

DIIS REPORT

**MANAGING FOREIGN AFFAIRS:  
A COMPARATIVE PERSPECTIVE**

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## **Abstract**

The conditions for managing foreign affairs have changed dramatically since the cold war. During the same period Ministries of Foreign Affairs have lost their traditional status that to a large extent set them apart from the rest of central government. They are now public service organisations being confronted with the same demands for good and effective management as other governmental institutions. The new situation has inspired a systematic effort to modernise their management systems. This effort has been particularly strong where the Ministry of Foreign Affairs has had to manage cut-backs in financial and human resources. This e.g. has been the case in Denmark and the United Kingdom. The report compares modernisation initiatives and preliminary experience for the Ministries of Foreign Affairs in six West European countries. It shows how managerial reform has strengthened the documentation of MFA activities, and also how it has strengthened both managerial and political accountability within foreign affairs.

## **Introduction**

Government departments are at the heart of government. They provide policy-makers with information and advice and are at the same time responsible for policy implementation. Therefore, there is a strong interest in their operation. For one thing, they are expected to have an organisation that is capable of meeting the many demands confronting civil service organisations in terms of efficiency and effectiveness, accountability and responsiveness. Another expectation is that they should apply managerial methods which bring out the best in the organisation and its staff, at both the managerial and operational levels.

These are classic concerns, but in recent years it has been increasingly acknowledged that organisation and management should go hand in hand, and that good public management is only possible if individual incentives and managerial controls operate within an institutional setting that creates an inspiring and motivating environment for the staff. This is even more important, since a substantial number of the organisations and their staffs who are ultimately responsible for the delivery of public policy are far removed from executive leadership in organisational terms.

Reforms of government organisation and management must balance the general demands of government against the particularities resulting from extreme variations in tasks and in political and social environments. It is not easy to balance these demands against each other. The conclusion has often been that there is a fundamental difference between the demands facing ministries of foreign affairs and their diplomatic organisation on the one hand, and domestic administrations responsible for government regulation, the provision of public services and financial management on the other. But even if any attempt to improve the management of public policy has to pay due respect to this and other fundamental differences in matching tasks, organisation and management, it is also true that all branches of government are now being confronted with a common demand to improve performance and document it. Managers are held accountable for this, and in parliamentary systems the political executive may at any time see itself forced to answer for the decisions – and mistakes – that are made at some point in the long chain of delegation which they head.

This development has brought about a wave of reforms in most governmental systems. Even if they share common features in terms of rhetoric and formal

rationales, it is not always clear how these reforms relate to each other, nor to what extent they have actually produced the benefits predicted at their launch. A common problem is that government and administrative reform takes time to implement, and if new changes in policy are initiated before the effects of the first wave of changes have settled down, it is difficult to come to definitive conclusions as to their effects.

This problem is highly relevant to the present evaluation of the steps taken towards the modernisation of the Danish Ministry of Foreign Affairs (MFA) since the early 2000's. Since then a wide range of modernisation policies have been under implementation. Upon request from the Ministry of Finance, the Danish MFA – like other Danish ministries – published for the first time in January 2004 an Efficiency Enhancement Strategy outlining the next steps for continued organisational reform. The goal of the present report is to take preliminary stock, but as it is still much too early to say anything about its precise effects, a comparative strategy has been chosen by including other MFAs. In this report we systematically compare the reform initiatives taken within the Danish Ministry of Foreign Affairs with those taken in other countries in Western Europe, namely in Finland, Norway, Sweden, the Netherlands and the United Kingdom (UK). They are, with the exception of the UK, all small countries and, with the exception of Norway, all members of the European Union (EU). This allows us to conduct a comparative evaluation of the modernisation efforts that is based on a basic 'most similar systems' approach. However, as both Norway and the UK are among the countries being compared, it is possible to control for both institutional affiliation to the EU (Norway) and capacity (UK).

It is not our intention, nor would it be possible, to establish a distinct best practice. First, it is an acknowledged fact that there are several forms of organisation and managerial procedures and systems which actually work. Secondly, the modernisation of MFAs is a relatively novel and ongoing process. Therefore, it would have been next to impossible to collect the kind of data needed to draw more robust conclusions as to which practice, system or country might do relatively better in a specific context.

## Data and Method

The present report is based on detailed answers to a questionnaire that was sent to the six MFAs in the summer of 2005 (see appendix) as well as on discussions at a follow-up workshop on the “Modernisation of Foreign Services” in September 2005 with representatives of the six MFAs and the OECD (see appendix). A draft report was subsequently forwarded to the six MFAs involved for factual comments before the final version was drawn up. The final edition has been revised to meet the suggestions received from them, but needless to say, the authors of this report bear the sole responsibility for its contents, and its viewpoints cannot in any way be attributed to any of the MFAs which have participated in the project.

The analysis proceeds in several steps. It starts with a discussion of the background to managerial reform and organisational modernisation, which makes a distinction between changes in the international context and changes in the domestic setting for reform. The point is that the conditions for conducting foreign policy have altered dramatically in recent years, including changes unrelated to the end of the cold war or other international political developments. A further point is that foreign services are no longer permitted to isolate themselves from domestic agendas for administrative reform and the modernisation of public sector governance. The strategies for change and reform have to be seen in this light.

Against this background the report focuses on four aspects of national efforts to modernise the management of foreign affairs:

1. The instruments of performance or results management.
2. Decentralisation and delegation, including the allocation of tasks to missions abroad.
3. Foreign affairs in the information age.
4. Principles for the organisation of foreign services operating in a world marked by rapid and abrupt changes on the one hand and closer, institutionalised cooperation among European nations on the other.

The report concludes with a discussion of the conditions under which the managerial reforms are being implemented. As we see it, modern foreign services can no longer be seen as solely the institutional framework for sovereign representation. They are now the advance posts of an administration where the borderline between domestic and international tasks and responsibilities is becoming increasingly blurred, and where public service provision is a high-ranking task, even for ministries of foreign affairs.



## **The International Context: Adaptations to the Post-Cold War World**

### **Policy Adaptations**

The last decade and a half has seen remarkable changes in international politics. The international system has become unipolar, dominated by the United States. In Europe, traditional national security concerns have vanished since the Cold War, as no country needs to fear for its direct military security in the foreseeable future, and EU cooperation has deepened and widened to an unprecedented degree. At the same time new issues of international order and security have come to the fore, most importantly the need to create a new post-Cold War order in Europe and – after September 11 – to handle the security challenge from international terrorism. More broadly, globalization has added novel problems to the foreign policy agenda: mass immigration, economic competition from surging Asian economies, the implications of mass tourism, etc.

This new international system poses major challenges for the six governments in this study. One is finding a proper balance between bilateralism and multilateralism. Bilateral relations with the remaining superpower have become more central, and in the evolving EU polity of 25+ members bilateral contacts are increasingly crucial for coalition building. At the same time the major international problems of the day – terrorism, anti-proliferation, international security, globalisation – only seem manageable through multilateral effort. A specific complication is the preference of the superpower for acting unilaterally or in narrow coalitions, which leaves governments with a choice between acting with the super-power and sticking to the multilateral path. When questioned, the six MFAs see no significant change in the balance, or, if at all, rather a slight shift towards more multilateralism because of the increasing linkage between issues. Still, three countries – the UK, the Netherlands and Denmark – have associated themselves closely with the United States, especially after September 11; in the test case of Iraq, the UK and Denmark chose the small war coalition, with the Netherlands offering political support, while Finland, Norway and Sweden stayed on the multilateral course.

Another challenge of the new system is the risk for smaller nations of being forgotten or sidelined. For instance, the Nordic countries are no longer interesting in geostrategic terms *per se*. This creates pressures for a more active foreign policy on the part of the smaller states, either in multilateral settings or in a

national 'niche' or 'special project', if they want to avoid marginalization. This risk of marginalization obviously applies less to the UK, but it is not absent from its EU policy.

For this reason, and because of their interest in regional order, the five smaller countries in our survey have been active, though to varying degrees, in creating and maintaining a stable post-Cold War order in Europe. Denmark, Finland and Sweden especially were active from the very beginning in helping the Baltic countries to independence and later integration into international society, but as the only Nordic member of both NATO and the EU, Denmark became the prime advocate of their integration. Sweden and Finland entered the EU in the 1995 process of enlargement, thus adding an important new dimension to their foreign policy agenda. Finland chose an active core position in the EU, making this position a key part of Finnish foreign policy, while Denmark and Sweden sought a less centripetal EU role outside the Euro and (for Denmark) also the military side of ESDP (European Security and Defence Policy).

All six countries were heavily involved in peace-keeping and peace-making in the Balkans, under both UN and NATO flags, and four (UK, NL, DK, NO) took an active part in the Kosovo War of 1999, while (ex-)neutral Sweden and Finland stayed out. This development resulted in a certain 'militarization' of foreign policy, and in varying degrees national defence forces were transformed from territorial defence forces into expeditionary or intervention forces. Britain was the role model in this process, which started earlier and was probably more thorough in Denmark than in the other four countries. As a corollary the various ministries of defence gained increased access to the foreign policy process, especially its implementation side, leading to a certain domain loss on the part of MFAs. Similarly, since the 1970s the increased importance of EU summitry has led to the gradually increasing involvement of prime ministers and their offices in international affairs.

Finally, all six governments have been affected by developments since 9/11. Four (DK, NL, NO and UK) were involved in *Operation Enduring Freedom* in Afghanistan and two (DK and UK) followed suit by joining in the war coalition against Iraq.

As mentioned, finding a 'niche' may be a natural response for smaller states, who cannot – like the UK – be active over the whole range of international

issues. Among our six countries the clearest case is Norway – the so-called ‘different country’ (*Anderledeslandet*) – which since the end of the Cold War has specialised in a highly regarded policy of mediation and conflict-resolution in third-world conflicts. Finland has been active in this role as well, but her most important niche is in being a core member of the EU. For Denmark, the promotion of the new Baltic states and subsequently her close association with the US in three wars (Kosovo, Afghanistan and Iraq) have been the preferred niches. The Dutch niche is the promotion of an international legal order, a goal that is inscribed in the Dutch Constitution.

### **Organisational Adaptation**

A prominent feature of contemporary international politics is the increasing linkage (‘lumping’) of issues, which has made the traditional compartmentalization of foreign policy into security, economic welfare and development issues less relevant. Both globalisation and the deepening of EU integration are contributing to linking previously separate issues into inseparable issue-complexes. All governments sense the linkage problem, but their responses in terms of organisational adaptation have not been uniform. Some countries have reacted by re-arranging their MFA organization along geographical lines on the assumption that such organisation is better suited to handle both complex and unforeseen issues, while others have sought an organization along new functional lines, defined by the new ‘lumps’ of critical issues, such as terrorism, etc. Another reaction to linkage is the attempt on the part of MFAs to centralise external relations under their aegis further by taking over portfolios from other ministries, most commonly by integrating development cooperation into the MFA and by concentrating trade policy there.

Denmark is a clear case of geographical re-organization, introduced in 1991 to replace a long-standing functional structure. A certain (re-)centralisation took place in 2001, when part of environmental development assistance, which had been placed under the Ministry of Environment in the 1990s, was reintegrated into the MFA’s development organization (DANIDA). On the other hand, a functional element was reintroduced in 2000, when all trade issues were combined in a Trade Council of Denmark by transfers from other ministries, especially from the Ministry of Economic and Business Affairs. One reason for breaking the geographical pattern in creating this functional unit may have been its character as a specialised body. It has its own board of directors, exclusively made up of people drawn from the private sector, in order to facilitate close contacts to that sector.

The Trade Council's activities are partially financed by fees paid by firms for export assistance. The Ministry of Economic and Business Affairs and the Ministry of Food, Agriculture, and Fisheries each appoint observers to board meetings.

The Finnish MFA was reorganized in 2003, when a number of so-called 'new' departments (for Europe, the 'East', America and Asia, Africa and Middle East, and Global Affairs) were set up (or rather elevated from division status). These geographically defined departments now have the overall responsibility for Finnish external relations as well as for policy coherence. However, the 'old' functional departments for political, economic and development cooperation have been retained in order to ensure policy coordination and provide support for the regional departments, the result being described as a (too) top-heavy organisation. As in Denmark all trade affairs have been centralised, in this case in the Department for External Economic Relations of the MFA.

The Dutch MFA was reorganized in 1996 by merging the Department of Development Cooperation into it, the rationale being the integration of organizational, political and financial operations. In the process the MFA became responsible for the allocation of all budgets for international cooperation, including those of other ministries (e.g. for peacekeeping, export promotion and CO<sub>2</sub> reduction). The basic MFA structure has remained functional, with DGs (Directors-General) for European Cooperation, Political Affairs, International Cooperation, Regional Policy and Regional Affairs and – reflecting the Dutch tradition of promoting an international legal order – the International Criminal Court. At the department level there is a mixture of regional policy, 'policy theme' and multilateral departments. At the moment, a new unit is being set up to deal specifically with terrorism and other 'new' threats.

The Norwegian MFA was reorganized in 1991, when the Ministry of Development was merged into the MFA, and again in 2005 when NORAD (Norway's Agency for Development Cooperation) was integrated into the MFA, which now took over responsibility for development aid and for the nineteen missions previously administered by NORAD. The present structure is both geographical and functional, with divisions (*avdelinger*) for Europe, Security, and Bilateral Relations (US/Canada; Russia/SNG).

The Swedish MFA is led by three ministers, the Minister for Foreign Affairs, the Minister for International Development Cooperation, and the Minister for

Migration and Asylum Policy. The organisation is mainly geographical, but with strong functional departments, such as for trade issues and 'Global Security'.

Finally, the UK Foreign and Commonwealth Office (FCO) is organized along mixed functional and regional lines (eight regional directorates, three to four functional directorates). However, the FCO's policy portfolio is now explicitly based around its eight Strategic Priorities (see below) plus Public Service tasks (visa, consular affairs, foreign trade) rather than geographically oriented.

Perhaps the most consequential factor for both policy and organisational change has been globalisation. Its main effect has been the elevation of consular and business services, traditionally the step-children of diplomacy, to prime rank. Trade policy, assistance to businesses and the encouragement of foreign investment have been centralized in strong trade councils in several countries (e.g. DK, FI) in order to meet increased competition on world markets. And in all of them consular services, both visa administration and assistance to nationals (tourists), have entered centre stage; thus the status of the Danish Consular Services Department was elevated in 2003 by the creation of a new post of Undersecretary for Consular Services, who reports directly to the Permanent Secretary of the MFA. The increasing focus on visa administration is a response to the rising numbers of visa applications as well as domestic conflicts over mass immigration, while assistance to nationals and giving travel advice is driven by rising numbers of tourists overseas, some spectacular cases of need (Bali, Sharm el-Sheikh, the Tsunami) and, in general, a growth in consumerist attitudes towards public institutions – all prompted by vigilant mass media with a critical view of their MFAs. As a result, crisis management in the case of natural disasters, acts of terrorism etc. affecting nationals abroad has become a major MFA responsibility, which has led to the preparation of contingency plans and the setting up of crisis teams in all six MFAs.

### **Foreign policy missions and visions**

Finally, the character and language of foreign policy has changed. Traditionally foreign policy has been understood as the protection and promotion of national interests (mostly understood as security and welfare), though often with a sprinkling of idealistic goals such as a just world, etc. Since the end of the Cold War, which ensured the predominance of Western values, 'value promotion', or the attempt to transfer nationally held values on to the world at large, has assumed a more prominent role in foreign policy. The active promotion of values such as

democracy, freedom and good governance was first reflected in the development policy of Western countries, but it has now spread to foreign policy in general.

This focus on values – on ‘what we stand for’ – is one reason why most MFAs have now produced ‘mission statements’, ‘visions’, statements on ‘core values’ or the like. Another, perhaps more important reason, discussed below, is that such statements are crucial elements in the philosophy of public sector modernisation in general. Terminology varies, as do formation processes and their roles in policy-making. Usually these statements result from intense departmental consultation with subsequent political approval and may thus be regarded as authoritative expressions of MFA goals. In character, mission statements, visions etc. are short ‘capsule’ statements of overall goals and hence likely to be rather general and similar across countries – not accounting for the possibility of emulation. But as they are undoubtedly formulated with great care and circumspection, even small differences count. For instance, it is, with some caution, possible to discern ‘traditional’ and ‘modern’ elements in them. The ‘traditional’ version views foreign policy as the promotion of the interests of the nation state, that is, it gives a priority to the promotion of *interests*, has *national* referents, and sees the *state* as the main referent of foreign policy. The ‘modern’ version, on the other hand, sees foreign policy as the promotion of interests as well as *values*, has national as well as *international* referents, and has the state as well as *businesses and ordinary citizens* as its referents.

The Danish mission statement was formulated in 2003 as part of the internal process of modernisation. It was produced by a working group of representatives from all branches of the MFA and was subsequently approved by the senior management and the political executive, together with an eight-point vision. Its role is presented as “the strategic foundation for goal and results management” in the MFA, together, of course, with government priorities. The statement is value-heavy (“to work for Denmark’s interests and values in relation to the surrounding world”); it is both national (“Denmark’s ... values”) and international in its referents (“a more peaceful and just world with development and economic growth for all”), while the more operative eight-point vision is more nation-focused (to promote Denmark’s international influence, help Danish citizens and businesses, provide quality aid). Finally, like the vision the mission statement refers not only to the state’s interests but also to the “freedom, security and welfare of Danes”. It is thus pretty ‘modern’, including in being the only one which speaks of the promotion of *national* values abroad.

The Finnish mission statement, together with a 'Vision 2010', was formulated 2002/03 in the course of the strategy process, while a 'core values' formula is under preparation. The Finnish mission statement differs by having Finnish *citizens* rather than the state as its referent (to "promote the security and prosperity of Finnish nationals") and by a heavy emphasis on international solidarity and peace based on values (termed "principles"), such as democracy, equality, respect for human rights, sustainable development and the rule of law. The MFA Vision 2010 mostly refers to MFA performance goals. The Finnish mission statement is therefore clearly 'modern'.

The Dutch mission statement was introduced along with the presentation of the MFA budget to Parliament in September 2004 in connection with other changes in the presentation of the budget. It is therefore not part of a modernisation process as such, but was drafted by the MFA's Communication Division. The Dutch statement speaks of interests only (to "promote the interests of the Kingdom", etc.), but accords a prominent place to normative internationalist goals, such as promoting the international legal order and building a safe, stable and prosperous world ("We are dedicated to eliminating conflict, poverty and injustice"). It also refers explicitly to the task of assisting Dutch citizens, businesses and institutions abroad. Finally, it specifically mentions the goal of shaping the future Europe and ensuring that the Netherlands speaks with one voice in European policy.

The mission of the Norwegian MFA is stated in the Foreign Service Act (latest revision 2002) and is 'traditional' in its exclusively national orientation, but 'modern' in its heavy emphasis on citizen service (to "further Norway's interests abroad and assist citizens abroad ... in their dealings with foreign authorities..."). The mission statement is presently under review in connection with the modernisation of the MFA, launched in 2005.

The UK equivalent of a mission statement is a general 'purpose statement' formulated in 2002 by a focus group including staff at all levels and was subsequently approved by the FCO Ministers. Four 'values' were also agreed as part of that process. In December 2003, the FCO published its *UK International Priorities*, a comprehensive policy document covering the period until 2015 and setting out eight such priorities. This document reaffirmed the purpose statement but, although consistent with the values, did not restate these. The eight priorities are: anti-terrorism and anti-proliferation; international crime, including illegal immigration; the international legal system; an effective EU; UK economic

interests; sustainable development with democracy, good governance and human rights; energy security; and the Overseas Territories. Providing high-quality public services is a priority in its own right. Finally, the FCO's Public Service Agreement (PSA) with the Treasury (see below) contains four 'agreed objectives for 2003-06.'<sup>1</sup> The purpose statement is quite short ("to work for UK interests in a safe, just and prosperous world"), while the PSA is more detailed (to promote the security of the UK in a safer, more peaceful world; to improve prosperity in the UK and worldwide; to promote a strong role for the UK in Europe; and to ensure security and the good governance of Overseas Territories). As a whole, the UK statements are fairly traditional, with it's a focus on national interests, though with an important element of international interests and values. They are also traditional in the sense that they only refer to the state's interests.

Taken as a whole, the various mission statements are rather abstract and general. However, their introduction reflects a felt need for a clarification of organisational goals in a changing international and national environment, in which the role of MFAs are being questioned. Prominent new features are the emphasis on citizen service and on values, both the new 'Western' values and the old, 'international society' values.

<sup>1</sup> These have been superseded by the PSA for the financial years 2005–2008; see <http://www.fco.gov.uk/Files/KFile/SR04PSATechnicalNote.pdf>



## **Public sector modernisation and foreign affairs**

### **Models for modernisation**

The improvement of public sector governance is constantly on the policy agenda of democratic governments. The diagnoses behind these reform efforts have varied over time, as have the prescriptions. Still, it has been a common concern of most of these efforts to change the conditions for executive leadership and administrative management. The common goal is to improve efficiency and effectiveness without compromising democratic accountability. Traditionally, such reform efforts have mainly been structural, the rationale being that formal organisational structure is the key to obtaining benefits in these respects. Even if structural change is still seen as an important strategy of change (see above), a shift took place during the 1990s. The general idea now is that the managerial process and incentives at both the organisational and individual levels provide a more subtle key to modernisation and eventually to better performance and results. In this reform thinking, it is now also acknowledged that there is the potential for a transfer of experience and learning from private to public management.

Efforts to modernise public management have been initiated at the central level. In many Western democracies the ministries of finance (or a central organisation with similar responsibilities) have developed ideas as well as more specific templates to be adapted by departmental ministries and by the specialised authorities and institutions within their portfolio. Even if terminology varies, these initiatives, taken at the central level of government, cover common ground. Their general idea is to shift the focus from inputs to performance and results, preferably expressed in quantifiable terms that allows for ex-post monitoring of goal fulfilment. Illustrative examples taken from the Danish MFA's annual report for 2004 are the specification of Danish policy goals in international forums, the goal of avoiding criticism from national auditors, and the goal of improving access for citizens to Danish missions abroad. But it is also clear that performance management or performance for results is "more than simple performance measurement and it implies that performance targets should be driven by strategic planning and should inform a wide variety of policy and management decisions" (Moynihan 2005: 220). This linkage between performance measurement and strategic management is relevant in every comparison of the countries involved. Two distinct models for linking systematic performance monitoring to managerial procedures stand out:

1. One model focuses on developing a comprehensive system of contractual management, where the top management and, in the last instance, the political executive negotiates management contracts with lower-level managers, and especially the management of authorities and institutions that are formally separate from the executive department. A variant of the model involves, in addition, a shift from traditional civil service pay and tenure to remuneration systems that put a premium on performance according to the goals stated in the contract, and on limited term appointments (Christensen 2003).
2. The other model relies on strategic management methods. The idea is that departmental ministries should set up a systematic procedure that identifies strategic priorities and objectives in the medium term. These objectives will then provide guidance for lower-level managers, and especially for the management of authorities and institutions which are organisationally separate from their mother departments. In its pure form, this model conforms to classic civil service ideals of appointments with fixed pay and tenure.

### **The accommodation of domestic pressures**

These models are important because one hypothesis underlying our analysis is that the specific changes undertaken by some ministries of foreign affairs may have been designed to implement a government-wide model of modern management developed by central bodies, typically ministries of finance, in other words, that change is a response to direct demands. A related hypothesis is that administrative modernisation is the executive and managerial response to indirect stimuli, namely in situations where a ministry of foreign affairs is confronted with demands for budgetary and staff cuts. In this situation a natural response may be initiatives not only to strengthen management, but also to introduce procedures which strengthen the linkage between inputs and performance or results. Such a strategy can rely on a double rationale. First, it is worth pursuing because departmental management has a strong incentive actually to tackle the problems which budgetary cuts and staff reductions confront them with. If they are not able to take proper steps in this direction, their department may have difficulties in meeting policy demands from government and parliament, and, what is more, the departmental management places itself in a vulnerable position that might ultimately threaten its reputation and eventually the careers of its members. Secondly, models developed and propagated by central departments

like ministries of finance provide standards for good management. For departmental managers there is a double incentive to pay attention to these standards or ideal models for good governmental management: it demonstrates their commitment to tackling their problems. By adhering to a centrally set standard, they further indirectly involve ministries of finance in developing a solution to these problems. The implication is hardly that they can rub off responsibility for any implementation problem or failure on to the ministry of finance. But by following their lead, they have created a common setting for handling any problems. A more general and related strategy is that managerial reforms across government take very similar forms because the centrally set standards provide the appropriate model. Departments that live up to them demonstrate their ability to keep abreast of the latest developments and may thus actively improve their acceptance with key policy-makers and possibly also with the wider circle of external stakeholders.

### **Coping with resource constraints**

The six ministries of foreign affairs have found themselves confronted with very different situations when it comes to their resources. First, they have very different sizes. The comparatively high resource capacity of the UK Foreign and Commonwealth Office is due to the country's role and ambitions on the international scene and, of course, to the larger capacity of a country of its size. But the remaining countries show similar variation in resources and staff. This even holds good if differences in policy responsibilities under the MFA portfolio are controlled for.<sup>2</sup> Even if these corrections are methodologically difficult, it seems clear that the various ministries dispose of very different resources. A comparison involving the five smaller countries (Denmark, Finland, Norway, Sweden and the Netherlands) shows that in 2003 the Dutch MFA had a total staff of more than 5000 full-time equivalents. Finland and Sweden similarly had staffs of 3000- and 3000+, respectively. The Danish and Norwegian MFAs each counted some 2400-2500 full-time equivalents.<sup>3</sup>

<sup>2</sup> Besides classic diplomatic responsibilities, export and trade promotion, consular services and development aid are included under the consolidated MFA-portfolios. The corrections involved in this consolidation rest on fragile ground, as it is difficult to take into consideration, e.g., differences in the emphasis on multilateral and bilateral aid, or in the use of external contractors for the delivery of foreign aid and development projects.

<sup>3</sup> These figures are derived from figures collected and calculated by Deloitte for the Danish MFA. The Norwegian estimate includes NORAD, the development agency that is organisationally separate from the MFA.

For the present analysis, it is more relevant to look at changes in the resources and staff allocated to the foreign services. Relative change in staff resources is a valid indicator of the resource constraints that afflict departmental management and especially the stress put on its leadership capability. For all countries total staff has fluctuated over the years. Basically, however, they fall into two groups. Finland, Norway and the Netherlands have all seen some expansion of their staffs over the last ten to fifteen years. Denmark and the UK, by contrast, have gone through periods of staff reduction involving cutting back on management. The managerial challenge involved has been that much greater, as it affected staff interests at all levels of the MFA. Still, the two patterns partly differ. While the British FCO experienced relatively severe cuts of altogether some 25 per cent during the 1990s, figures have been stable since then. But the Treasury has now announced new cuts to be implemented in the coming years. For the FCO the implication is that of the some 400 employees who will retire up to 2011, only half will be replaced. In the Danish case the MFA enjoyed some expansion during the 1990s, but in the budget for 2002 and the years immediately following, the ministry reduced its workforce by some 250 full-time equivalents. The implication is that in some of these countries departmental management has been responsible not only for engaging in cutting back management, but also had to ensure that the departmental apparatus and the missions remained capable, during and after this period of cuts, both of delivering policy and of minimising the risk of being trapped in situations involving unexpected problems, deficient management or a combination of both.

Thus the political executives and their departmental advisors in both the British and Danish MFAs have had to combine cut-back management with an organisational development ensuring the organisation's continued capacity to deliver results at a level of performance beyond political criticism and basically unchallenged by ministries of finance and national auditors. Although not explicitly linked to budgetary cuts and staff reductions, the MFAs in both countries have gone through systematic modernisation projects where the organisation has been adapted to the challenges of a more complex environment at the domestic and international scene. So have Finland and the Netherlands. While the Norwegian MFA, at least up to now, has maintained a stable organisation without dramatic changes in managerial philosophy, the Swedish MFA is presently going through a stage of internal probing in which the departmental management, together with the staff, evaluates needs and explores potential strategies for the future.<sup>4</sup>

<sup>4</sup> *En modern utrikesförvaltning [A modern foreign affairs administration]*, Utrikesdepartementet, May 2005, is a first report on the intra-departmental process.

It is difficult to establish a direct link between the resource stress that has been relatively stronger in two of these countries (Denmark and the UK) and the scope and implementation of managerial reform. For one thing, they are not the only countries to have undertaken such reforms, and, what is more, their specific initiatives to strengthen the management of foreign affairs do not follow exactly the same path. Rather, in practice the British and Danish MFAs have demonstrated their basic preference respectively for model 2 and model 1 described above, with Finland presently engaged in a process which to all practical purposes is close to the Danish model.<sup>5</sup> The other countries that have engaged in or are on the brink of starting managerial reform seem to prefer models that mix elements of the strategic management model with contractual management. The implication is that, by allowing for the special character of foreign affairs, individual countries tend to adapt the models that prevail in their respective countries at the time of their reform.

Most attempts at managerial modernisation have been directed at the domestic administration and organisations responsible for the delivery of domestic services. Their prime focus has been the provision of welfare services, regulatory reform and administration, as well as a general shake-up of public service utilities. In an OECD perspective, it is rather novel to see these efforts being transferred and applied to MFAs and the management of foreign affairs.<sup>6</sup>

<sup>5</sup> The two models are analytic constructs: real-world organisations often have traits of both models.

<sup>6</sup> This point was made by Dr Teresa Currstine of the OECD at the Copenhagen workshop on the modernisation of foreign services. See also OECD 2005.

## Strategies of MFA Modernization

Even though some of the responses to our questionnaire on MFA modernisation insist that the process has been self-initiated, self-contained and independent of external stimuli, the modernization of MFAs and other public institutions takes place within a broader political, economic, technological and cultural context. The inborn conservatism of institutions in general, and MFAs in particular, indicates that external stimuli may be an important, often necessary pre-condition for MFA leaders to modernize, whether this is done proactively or reactively. Still it is important to emphasize that there is no direct causal link between such external stimuli and modernisation. Change only results if decisions are taken at the top executive and management level. Consequently, the process of modernization is most probably the outcome of an interaction between external stimuli and self-initiated action to cope with internal stress or malfunction and launched in order to improve organizational performance, diminish rank-and-file dissatisfaction or forestall external demands for increased effectiveness.

External stimuli can take many forms (besides those of the international system discussed above): 1) *direct* demands for modernization or change from the political leadership, parliament or the general public; 2) *indirect* stimuli from interdepartmental competition, reduced budgets, changing government priorities, a change in the international setting, etc.; 3) *indirect stimuli* from technological or scientific changes; and 4) *indirect stimuli* from a strong public interest in the way the MFA is conducting its tasks. With respect to self-initiated modernization, the pertinent factors seem to be internal malfunction and discontent, organizational imperialism, leadership drive and ambition, and emulation. It is, however, noticeable that in general parliaments do not seem to have played any direct role in demanding or initiating reform.

Our data do not permit a definite analysis of the genealogy of the six modernization processes. One general observation can be made, however, namely that modernization processes involving change in organizational structures are almost always started by government initiative and carried out under government auspices, while processes focusing on 'technical' adaptations or internal modernization processes more often originate in the organizations themselves, mainly in their top managements. This finding does not imply a lack of interest by the government in the inner workings of the MFA, but rather indicates that

government intervention is most likely to occur in cases of conflict or blatant failure. The reaction to the 2004 *tsunami* illustrates this well.

In the case of Denmark, the major structural change of 1991 was initiated by the government in order to streamline the organization for the challenges of the post-Cold War environment, and it was hammered out by a royal commission chaired by the Minister of Foreign Affairs, before it was adopted by Parliament. By contrast, the creation of the Danish Trade Council in 2000 was decided by the Government, later being endorsed by Parliament and passed into law with an active role for the top managements of the ministries involved. For the MFA the prospect of portfolio expansion probably played a role here at a time when its turf was being challenged. Business interests were also involved in the process, leading to the creation of the Council. Finally, the present modernization process was initiated by the MFA top management in 2001, but it became embedded in the government's general modernization programme of May 2002 (to which it has served as a kind of inspiration). As mentioned above, an important indirect spur to the MFA process was sizeable budget cuts amounting to about 21 percent over the last four years (2001-2005), forcing the top management to rationalize where possible in order to protect core tasks, expand some classic but until recently more mundane tasks, and to take on new ones. One prominent example is citizen service, which has been given higher priority after severe criticism by the public and the media over the MFA's handling of various crisis situations. Likewise, a general trend towards greater openness on the part of the MFA has been spurred by demands in the press and academia.

The recent structural re-organisation of the Finnish MFA (2003) was initiated by a new government, among other things in order to prepare Finland for her taking over the EU Presidency in 2006. The internal modernisation process was launched in 2001 by an MFA report to Parliament, whose Foreign Affairs and Finance Committees expressed strong support, but also called for improvements in the Ministry's management processes and organization. As in Denmark, the modernization process is embedded in an overall reform of the central administration. Budget cuts do not seem to have occurred, but external developments, such as the end of the Cold War (which ended Finland's dependency on her eastern neighbour) and her membership of the EU from 1995, have provided strong incentives for changes in Finnish foreign policy and its organization and internal procedures.

The Dutch structural re-organization of 1996 took place under the direction of the Cabinet. The internal modernization process initiated at the same time was reinforced by the general introduction of result-based budgeting by the government in 1999 and will presumably be spurred on further by the general introduction of outcome indicators in the budget as from 2006. The Dutch MFA modernization process thus seems to go hand in hand with overall government reform.

Norway has carried out certain organisational changes over the years, most of which were initiated by the political executive. Until recently there has been no major debate or demand for MFA reform or reorganization in Norway, which as a rich country has had little incentive to cut down on its MFA's budget. However, in the summer of 2005 both the Foreign Minister and the MFA's new Secretary-General committed themselves to change and modernization, giving the MFA "a brand new mandate to reorganise (the) Foreign Service according to the best trends of modern public administration" – a formula that indicates a willingness to learn from the successes and failures of others.

Sweden is in the middle of internal deliberations over the future organisation and management of its MFA. This process started with a very broad consultation with all employees within the service, whatever their hierarchical rank. The idea was to elicit their assessments of the existing organisation and managerial practices and ideas as to where the service should be going. With this part of the procedure completed, the top management is now considering the principles that the MFA is going to follow in the coming years.

The reorganization and modernization of the British FCO, which started in December 2003, differs in origin from the other national processes in being explicitly policy-driven. The process was a direct outgrowth of the new Strategy published at the same time as a Command Paper (*UK International Priorities: A Strategy for the FCO*), and thus embedded in a broader context of British foreign policy priorities for the next decade, worked out by the FCO management and approved by the political executive. Specifically, it grew out of four needs, defined in the Strategy: to be flexible and responsive, to be more diverse, to be able to meet customer needs, and to be more accountable. In practice, the link between the eight strategic priorities (see above) and day-to-day policy is secured by the formation of thematic or functional teams led by the relevant Director General and cutting across a predominantly geographically ordered organisation.



No budget cuts have been involved in the start of the process, although the FCO, like all government departments, now faces a government demand for efficiency savings. The early, self-initiated start of the modernization process put the FCO in a favourable position compared to other government departments.

## **Instruments of performance management**

### **From policy visions to performance targets**

A common characteristic of all the MFAs covered in this analysis is that considerable effort has been invested in the explicit formulation of a general vision for foreign policy. These policy visions are kept at a high level of abstraction, but it is striking, as noted above, to what extent they communicate the same substantial goals and values. It is equally striking that the formulation of a general foreign-policy vision for the MFAs has to be seen as a communication exercise directed towards external stakeholders and the general public, but not least to a staff that is distributed across many workplaces and operating under very different circumstances. This is shown most clearly by the Dutch case. Here the responsibility for drafting an explicit vision was placed in the hands of the ministry's communication people, who naturally worked closely together with departmental management.

Visions phrased in such broad terms are not operational from a political or administrative point of view. Even if they have been approved by the political executive, it is also quite clear that their formulation is the result of managerial and administrative efforts that have been approved or ratified by the minister in charge at a rather late stage. If the main goal were to send a symbolic political signal, this might work. But in all countries the formulation of explicit visions is part of a reform strategy whose ultimate goal is to strengthen the management capability and improve the performance of the MFAs. For the same reason considerable effort has been invested into coupling the general policy vision with the day-to-day conduct of foreign policy on the one hand and internal management procedures and practices on the other.

This has created practical challenges for MFA managements, which have been met in different ways. One method is to integrate the vision statement into the statutory framework of the foreign service, as the Norwegian government did when it revised its Foreign Service Act in 2002. In other countries the approach has been managerial and executive. In both Finland and the UK, the priority has been given to stating overall goals for an intermediate term of up to ten years. In Britain this has been done through a set of strategic objectives that mirrors the incumbent government's priorities some years ahead. At this strategic level, the Danish MFA has pursued a similar line by breaking down the general vision into a set of strategic priorities explicitly related to each dimension of the vision.

The MFA annual report for 2004 sets out how the linkage between vision statement and performance goals has been established, and how quantitative indicators have been developed in order to allow the monitoring of actual performance. A general observation is that the political executive has been much more closely involved at this intermediate strategic stage than in the initial formulation of a general vision for the organisation and its policy tasks.

### **Practical implications**

These strategic objectives or priorities have practical implications in several respects. First, they define the benchmarks or criteria against which the performance of the MFAs and their missions are measured. Secondly, they raise questions as to how these objectives, which are defined as rather long term, should be weighed against newly arising contingencies that have to be tackled immediately. Such contingencies typically involve strong political attention at both the governmental and parliamentary levels. Thirdly, if strategic objectives of this kind are to have operational implications for the management of foreign affairs, it is important to integrate them into the organisational structure and managerial procedures.

The first and third concerns have generally been given a high priority in most of these countries. The contractual approach (model 1) has been systematically developed and implemented by the Danish MFA. Although it is still too early to evaluate its consequences in any systematic and precise way, the design of the contractual system, which is the prime component in the modernisation of the MFA, is clear: it involves a hierarchy of contracts concluded between the departmental management and lower levels of the organisation. These contracts are negotiated for both the home service and the missions abroad. In the home service, contracts are negotiated and concluded between all heads of unit and the MFA Permanent Secretary or State Secretary concerned. For the missions, contracts are negotiated between the ambassadors and the relevant units in the home service. The final contracts are then concluded between the ambassadors and the Permanent Secretary. In either case they stipulate a link between the tasks and commitments of each unit and the relevant parts of the MFA's strategic priorities. According to the model, the contract sets out relatively well-specified performance targets against which performance can be measured *ex post*. It also provides a link to the resources allocated to the unit.

The strategic management approach (model 2) is the solution to which the British and the Dutch MFAs have adhered, while the Finnish MFA is moving

in the direction of contractual management. On formal criteria, model 2 is rather different from the contractual approach. Where the latter emphasizes and signals that the linkage of strategic priorities to operational management is the result of negotiation, mutual understanding and accommodation, the strategic management approach is based on hierarchical governance and guidance. It is very difficult, however, to say how different the two approaches are in the real world. Theoretically, it has been argued that hierarchy often does not work as a command and control structure, but rather as a framework for negotiated agreement. But the same theories also argue that it makes a difference if negotiations take place in the shadow of the hierarchy (Scharpf 1997, 197–200). If this holds true, then the two models may be expected to converge at the implementation stage. Still, the choice of one or the other may not be incidental. One factor is which model conforms to the prevailing national model. Another factor, illustrated by the Danish case, is that the contractual model may have had advantages in the rather radical turn-around which was triggered in 2001, when the MFA was confronted with unexpected and unexpectedly large cuts. Throughout the 1990s, the Danish MFA was characterised by a rather traditional civil-service culture that rested on ideal-type bureaucratic traits and comparatively stable resource allocations. Today it has been transformed into an organisation that has to manage within more narrow resource constraints and whose performance is no longer just taken for granted. This change in conditions has involved a conscious effort to engage the management at lower and remoter levels in the process. Systematic internal contracting may be a useful strategy to manage this change over a period of four to six years.

### **Linking performance and resource management**

A common problem for MFAs is how to integrate policy planning and policy management into the day-to-day operations within the framework laid down by the formal organisation, as well as the financial and staffing resources allocated to the different parts of the organisation. This applies to both the home service and the missions. The general approach has been to strengthen the integration between policy planning and implementation with resource allocations and resource management. This is the clear strategy in countries that rely on strategic management methods (like the Netherlands and the UK) and the Danish MFA, with its strict contractual management system. This is similarly the case in Norway, where the MFA has upheld a classic civil-service organisation, which, however, has incorporated certain elements of contractual management on a selective basis. Within this pragmatic approach, contracts have been entered into

with fourteen higher level civil servants in the home service and twenty chiefs of Norway's larger and more important foreign missions. However, according to the information retrieved from the questionnaires, these contracts are rather a complement to the civil-service salary system, allowing some flexibility to be incorporated within this system.

The integration of strategic and resource management procedures raises a series of technical issues. One of them is whether to introduce more systematic and even quantitative monitoring of performance and, if so, also to develop a method for how to do so. This is no trivial problem. The challenge is that MFAs, like most other public-sector organisations, are responsible for a multi-dimensional and composite product. In the case of MFAs, this ranges from providing routine consular services to countrymen abroad via sensitive processing of immigrant and refugee cases, providing export and marketing support to national firms and cultural institutions, to classic foreign policy tasks related to national security. Simultaneously, Western foreign services like those being compared here are heavily involved in the development and implementation of aid programmes to countries in the third world. Finally, for countries that are strongly involved in international cooperation, especially cooperation within the EU, the distinction between national and international administration has become blurred, leading to close interaction between MFAs and domestic departments and agencies.

### **Contractual or strategic management**

Choosing between contractual and strategic management is a tricky task, given the characteristics of foreign affairs management just mentioned. Therefore, it is important for us to stress that this is not a problem for which there is a correct technical solution, let alone a single perfect solution. Rather, it is a task involving considerable probing and experiments, which are open to continuous adaptation and learning from initial experience. With this word of caution in mind, it is clear that some countries have engaged in a systematic formulation of operational performance targets and have set up procedures for their monitoring. While in the Danish case they are an integral part of the contractual management system now being implemented, in the Dutch case a similar approach is linked to the MFA's strategic and resource management system. The UK, which also relies on a strategic management approach, is currently in the process of introducing performance targets and performance monitoring for its regional directors. The instrument being used here is operational business plans

that specify the commitment of regional directors to making their contribution to the realisation of the FCO's strategic objectives for 2008.

How delicate this endeavour is, is illustrated by the Finnish and Swedish experiences. The Finnish MFA introduced more systematic performance planning and management in 2002-03 and is still in the process of finding an appropriate form for it. Behind this pragmatic attitude is the acknowledgment that this is a complex task, the present goal being to put a refined system into operation during 2006-07. This further development of the strategic management system involves the introduction of contracts which focus on six high-priority objectives. In the Swedish MFA – which, as mentioned earlier, is in the middle of a reform process – it is openly recognized that the translation of its three-year strategic plans into operational performance targets presents a challenge to the management. Basic to this challenge is the issue of how to quantify targets *ex ante* and consequently also how to assess goal achievement *ex post facto*.

### **Delegation, incentives, and human relations**

A second technical issue is how to design a financial management system capable of meeting the demands of a foreign service dedicated to performance management. Traditionally, the MFAs in these countries have had financial management systems based on a considerable degree of centralisation. In this respect they were hardly different from other parts of the public sector, where successful strategies of decentralisation and delegation have been pursued, authorising lower-level management and the managers of devolved units to deploy resources within the appropriation received. The simple philosophy has been that this form of hands-on management is superior to central control when it comes to matching resources to operational needs and objectives. MFAs in all countries, although to varying extents, have adopted this philosophy. The result is that local management enjoys considerable freedom to dispose of operational funds. The general restrictions involve certain staff and salary issues, as well as decisions that range beyond the budgetary period. The decentralised empowerment of lower-level and local management reportedly works.

A third problem follows from the classic civil-service philosophy of letting performance management rely on the interaction between a hierarchical command and control structure that allocates authority and establishes a control and communication system, and a meritocratic civil service that, for its part, relies on the commitment that tenure is assumed to promote. The philosophy in classic

bureaucratic theory is that this system is relatively free of frictions, reliable, and not least an efficient way of guaranteeing a proper balance between responsiveness and accountability. However, some theories of public management, especially those inspired by institutional economics and principal–agent analysis, have questioned whether the classic civil-service system provides sufficient incentives at the individual level. One solution is to loosen traditional systems that combine tenure and fixed pay scales. This has to some extent happened in several Western countries, although the scope of change often seems exaggerated. Another and related approach is to refine contractual management systems. In their basic version, contractual management systems build on contracts entered at the organisational or collective level, that is, between departmental management and lower-level and devolved units. They may also, as is the case with British public-service agreements, be horizontal contracts entered into between a central department like the Treasury and policy departments like the FCO. However, from an incentives perspective, it might appear logical to move further in order to link collective-level contracts to individual contracts with lower-level and devolved managers. Such individual contracts would offer a carrot that induces managers to engage themselves more strongly in meeting the performance goals set up in the contract covering their unit.

This is the essence of the New Zealand model, in which both permanent secretaries and agency heads are covered by performance contracts. Several countries have, at least to some extent, introduced a similar system of performance contracts for public-sector managers. This, for example, is the case in Denmark, where agency heads (but not permanent secretaries) have gradually entered into such contracts with their respective policy departments and executive ministers (Gregory and Christensen 2004). As part of its modernisation, the Danish MFA has implemented such individual contracts with considerable consequentiality. As a result, all managers, both at home and abroad, have concluded contracts with the senior management (the MFA Permanent Secretary or State Secretary concerned) specifying targets to be met, which are based on the yearly strategy document. As noted above, the Norwegian MFA has implemented a select version of contract pay, while the remaining countries continue to rely on classic civil-service principles which combine tenure and fixed pay, but (it is important to note) do not exclude a strict linkage between performance, future career and promotion.

The crucial importance of the latter point is witnessed by the across-the-board adoption of regular performance interviews with staff at all levels in each of the six countries. Intervals, of course, vary. Still, the general idea is not only to interview all members of staff, but through the interview procedure to produce a systematic record of evaluation for the performance of all staff with managerial responsibilities. In this context it is also important to stress that the difference between a contractual and a strategic management system should not be exaggerated. A telling example in this regard is the FCO pay strategy.<sup>7</sup> Within a classic hierarchical management system, it has introduced a system of performance ratings that, as part of general government policy, involves the assessment of all staff within three precisely defined pay bands. The performance assessment system is designed to ensure that consolidated pay increases and bonuses will only be paid to the relatively best performing staff in each of the pay bands.

<sup>7</sup> FCO SMS Pay Strategy, 2005.



## **Decentralisation and Delegation**

A prominent feature of public-sector modernisation is decentralisation and delegation. This is a special challenge to MFAs for various reasons: geographical distances between the centre and outlying missions, the relatively small size of many missions (especially of smaller states), and the diverse environments in which they have to function. In the past, these factors were usually seen as providing a case for centralised control, but today they tend to be interpreted the other way round, as arguments for decentralisation and delegation. The shrinking importance of geographical distance as a result of improved communications facilitates decentralisation and delegation, as it gives the centre more control options as well as better opportunities for servicing the missions. The fact that local conditions vary also argues for greater autonomy for missions, especially in connection with the fact that missions have become more active with respect to, for example, development cooperation. Still, it may be a problem that many missions are so small that a limit is set to the possibility of delegation and decentralisation. Therefore, several countries have taken a critical view of their mission structure. This may involve the closure of some smaller missions, which are deemed less viable on operational standards, and the consolidation of their tasks into larger units. Thus the British FCO has created regional mission hubs in Africa to create a stronger and more self-sustaining network of missions. Finally, the increased emphasis on citizen service naturally leads to a relative strengthening of missions.

Decentralisation and delegation have two main aspects: the delegation of portfolios to the missions, and the delegation of general administrative authority from the centre to the heads of mission. With respect to portfolios, the Danish MFA has mainly delegated trade and export assistance and development cooperation to the missions. The delegation of trade issues follows indirectly from the policy of the Trade Council of Denmark to have four-fifths of its staff posted abroad, while the administration of development assistance was delegated to the missions in 2004–2005. As a result the home service share of total staff has been reduced from 43 to 37 percent. In Norway, the main development has been a reorganisation of the MFA in January 2005, whereby it took over direct responsibility for development assistance and for nineteen missions previously administered by NORAD. This did not involve personnel transfers, which is why the home service share of total staff has remained a fairly stable 52–53 percent, that is, somewhat larger than for other comparable countries. In Finland no major

delegation of portfolios seems to have taken place, and the home service share of total staff has remained a stable 37 percent since 1990. This applies also to the Netherlands, though the home service share of total staff has been reduced from 47 to 38 per cent, while the reorganisation of the British FCO has reportedly had little impact on the relative weight of home service and missions.

## **Managing Foreign Affairs in the Information Age**

By its very nature, diplomacy is dependent on communication techniques. The first technical improvement over the courier on horseback was the optical telegraph, adopted by the Danish government during the Napoleonic Wars to provide communications between the government in Copenhagen and the king's war headquarters in Holstein. In our time the relevant technical developments are the computer, the internet, satellite communication and real-time television, which offer major efficiency improvements both in the internal workings of MFA departments and with respect to external communications and information-gathering. Simultaneously, the internet and television are sources of public information which threaten the de facto near-monopoly on information of the MFAs of earlier times. In international crises public television (CNN) has become an important source of information, including for ministers and officials at the top of large MFA organisations. Thus it complements the information and analysis that are provided by embassies.

Generally this development, plus the increasing public attention given to the workings of the public administration, has led MFAs to upgrade their communications and press departments and to invest heavily in websites. The internet is now the prime communication channel of MFAs to the public, while traditional means of communication (publications, fact sheets, etc.) now receive a lower priority. In the UK a new Communications Directorate has been created, which now permits the Press Office to report directly to a Director. In Denmark, likewise, a new cross-cutting Communications Unit has been set up reporting directly to the Permanent Secretary, while in Finland all MFA information activities have been concentrated in a new Department for Communications and Culture. In the Netherlands, the Information and Communication Department is scheduled for reorganisation so as to increase efficiency.

All MFAs are now fully computerized, including the creation of intranet systems, now the key internal communication link in-house and between the home services and the missions. The Danish MFA has placed special emphasis on digitalisation, and in 2004 it received two out of three digitalisation awards (for infrastructure and digital leadership); it has also introduced a special evaluation of all managers with respect to 'digital leadership'. The next step is the introduction of digital records, including the digitalisation of existing paper archives. Denmark has established digital records for the home service, with the missions soon to

follow. Finland and Norway are also working on the digitalisation of records, a process which, in the Dutch case, is still at the research stage.

The response of the MFAs to the age of instant communication is still uncertain. The use of e-mail instead of the diplomatic mail has speeded up communications between home services and missions, but it has still not solved the problem that real-time television provides faster information in political and other crises (e.g. the *tsunami*) than the diplomatic missions. In all circumstances, MFAs are faced with, and having to respond to, public reactions to media coverage of international events.

## **An Organisation for a Changing World**

There is a striking contrast between the classic approach to public-sector reform and the ongoing wave of managerial modernisation. The classic strategy for reform was to give the formal organisation an overhaul in order to reallocate tasks and responsibilities, revise the criteria of specialisation, and re-engineer the communication and control procedures. An overview of the changes in organisation as well as their present principles has been presented above. Often such reorganisations were a reaction to either critical events revealing less than perfect problem-handling or the advent of a new political executive or top management, or a combination of both. As set out in the introduction, the present wave of modernisation is to a much higher extent based on process re-engineering. The assumption is that incentives and culture, explicit strategic guidance linked to delegation and *ex post facto* evaluations hold an important key to better policy management in the public sector.

Probably the two approaches are complementary and – especially in those foreign services that combine composite and heterogeneous tasks with responsibilities that, even for smaller countries, presume a global presence – they cannot be kept apart. This has come out very clearly in the responses to the questionnaires we received from national MFAs.

For MFAs the basic choice is between an organisation based on geographical criteria for specialisation (the desk principle) or on functional (policy) criteria, such as security, trade, European integration, consular services and international aid. This is not an all-or-nothing choice, because in practice the two criteria are and have to be combined. What is at issue is rather what should be the first organising principle within the organisation. This is no trivial problem because to a very high degree the lines of internal specialisation define the perspectives of the management and staff who are responsible for handling specific cases and problems. This is also important because it determines the shape of the problems to be dealt with in intra-organisational coordination. Finally, it very much defines the routes that internal communication takes and how it is processed.

The general implication is that the organisation is not policy neutral (Hammond and Thomas 1989). The reason why this is important in the specific context of the modernisation of foreign affairs is that, whatever the principles of formal organisation, they risk blinding the organisation when it is faced by unforeseen

contingencies like September 11, the *tsunami* or the London bombings in 2005. To us the question is therefore whether it would be possible to combine measures from the traditional structural approach with measures from the management modernisation approach in an intelligent way that makes MFAs less vulnerable to global uncertainties.

A look at the present organisation of the six MFAs splits them up into two groups, with Denmark and Norway using geographical criteria as the first principle of organisation. With varying terminologies the Netherlands, Sweden and the UK apply functional or thematic criteria as their first principles of organisation, while Finland has combined geography and functions through the coexistence of the so-called 'old' (geographical) and 'new' (functional) divisions. The question is, as set out above, not one of identifying the best form of organisation, but rather one of determining what may happen if strict principles of organisation are coupled with rigid procedures of strategic management. However, this is hardly a problem at the early stage of method development and initial implementation, nor is it a question of the relative superiority of either contractual management or strategic planning systems. The question is much more what happens when new managerial procedures turn into routine and information continues to be processed by a specialised hierarchy, locked within a formal organisation that is based on one consistent first principle over a long period. Elements of matrix and project organisation – as seen in Sweden – may to some extent soften these problems. There is a similar potential in both the Danish and Finnish MFA organisations. In the Danish case the basic geographical organisation is combined with divisions and departments specialised along functional lines, while in the Finnish case the distinction between 'old' and 'new' departments has introduced some intra-organisational checks and balances. Yet the risk remains that the managerial procedures set up to implement modernisation are so demanding in themselves and involve so many transaction costs that after some time they stifle into routine. At the workshop some voices were raised – typically those of heads of mission – that this had turned out to be a longer-term disadvantage.<sup>8</sup>

In the preceding paragraph, it was shown how MFAs in all six countries see the missions as increasingly important units for managing foreign affairs. It was

<sup>8</sup> This particular observation receives ample support in the administrative and scholarly literature; see, e.g., Downs (1967) and in particular Donald Warwick's analysis of administrative reform in the US State Department (1975).

also shown that quite wide-ranging steps have been taken to empower missions and their heads. This has been done by delegating increased authority to them, merging tasks, and in some countries a reorganisation that has led to the creation of regional representation hubs.

With such fairly comprehensive changes in the allocation of responsibilities between home services and missions and in mission tasks and capacities, the question is whether foreign service organisation should be conceived in an entirely new way. By definition multi-task missions represent the geographical principle. However, the efficient operation of the missions depends on the availability of a properly balanced mixture of support and challenge from the home service. Therefore, it might be worthwhile considering whether the reliance of MFAs on much stronger missions than in the past might be invigorated through a reorganisation of the home service leading to a leaner organisation based on high-calibre functional units. Through their policy specialisation, these units might provide qualified inputs into strategic or contractual management, which will reduce the risks of these procedures stiffening into routine after the initial period of enthusiasm for managerial innovation.

## **From Sovereign Representation to Public Service**

Ministries of Foreign Affairs manage a complex set of public policy tasks. This is, of course, the case with most public-sector organisations, but historically it has had a special meaning for MFAs. Until recently, their activities were only regulated in broad terms by law, and the policy instruments available to diplomacy involved considerable discretion for both ministers of foreign affairs and their civil servants. In many countries the special status of foreign policy was emphasised through constitutional provisions and traditions that made foreign policy a government prerogative, with weaker parliamentary oversight and control procedures than for domestic policy.

According to this traditional understanding, MFAs' general responsibility was to act as the sovereign representation of their country, in which they were guided by the national interest. This task was rarely stated explicitly, except where the basic organisation of the service was regulated by law. Typically, such laws in their first article or preamble laid down the general responsibilities of the MFA and defined, in abstract terms, its commitment to the national interest. Even if MFAs in this classic conception of their mission were often assigned tasks that ranged from consular services to export promotion and international aid, their key task was invariably to act as the sovereign representative of the country's political and economic interests vis-à-vis other countries and in international forums.

From a managerial perspective, this had several implications. First, priorities were given in so far as there was an implicit distinction between the key task of diplomacy and its mundane routine activities. Secondly, these priorities also found expression in the recruitment and career policies of MFAs, which gave the classic diplomat a distinct profile compared with the administrative officers of domestic administrations. Thirdly, given these priorities it was accepted that it was impossible to apply the same managerial techniques in the foreign services as in domestic administration and management. Therefore, few attempts were made to control and monitor the performance of the foreign services, including their representations abroad, through a combination of quantitative targets and performance reports. In administrative and managerial theory, this was accepted as unavoidable and as following from the very nature of the conduct of foreign policy (Williamson, 1999).



Developments in the six countries covered by the present report demonstrate how far things have changed. Basically, it is evident that the sharp distinction between foreign policy and foreign service on the one hand and domestic policy and administration on the other is no longer automatically accepted. This is demonstrated in different ways:

1. MFAs are now subject to similar demands for political and managerial accountability as the domestic departments.
2. Partly as consequence of this, MFAs are increasingly being confronted with demands to document their performance and cost effectiveness.
3. The classic distinction between high-priority sovereign representation and the relatively low-priority service tasks of MFAs and their representations is no longer accepted, as MFAs are turning into public-service organisations responsible for handling a mixture of tasks, whose relative priority is not given in advance. In one context the classic diplomatic tasks may take precedence, while in another the overarching task is to cope with problems related to international migration or mass tourism.

The main focus of this report has been on domestic demands for modernization, which have posed serious challenges for MFAs and their political and administrative leaderships. As has been shown here, responses have varied considerably so far, both as to their contents and their timing. It is also clear that it is premature to draw definitive conclusions as to the effect and results of the managerial reforms that have been initiated in the six countries. This follows from the fact that the reforms are an ongoing process. Even if, in the case of Denmark, Finland, the Netherlands and the UK, this process has moved quite a long way, it is still much too early to judge the effect of the reforms on performance. For a country like Sweden, there is clear indication of the will to engage in reform, but the precise layout of the changes is still at the drawing-board stage. Finally, up to now Norway has not engaged in comprehensive reform, but instead relied on adapting an organisation that continues to deploy classic civil-service tools in managing its foreign affairs.

The aim of the present report has been to analyse how MFAs have responded to the dual challenge of recent fundamental changes in the international system and the current wave of public-sector modernisation. Three types of response

have been noted: first policy changes, often resulting in a more active foreign policy; secondly and most importantly in the present case, efforts to modernise the inner workings of the MFAs and to strengthen their management systems; and finally organisational change.

Irrespective of the actual stage of reform, the 'reform countries' have put considerable effort into developing explicit visions and mission statements. Even though such statements, with their abstract formulations, may not be very different in their contents from the preambles to classic foreign policy acts, they demonstrate that MFAs find it important to communicate their missions in an explicit form to the political environment, the general public and MFA staff both at home and abroad. This also constitutes an acknowledgment of the political fact that MFAs and the political executive will be held accountable for their handling of the entire range of tasks in modern foreign policy.

The formulation of a mission statement is also important in another important respect, as it has forced MFAs to think through both the distinct components of the foreign policy vision, and how to phrase them in operational terms. In a leadership perspective, this is perhaps the most important part of the reform movement. This operationalisation makes priorities clear to political principals, above all in Parliament, but it also provides guidance to the specialised units and the individual staff at home and abroad. Simultaneously, it has forced the MFAs to define the parameters against which performance can be measured. Ideally, these parameters also make it possible to link specific policy targets and performances to costs and thus provide a basis for more precise evaluations of cost effectiveness. The challenge, of course, is that, as in other public policy fields, measurement is a serious problem. In the field of foreign policy, it is so serious that it seems impossible to develop a meaningful general measure of MFA cost effectiveness and goal fulfilment. Still, even with this reservation, it is obvious that MFA leaderships have strengthened both internal management and external accountability. In this process they have to a large extent adopted the general trends and standards set in public management. These standards have developed through interactions between central governments, typically Ministries of Finance, and policy departments, and international organisations like the OECD have played a role in disseminating them (OECD, 2005).

In principle, reform strategies differ between MFAs that have chosen a strategic planning approach (like the UK and the Netherlands) and those that have fol-

lowed a contractual management approach (like Denmark and to some extent Finland). In either case, a systematic effort has been made to specify goals and policy performance measures and to link them to resource allocations and costs. The difference is that, while the strategic planning model relies on hierarchical governance, the contractual management model relies on the mutual negotiation of contracts between the MFA management and units in the home service as well as representations abroad. We have, at the present stage, no data that allow us to draw conclusions as to which model is to be preferred in general. Still, the contractual management model has comparative advantages in a radical turn-around process like that which some MFAs have gone through. The reason is that it involves the chiefs of each MFA unit in a direct discussion with management of the goals and tasks to be carried out and of the linkage between them and the financial and human resources that have been allocated. What is more, it specifies that performance will be monitored in a systematic way and evaluated at the end of the contract period.

On the other hand, we also argue that the strategic planning model may have an advantage in being less resource-demanding from a managerial and administrative transaction cost perspective. The reasons are that it does not presuppose a detailed round of negotiations with all units, nor does its credibility depend on a certain and ideally a considerable degree of individualisation of contracts. But the risk is that this more standard approach does not engage intermediate and lower-level managers to the same extent as the contractual model. However, it is important for us to stress that the models share the common goal of strengthening managerial responsibility and accountability. Depending, of course, on the precise implementation of the preferred model, it is, furthermore, possible to achieve similar gains through either reform strategy.

A common, and in our judgment positive observation is that the implementation of both models has been accompanied by the decentralisation and delegation of managerial authority, especially to the representations. This is the case with both financial and personnel management. Through this decentralisation, combined with the introduction of systematic performance-management methods, MFAs have given the representations options and incentives to adapt to local conditions and situational contingencies. They have also given them incentives to economise on costs, as savings are to some extent transferable to other activities or inputs.

Human resources are the prime assets of MFAs, and one issue in connection with their administrative modernisation has been how and to what extent traditional civil-service systems should be modified and changed. For one thing, this problem has been taken up by all countries, even if specific approaches vary. However, the basic distinction between a contractual and a strategic management approach, which has been applied elsewhere in this report, is less relevant in this case, because all the six countries have, although to a varying extent, developed systems which allow for a certain proportion of salaries to be paid as a kind of performance bonus. Even though the relative amounts involved are limited, this may allow for some variation in the actual salaries within formal pay bands. Whether a partial individualisation of rewards to managerial staff actually results in a performance-related differentiation may depend on whether the chosen system contains clauses designed to ensure this, as is the case with the British FCO.

Recent experience provides ample evidence that modern MFAs are operating in a political and international environment which may present them with nasty surprises that are difficult to plan for. Experience also shows that such surprises may occur across all types of task, be it classic diplomatic tasks, consular services and administration, support to private exporters, or development projects running into difficulties. The *tsunami*, the bombs in London and Sharm-El-Sheikh, and the involvement of exporters to Iraq in side payments, kickbacks and possibly corrupt transactions, all demonstrate that it is impossible to uphold a distinction between high and low politics, and that the political executive risks being held responsible by Parliament and the public for managerial failures or failures of judgment anywhere in the system. Managerial reforms of the kind initiated in several countries are contributing to the professionalisation of MFA managements, while at the same time improving their democratic accountability. But formal systems like those described in this report involve two risks which deserve particular emphasis:

1. One is that after a period formal systems risk becoming ossified because routines come to dominate the revision of plans or contracts, and because their policy perspective may freeze attention on problems that were once critical, but which are now less urgent. It is therefore important that MFA managements are aware of the need to ensure that systems which worked well in a turn-around process are not allowed to ossify.

2. The other consideration is the importance of devising mechanisms and procedures that enable the organisation to react promptly and adequately to unforeseen events like the *tsunami* or a sudden crisis in a key field of foreign policy.

For governments, organisational change is the traditional way of coping with the stresses of external change. This typically involves the setting up, expanding, collapsing or abolition of organisational units, or alternatively shifting the basic principle of organisation. In the MFA context one conspicuous incremental change has been the recent universal organisational upgrading of service functions. For example, Citizen Service and Consular Affairs have moved from an inferior position in the MFA task hierarchy to centre stage, and as a consequence their organisational position has been bolstered, both in the home service and in the missions. The general trend towards strengthening the missions has been motivated at least partly by the need to boost their capacity to service companies and individuals.

A more radical adaptation to external change is shifting the balance between a geographically or functionally oriented first principle of organisation. In our analysis of six West European MFAs, we have come across both strategies, the more wide-ranging and 'clean' ones being perhaps the reorganization of the Danish MFA in 1991 along geographical lines and the recent British attempt to organise foreign policy-making around teams focused on carefully chosen main problems.

No firm conclusions can be drawn as to the efficiency of either organisational principle. For one thing, concrete organisations never occur in pure form, but rather as different mixes of geographical and functional elements. Secondly, efficiency depends very much on the external setting. In a stable world system, where the issues are well-defined and their handling can therefore be routinised, a functional organisation with divisions for political, economic and commercial, legal, cultural and development affairs may be relatively efficient. Over time such an organisation will accumulate a lot of routine, experience and knowledge and reach a high degree of sophistication in the solution of known problems.

This organisation is less efficient in other cases, such as when issues get 'lumped' and/or when the world changes and becomes less predictable. In this case a geographical organisation with a staff of broad-gauged area specialists may

be chosen. Such an organisation encourages the integration of different (for example, political and economic) aspects of foreign policy, and as a 'catch-all' organisation it is, almost by definition, oriented towards the solution of unknown or novel problems. This was part of the rationale behind the shake-up of the Danish MFA in 1991.

The model is not without its drawbacks. While it has some capacity to handle new problems, whatever their nature, its problem-solving cannot be optimally focused. While this is the best that can be hoped for in times of uncertainty and openness (like the early 1990s), it seems less optimal when the system congeals around a number of dominant issues.

In such a 're-structured' system, a geographical organisation may be too unfocused, while a traditional, functionally ordered one does not live up to the need to handle complex issues. The challenge is therefore to develop an organisation that combines different organisational principles in order to create internal checks and balances that ensures that new and important issues are dealt with in an appropriate way. Part of the solution may be to adopt a focused functional structure based on inter-departmental teams of varying 'firmness', some well-structured and permanent, some ad hoc, etc. A related part of the solution may be to develop a practice where the insights of the larger and empowered representations are given a more active role in the preparation of policy decisions. With this structure, different kinds of expertise and perspectives would be mixed in a way that endows the organisation with larger problem-handling capacity. Due to its in-built complementarities, it might also be more ready to tackle unforeseen events that involve high political risk. But even this model demands a well-developed capacity at the top of the organisation to define and re-define critical issues as well as produce the necessary flexibility to identify and shift analytical and other resources to new issues, and not least to 'de-prioritize' issues that are no longer so critical.

## Conclusions

The goal of this comparative study of six MFAs has not been to establish a ranking, nor to identify a distinct best practice, but to analyse the behaviour of MFAs in circumstances of significant changes to both their external and internal environments. All six MFAs have evidently been confronted with challenges in recent years, which have induced them to reconsider their managerial practices and administrative systems. This is not a modernisation with a clear and well-defined end point, but rather a series of continuous processes, which in some cases are still at an incipient stage, while in others they may have resulted in quite radical changes already. This especially seems to have been the case in countries like the UK and Denmark, where substantial changes in the conditions for conducting foreign policy have coincided with domestic demands for cut-backs and strengthened political and managerial accountability. In such cases, modernisation has resulted in rather radical changes that should not be underestimated. In other countries the domestic climate may have been more friendly, but the basic demand for managerial systems that can meet the demands of both the international and the domestic political arenas has been the same.

As already mentioned, it is not possible under these circumstances to establish a best practice for other MFAs to adopt. Added to this is the fact that administrative and managerial modernisation is an ongoing process. Therefore, there is at the present stage no data, nor is it possible to collect such data, which would allow us to draw more robust conclusions as to the gains to be harvested through systematic modernisation. With these general reservations, it is still our conclusion that several MFAs have taken steps to create systems that permit greater responsibility and accountability in both parliamentary and social terms. Another conclusion is that the modernised MFAs are now in a much better position to document their activities than before. And, as a side benefit, modernisation, which is sometimes spurred by critical events, has provided a welcome opportunity to give entire organisations and their traditional routines a general 'service check'.

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## **Appendix I. Questionnaire**

### **Modernisation of Foreign Services**

#### **QUESTIONNAIRE**

##### **A. Mission, vision and values**

- Is there an explicit mission statement?
- When was it introduced?
- Has it been subject to revision?
- To what extent was the political executive involved in its
  - Original conception?
  - Later revision(s) if any?
- To what extent was the staff, outside departmental management, involved in its conception and/or revision
  - Mid-level management?
  - Rank and file staff in the home service?
  - Management and staff at missions?

##### **B. Organisational development: recent reorganisations of the MFA**

- The organisation in general
- The home service
- The missions
- Timing of the reorganisation
  - When did initiation start?
  - When did implementation end?
- Context of the reorganisation
  - Based on initiative from political executive?
  - Parallel to implementation of budgetary cuts (indicate size as percentage of total operating costs at initiation)?
  - Part of continuous adaptation of organisation?
- To what extent and in which respects was the MFA confronted with external demands for reform and reorganisation (Parliament, Ministry of Finance/Treasury, interest organisations and NGOs)?
- Implications of reorganisation as to
  - Number of managerial levels in home service
  - Principles of specialisation (geographical area, functions)
  - Number of missions

- Relative weight of home service/diplomatic missions
- The structure of the MFA policy portfolio, if any

### **C. Performance management**

- To what extent has the modernisation introduced performance management procedures and tools that were new to the organisation?
- What are these procedures and tools with regard to
  - Cost control?
  - Output monitoring and measurement?
- How are they integrated into the organisation of
  - The home service?
  - The missions?
- Do the performance management procedures and tools involve the use of contract management?
- And if so, which managerial levels are subject to contract management?
- What are the sanctions, positive and negative, in internal contracts?
- And have there by now been any actions taken in the case of the underperformance of an internal contract?

### **D. Staff satisfaction**

- Are there procedures for the systematic monitoring of staff satisfaction?
- When were they introduced?
- What are the overall scores, and how have they developed?
- Do the monitoring procedures include data on staff evaluations of the modernisation program and its implementation?
- What is the staff turnover specified by personnel categories, and how has it developed in recent years?
- Is the MFA in a position to attract the best graduates to a MFA career, and has its competitive position vis-à-vis other parts of the civil service changed in recent years?

### **E. Managerial development**

- Has a specific program for management development been set up?
- How is it organised?

### **F. Development of staff competencies/performance interviews**

- Have any formal procedures been initiated to engage management and staff in performance interviews?

**G. Communication and press, incl. website**

- What changes have been made in the organisation of communication and press relations?
- What is the strategy for using the MFA website in departmental information and public relations policy?

**H. Digitalisation/intranet/knowledge sharing**

- What initiatives have been taken in developing digitalised communication within the MFA, including between the home service and the missions?
- What has been the experience up to now?

**I. Time-logging**

- Has the MFA introduced time-logging as a managerial oversight device?
- What is the experience?

**J. Financial management**

- To what extent is financial management centralised/decentralised?
- Have there been any changes in financial management systems?
- To what extent were they linked to a general reorganisation and modernisation?
- To what extent do missions hold budgets, with ambassadors being responsible and accountable for their management?
- Is the head of mission authorised to reallocate funds and staff at his own discretion, e.g. between salaries and operational costs, between types of staff, including posted and local staff?

**K. Controlling**

- Has a specialised controlling function been organised? And if so,
  - What are its responsibilities?
  - Has it led to an increase in staff engaged in financial control and monitoring?

**L. Introduction of individual and contract pay**

- Has individual and contract pay been introduced?
- Does this programme cover all types of staff?
- What are the procedures for managing the system, e.g. involvement of personnel representatives, collective bargaining versus individual negotiation between management and staff?
- Are these procedures applied both in the home service and at the missions?
- To what extent has it, at the present stage, led to differentiation within the pay structure?

**M. Changes in MFA tasks and responsibilities in the past 5-15 years**

- Specification of any changes in MFA tasks and responsibilities in the past 5-15 years

**N. What was the budget of the MFA (total operating costs) in constant prices**

- since 1990?
- since 2000?
- in 2005?
- (specify for home service and missions)

**O. What was the size of the staff (full-time equivalents)**

- since 1990?
- since 2000?
- in 2005?
- (specify for home service and missions)

**P. Changes in policy output, 1990-2005**

- Has there been any significant change in the overall level of foreign-policy activity since 1990 (increased activism)? Describe changes in activism and policy content on the following indicators:
  - Re European security: Baltic policy; Balkans policy; enlargement of NATO and EU.
  - Re Reorganisation/modernisation of military forces: When? Main changes? Aim of reorganisation?
  - Re European integration: Constitutional issues; ESDP (European Security and Defence Policy).
  - Re Post-11 September: Afghanistan (Enduring Freedom and ISAF); Iraq (war coalition and security force); overall relationship with the United States.
  - Is there any specific foreign policy 'niche', i.e. prioritised foreign policy output, activity or relationship, which is 'special' to the country in question and/or which it deems important to its international profile/image?
- Have 'new' issue/activity-areas gained a higher priority relative to 'traditional' issue/activity areas like security policy, foreign economic policy and development aid? What are they [e.g. export promotion; consular services]? What have been the consequences for MFA organisation and procedures?

- Have there been any significant changes with respect to participation in multilateral settings (e.g. the EU)? What are the implications for MFA organisation?
- Has there been any change in the balance between multilateralism and bilateralism in foreign policy? In what direction?
- Have new values/interests been introduced in foreign policy since 9/11 [e.g. counter-terrorism, democracy]? How have they influenced MFA organisation and procedures?
- Have single external events [e.g. the tsunami] influenced MFA organisation or procedure? How?

Please send your answers to the above questionnaire to Professor Jørgen Grønnegaard Christensen, University of Aarhus ([jgc@ps.au.dk](mailto:jgc@ps.au.dk)), no later than **10 August 2005**.

Prof. Christensen will also be able answer questions in connection with the questionnaire.