAM-related by the fact that the concrete design of the reform is primarily designated to affect public administration's employees and not parliamentarians.

What triggered political attention and led to a high modification were on the one hand topics that were significant either because of their consequences or their importance for politicians: Statements about 'Power relations between branches of government', 'Defusing respectively accentuation of the debt break', or the 'Credit lines' imply regulative consequences in one or another way and are therefore consistent with Lowi's (1975, p. 132 ff.) analysis. The importance of these topics for parliamentarians can be disclosed by explicating their content: 'Power relations between branches of government' represents an item which mainly includes statements about changing competencies between the Federal Assembly and the Federal Council; it is an expression of a classic struggle for power between different branches of government. Second, the so-called 'Debt Break' represents for most center-right politicians an outstanding political achievement. It came into effect in 2003 and aims at balancing government expenses and revenue in order to reduce the budget deficit. The debt break, thus, limits parliament's financial room to maneuver to a maximum of yearly new debt. The great extent of statements addressing this topic is on the one hand due to attempts of leftist parliamentarians to soften this institution in the course of the bill's revision. On the other hand the vast amount of statements is caused by counter-arguments of the debt break's advocates and their attempts to enshrine a more restrictive use of it. The third topic in this row and the statements categorized under 'Credit lines' deal with the procedure for allotting multiannual financial obligations transparently to the executive - again a discussion about how to retain Federal Assembly's budget authority while providing the executive branch the possibility to plan beyond the yearly budget. In essence, these topics inhere politically contestable issues. This means that they share characteristics which presume an above the average frequency of modification by legislators. The result may therefore be characterized as being consistent with Blondel's (1970) argument. This way of applying the different classification systems allows understanding why there are 'government management' policies which parliamentarians amend.

In sum, one can hold that the debate was one the one hand coined by discussions concerning the allocation of competencies between the different branches of government. On the other hand, the debate over the Financial Budget Act's revision represented a forum where political parties of different ideological stands sought to shape the bill according to their orientation. Considering the 'project specific' research question it can therefore be concluded that politicians had little substantial influence on the public sector management reform since statements concerning NAM-related topics did not change any of the cornerstones that were designed by the public administration itself.

LIMITATIONS: The findings and implications just presented are confined due to the methodological approach and the NAM/Financial Budget Act as chosen objects of in-depth study. The approach undertaken here focused on the analysis of statements made by parliamentarians during sessions in the pre-parliamentary and the parliamentary phase; that is, during the official political decision-making process. The overall forming of the political will where political feasibility is assessed by public managers involves more than the Sounding Board's discussions examined here. Politically relevant actions and decisions made during informal talks as described by Summermatter & Schedler (2009) were therefore not systematically considered. Nevertheless, it can be argued that the picture of the debate presented here accurately maps the political process since debate dominating topics remained the same throughout the legislative procedure and the entities involved.

Another caveat concerns the objects of in-depth study. The NAM and the Financial Budget Act as the corresponding bill to the reform focus on one public sector management reform. Implications drawn from this case need therefore to be treated with caution when trying to draw inferences for other public sector management reforms within Switzerland and outside the country. Yet, the fact that the implementation of the NAM and the complete revision of the Financial Budget Act represent major reforms within the Swiss public administration and the local legal order implies a particular attention of legislators. The case may therefore claim to be an object of study from which essential insights for other public sector management reforms may be drawn. With respect to their transferability to other political systems it remains disputable if these findings apply as well to parliamentary systems where a unification of the executive and the legislative branches exists.

CONCLUSION

This paper examined the substantial influence politicians have on public administration management reforms in order to answer the question of what substantial influence public managers may de facto exert as a consequence of politicians' missing demand. Since any major reform of the public administration apparatus is also linked with changes in the respective legislation, the authors of this paper set focus on the legislative aspect of influence. The NAM and the revision of the corresponding bill served as objects of in-depth study. In particular, we asked what substantial impact Swiss legislators had on the revision of the Financial Budget Act.

Content wise the parliamentary debate on the revision of the Financial Budget Act thematized 17 overall topics. The discussions were overwhelmingly dominated by three recurring issues: 'Power relations between branches of government', the 'Defusing respectively accentuation of the debt break', and aspects of the 'Credit lines'; implying a higher relevance of these topics for parliamen-

tarians compared to the remaining 14 themes. Surprisingly, the common denominator of the debate dominating topics was none of the aspects that one would immediately relate to the NAM. Instead, parliamentarians discussed over issues that can rather be characterized as 'immediate political effects' of the NAM in terms of consequences and importance.

From a policy-oriented legislative research perspective it was noted that conventional research strategies of this field concentrate on significant amendments parliamentarians make in order to measure their influence on the specific bill. Although these approaches represent a reasonable approximation to the center of interest, the very aspect of what substantial impact parliamentarians exert on public sector management reform is left untouched, since amendments may be based on reservations others than those concerning the cornerstones of the reform. Instead, an evaluation of parliamentarians' statements in terms of content and magnitude was proposed in order to satisfy the research interest.

In the end, the urge for determining legislature's influence on public sector management reform is based on the intention to draw conclusions relevant to public managers. In this respect, the analysis leads to two insights. First, due to politicians' missing demand for influence in managerial realms public managers enjoy substantial freedom of action concerning these aspects. The case of the NAM and the revision of the Financial Budget Act illustrated that legislators' interest in the cornerstones of the reform ranged from low to no interest at all throughout the legislative procedure. We therefore conclude, secondly, that when designing public sector management reforms undifferentiated preemptive obedience towards politics excludes feasible options.

REFERENCES

- Berry, F. S. (1994). Innovation in Public Management: The adoption of strategic planning. *Public Administration Review*, 54(4), 322-330.
- Beyme, K. v. (2008). The evolution of comparative politics. In D. Caramani (Ed.), *Comparative politics* (pp. 27-43). Oxford: Oxford University Press.
- Blondel, J. (1970). Legislative behaviour: Some steps towards a cross-national measurement. *Government and Opposition*, 5(1), 67-85.
- Bourmistrov, A., & Mellemvik, F. (Eds.). (2005). *International Trends and Experiences in Government Accounting*. Bodo: Cappelen.
- Bundesgesetz über den eidgenössischen Finanzhaushalt, (2005).
- Bundesgesetz über den eidgenössischen Finanzhaushalt (Entwurf), (2005).
- Bundesrat. (2004). *Botschaft zur Totalrevision des Bundesgesetzes über den eidgenössischen Finanzhaushalt (Finanzhaushaltgesetz, FHG) vom 24. November 2004* (No. 04.079). Bern: Schweiz. Eidgenossenschaft.
- Chan, J., & Xiaoyue, C. (Eds.). (2002). *Models of Public Budgeting and Accounting Reform*. Paris: OECD.
- Clausen, A. R. (1977). Some basic approaches to the measurement of roll-call voting. In D. M. Freeman (Ed.), *Foundation of political science: Research, methods, and scope* (pp. 313-345). New York, NY: Free Press.
- Collie, M. P. (1985). Voting behavior in legislatures. In G. Loewenberg, S. C. Patterson & M. E. Jewell (Eds.), *Handbook of legislative research* (pp. 471-518). Cambridge, MA: Harvard University Press.
- Dearing, E. (1994). Gesetzgebung und Verwaltungsreform. In G. Becker, F. Lachmayer & G. Oberleitner (Eds.), *Gesetzgebung zwischen Politik und Bürokratie* (pp. 22-31). Wien: ÖBV Pädagogischer Verlag.
- Federal Finance Administration. (2008). *NAM - The New Accounting Model of the Swiss Confederation*. Bern: Schweizerische Eidgenossenschaft.
- Jackson, R. J., & Jackson, D. (1997). *A comparative introduction to political science*. Upper Saddle River, NJ: Prentice-Hall.
- Jegher, A. (1999). *Bundesversammlung und Gesetzgebung der Einfluss von institutionellen, politischen und inhaltlichen Faktoren auf die Gesetzgebungstätigkeit der Eidgenössischen Räte*. Bern: Verlag Paul Haupt.
- King, A. (1976). Modes of Executive-Legislative Relations: Great Britain, France, and West Germany. *Legislative Studies Quarterly*, 1(1), 11-36.
- Kreppel, A. (2008). Legislatures. In D. Caramani (Ed.), *Comparative politics* (pp. 157-290). Oxford: Oxford University Press.
- Lamnek, S. (1995). *Qualitative Sozialforschung* (3., korr. Aufl. ed.). Weinheim: Beltz.
- Lijphart, A. (1984). *Democracies: Patterns of majoritarian and consensus government in twenty-one countries*. New Haven (Conn.): Yale University Press.
- Loewenberg, G., & Mans, T. C. (1988). Individual and Structural Influences on the Perception of Legislative Norms in Three European Parliaments. *American Journal of Political Science*, 32(1), 155-177.
- Loewenberg, G., & Patterson, S. C. (1979). *Comparing legislatures: An analytic study*. Boston, Mass.: Little Brown.
- Loewenberg, G., Patterson, S. C., & Jewell, M. E. (1985). *Handbook of legislative research*. Cambridge, MA: Harvard University Press.

- Lowi, T. J. (1972). Four systems of policy, politics, and choice. *Public Administration Review*, 32(4), 298-310.
- Lowi, T. J. (1975). Ein neuer Bezugsrahmen für die Analyse von Machtstrukturen. In W.-D. Narr & C. Offe (Eds.), *Wohlfahrtsstaat und Massenloyalität* (pp. 132-143). Köln: Kiepenheuer und Witsch.
- Lüder, K., & Jones, R. (2003). *Reforming governmental accounting and budgeting in Europe*. Frankfurt am Main: Fachverlag Moderne Wirtschaft.
- Lüder, K., & Jones, R. (Eds.). (2003). *Reforming governmental accounting and budgeting in Europe*. Frankfurt am Main: Fachverlag Moderne Wirtschaft.
- Lüthi, R. (1997). *Die Legislativkommissionen der Schweizerischen Bundesversammlung: Institutionelle Veränderungen und das Verhalten von Parlamentsmitgliedern*. Bern: Haupt.
- Montesinos, V., & Vela, J. M. (Eds.). (2002). *Innovations in Governmental Accounting*. Boston: Kluwer.
- Olson, O., Guthrie, J., & Humphrey, C. (Eds.). (1998). *Global Warning! Debating International Developments in New Public Financial Management*. Oslo: Cappelen.
- Pallot, J. (2006). Financial Management Reform. In S. Newberry (Ed.), *The Legacy of June Pallot*. Greenwich: Information Age Publishing.
- Pollitt, C., & Bouckaert, G. (2004). *Public management reform: a comparative analysis* (2nd ed.). Oxford: Oxford University Press.
- Polsby, N. W. (1975). Legislatures. In F. I. Greenstein & N. W. Polsby (Eds.), *Handbook of political science* (pp. 257-317). Reading, Mass.: Addison-Wesley.
- Rockman, B. A. (1985). Legislative-executive relations and legislative oversight. In G. Loewenberg, S. C. Patterson & M. E. Jewell (Eds.), *Handbook of legislative research* (pp. 519-572). Cambridge, MA: Harvard University Press.
- Schedler, K., & Knechtenhofer, B. (2000). *Neues Bundesrechnungsmodell. Schlussbericht*. St. Gallen: IDT-HSG.
- Schweiz Bundesamt für Justiz. (2007). *Gesetzgebungsleitfaden Leitfaden für die Ausarbeitung von Erlassen des Bundes* (3., nachgeführte Aufl. ed.). Bern: BBL Vertrieb Publikationen.
- Spitzer, R. J. (1983). Presidential Policy Determinism: How Policies Frame Congressional Responses to the President's Legislative Program. *Presidential Studies Quarterly*, 13(4), 556-574.
- Stake, R. E. (1995). *The art of case study research*. Thousand Oaks, Calif.: Sage.
- Stata, R. (1989). Organizational learning – the key to management innovation. *Sloan Management Review*, 30(3), 63-74.
- Summermatter, L., & Schedler, K. (2009). *Understanding management innovation in the public sector: path dependent and random decisions in accounting reforms*. Paper presented at the 25th European Group for Organizational Studies (EGOS) Colloquium.
- Yin, R. K. (2009). *Case study research design and methods* (4th ed.). Thousand Oaks, Calif. <etc.>: Sage.
- Zehnder, E. (1988). *Die Gesetzesüberprüfung durch die schweizerische Bundesversammlung: Untersuchung der parlamentarischen Veränderungen von Vorlagen des Bundesrates in der Legislaturperiode 1971 bis 1975*. Dissertation, Universität St. Gallen, Nr. 1060. Entlebuch: Huber Druck AG.