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Interviewee: Giedrius Kazakevicius
Interviewer: Yoni Friedman
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FRIEDMAN: Good afternoon, thank you so much for meeting with me. I’d like to ask you to introduce yourself, tell us a little bit about some of the previous positions that you’ve held, and how you came to the prime minister’s office.

KAZAKEVICIUS: Okay, I am Giedrius Kazakevicius. I started in public service after I graduated from university, in diplomatic service. I spent three years in the prime minister’s office, in the foreign affairs division. It was 1998 until 2001, and at that time I came back to Ministry of Foreign Affairs. Actually the prime minister’s chancellor, Deividas Matulionis, was appointed. We had brought it together here at this office, and he invited me to lead the so-called reform branch. Actually this position is a political position. That means there was no way to apply, or not a formal procedure to select people, for this position, because it was a political appointment.

FRIEDMAN: Do you have experiences leading reforms in the civil service?

KAZAKEVICIUS: Actually, not a lot. We made some tries in the Ministry of Foreign Affairs. I was somewhat involved in this, but I would say I did not have real change management experience in this from start to end, assessment, and so on. I have some experience. More or less why I was invited here was because I knew the system of the prime minister’s office as well as the systems across government, and had some experience in understanding how this bureaucratic machinery works. If you wish to make some changes, you always should have people that understand how the old machinery works. If you chose another way and you make a revolution--but to keep on a constitutional path, you should rely on people who have this understanding.

FRIEDMAN: When were you appointed to the position of Vice Chancellor?

KAZAKEVICIUS: In 2009, July.

FRIEDMAN: From your perspective had things changed? Had the prime minister’s office changed since your previous stint?

KAZAKEVICIUS: I hope so.

FRIEDMAN: Okay. So in July 2009 you said that you were asked to lead a reform agenda. Did you have to identify the areas to reform, or were there obvious needs apparent to everyone in the prime minister’s office? Did you have to conduct some kinds of needs assessment? How did you figure out what needs to be reformed?

KAZAKEVICIUS: I will try to introduce the situation that was 2009. Actually there were two or three things. One thing was that elections were in 2008 and there was a political shift from Social Democrats to Conservatives. This prime minister came to his post in 2008 and he started this big austerity measure, these big cuts. That was the situation. There was the first cut in 2008. Then there was a cut in the 2009 budget, and in the middle of 2009 there was an additional cut in the budget. Actually you didn’t understand the situation which were in this country.

Second, before I came here, there was made an assessment study about the prime minister’s office. There was some, I would say there were some recommendations, and implementation from the legal perspective was ongoing. I didn’t participate in the designing of the legal acts. That describes the shape of the prime minister’s office. It was changed from government chancellery to a prime minister’s office, meaning the design was not just going to change the name, but actually to change the operation mode of this office, from pure
chancellery to a prime minister’s office—actually different things. Law and other legal instruments were adopted, and implementation of this reform came in October 2009. The first thing which I should mention is that of course, this government proclaimed itself as a government coalition for change, as a coalition for changes. A lot of things were put as the government’s problem. In thinking about other things—not about this office, but about other things—a lot of things were laid down in the government program, actually in all three aspects that I would say had a huge impact on work here in this office.

FRIEDMAN: How would you explain the transition from a chancellery to a prime minister’s office? How do the functions differ?

KAZAKEVICIUS: The chancellery was responsible only for procedure, how the decisions came throughout government. That means that this advisory function to the prime minister was, I would say, fundamental, and all of the resources were put to legal screening. This office was responsible for legal screening and for, I would say, bureaucratic procedure. People were responsible to follow bureaucratic procedure and to see the end result. This office was responsible for European Union issues, you know, the European Union? It is a thing that has a lot of connection with domestic policy, actually it does not really deal any more with foreign policy. That was chancellery. In the prime minister’s office, the decision was, first to concentrate on core business. That means that we put legal screening to the Ministry of Justice, and war matters to the Ministry of Foreign Affairs’ coordination. The core business was reform and government work, and we established two branches—actually one branch, I would say procedure oriented branch, was responsible, and is responsible now of course, for governmental procedure. We made this procedure simpler, faster and with less screening, putting more power to the ministries, to the ministers. That allows us to keep this part very small—actually smaller, compared with chancellery—and to operate very effectively; that means with a set target, if a problem comes to, I would say, a legal act or problem.

In our country we understand that when we speak about government machinery we always are thinking about legal acts, not about problems. That is the tradition that you should understand. Actually if some ministry produces a legal act, that means trying to solve some problems, put to this office, the target was set to put throughout political decision making as fast as possible. We don’t care about quality, about legal quality of some kind—it’s as soon as possible, in the line minister’s office. We are responsible here for facilitating a political solution, not about screening or something like that. This is, this part, I would say, all was the chancellery part.

The second part was responsible for implementation of government problems, actually of putting and pushing reforms. It is formed from three departments, so-called reform departments. It is responsible, I would say, for all social sectors, that means, education, healthcare, social care. That is where all countries, including mine, have huge problems, in financing and getting the services to be effective.

The second part was the strategic planning part. That was responsible for the shaping the strategic planning system. It is responsible now for the budgeting process, together with the Ministry of Finance. For implementation, this European Union project worked, actually—where our colleagues participating in this project and actually are responsible for what we will call institutional screening. You hear of the Sunset Commission; actually in order for this commission to screen
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institutions to see what to do with these institutions, you need some supporting service of this.

In this department we have one additional new thing, crisis management. That was new. The idea was to have in the prime minister’s office, the crisis management unit, in order to coordinate this.

The third department is responsible for public relations, as always. These are the three pillars that change the operations mode from chancellery to a prime minister’s office.

FRIEDMAN: Was this new structure already outlined in the law that was passed?

KAZAKEVICIUS: Excuse me?

FRIEDMAN: Was the structure of the new office part of the design of switching from the chancellery to the prime minister or was it more, did they develop the vision for the functions of a prime minister, and then the actual design of the offices was left to a later stage?

KAZAKEVICIUS: I would say both. The idea to separate the two branches is laid down formally in the law on government. This was my idea. But as to the design of departments and divisions, we understand that the structure is flexible. It started in 2009, October, this new structure, and in 2010 we performed additional adjustment on the structure. I don’t know how it is now, but before I left this office we had discussions about the possibility of having additional adjustment of this structure. Actually we don’t see the structure as—it is not forever at last built, it is something that could and should be changed, if operational conditions are changing or systems are changing.

FRIEDMAN: So what were the reforms that—perhaps we can go unit by unit even. In the initial assessment of the chancellery in switching to the prime minister’s office, were there specific reforms in addition to the new structures? What are the reforms that this assessment envisioned that the new units would implement?

KAZAKEVICIUS: Of course yes. The design was, actually the idea was, that the reform department will push more to a government-wide reform. The social security system reform, healthcare reform, and education, actually three steps that need to have an additional look in this austere time to get more effective. The idea was that this department would support or somehow push or facilitate line ministries in this way, and actually strategic department was the idea to just push strategic reforms, planning reforms and do institutional reforms. There was no formal dividing of the work, but I personally was more concentrated on the government reform, more involved there. The chancellor or prime minister always has a newer, broader view, including these government-wide reforms.

FRIEDMAN: What was the state of strategic planning when you came? Was the system performing well?

KAZAKEVICIUS: Okay, if you have a system, the system can always do better. I would say that the problem was that the strategic planning system was introduced from the top in 2001, I think, and it became a bureaucratic process where nobody asked anymore what the system brings, why the system was introduced, or what the outcomes of the system should be. The idea was—the situation was—quite difficult, because strategic planning was a parallel process. There was a budget plan, and the cycle of the strategic planning was a shifted to later staging
compared with budget planning. That means you have a budget law, and after that, you start some kind of strategic planning. That makes no sense. The idea is that you always get financing somehow, so the plan is how does it distribute the financing you can get from the Ministry of Finance. But it is not a part of the strategic plan. From this actually we have a huge bureaucratic system of strategic planning. In each ministry we have a responsible person, or sometimes division, or sometimes department, responsible for strategic planning, but no real outcome. That makes no sense. This gave us two opportunities--one to abolish the system, the second to make the system really work.

FRIEDMAN: Were there certain aspects of the system that were working well? Did it have some positive impact?

KAZAKEVICIUS: The old system?

FRIEDMAN: Yes, the old system. You mentioned that it wasn’t synchronized with the budget process, and that that created all sorts of problems.

KAZAKEVICIUS: It was not synchronized.

FRIEDMAN: Right. But were there things, were there positives, things that it was doing well? Perhaps, in focusing ministries on priority policies?

KAZAKEVICIUS: If you try to introduce something new in an all government-wide system—that was 2001—that was very progressive, and it was a good step to start to make people in ministries, ministers, and top civil servants familiar with the terminology, with some understanding of the idea of strategic planning. After that, maybe two, three years later, that was the time to make changes and to get into real planning, but these changes weren’t made. I would say the first part, from 2001 to 2005, was very positive as the system was introduced. But from 2005 to 2008 or 9, the system actually became, play, break off, in order to make changes in the public sector, and to plan these changes. An additional very difficult thing happens, and all countries have the same problem, to have some horizontal programs. Okay, if we have a line ministry you can use strategic planning, budget planning somehow, whatever you will call this, but you get some results in the budget. Maybe not a lot of results, output and outcome, but at least an understanding of what is going on, you can get this.

The difficult things are horizontal issues, where a number of line ministries and agencies are participating. This system; all systems have now answered this challenge. What happened, our creative ministries produced, I don’t remember exactly, but it was about 600 planning documents, that cover the horizontal issues. If you plan to combat alcoholism, plan about drug abuse, plan about car safety, plan about truck safety, and have 600 different plans with different starts and different times, and you should somehow manage to put some of these in the planning budget, some not, and who decides which plan comes into the budget this year, which not? That was a big problem too.

I cannot give a simple answer what was different, what was negative, but actually if adjustments were made yearly enough that was, this past, introducing strategic planning were easy, more successful I would say.

FRIEDMAN: What types of changes did you seek to make in the strategic planning system?

KAZAKEVICIUS: What we made, I would try to make it simple. One thing, to introduce—we made one cycle of budget planning and strategic planning, and actually one
process, not one side; it is the same process now, not two different processes. We introduced negotiations among the prime minister, finance minister and line ministers, in order to negotiate numbers and goals. We introduced a one-year government priority statement, and ruled that the priorities should be reflected in the strategic plan and backed by resources. We introduced these so-called inter-institutional action plans.

It means that it is the same strategic plan, but it is horizontal, and is prepared by the same rule as the strategic plan, by the same methodology; the one difference is that this plan is seen by the government, and the line ministers’ plan is seen by the minister. Up to now we have managed to have only nine, I think nine inter-institutional action plans. My count is that if our government works four years, if it can produce no more than forty such plans, we will solve this problem. We began introducing human resource planning that comes with numbers, each line minister puts in its numbers and shows changes in human resources. That means that strategic planning is not only about numbers and goals, but about people too.

We started to introduce in the strategic plan, law planning or law projects planning; what we want, what the government will put next year to the parliament for consideration, a law-producing program I would say. Both processes, strategic planning and law producing programs, are separate, but that was the first step in order to merge the processes. The idea is to have one process, one simple process. You plan money, you plan outcomes, outputs, you plan people, human resources, and you plan laws and you work together with parliament; you have one cycle, the same people, the same processes and cultures and negotiation among minister of finance, prime minister and line minister. Not a lot of differences planning different planning processes. So that was changed.

FRIEDMAN: So, who designed this new simplified process?

KAZAKEVICIUS: An informal group, it was a working group led by the chancellor of the prime minister. We had support of people who work in the European Union; I don’t know, but maybe our people had some consultation with you and with other experts. Some parts, as far as I remember, were translated into English and were provided to others.

GORDON EVANS: Yes, just as I came in you were redoing the strategic planning. It was done largely internally.

KAZAKEVICIUS: I would say the prime minister’s office was the lead for this reform, and actually I spent a lot of time with the minister of finance in discussions in order to get resolution of all issues. That was somehow a process of change, budgeting process. It was very difficult somehow to change especially in this time of austerity because the Ministry of Finance was thinking how to manage the budget with not a lot of time. You have to think how to make this process sustainable in two, three, four years. You have a lot of day-to-day business. Sometimes it is very difficult. But in this, what I was not mentioning was that I think it was very, very important to have had the good job that the Ministry of Finance did in parallel with the strategic planning reform that we made.

They decreased the number of organizations that are responsible for budget spending. I don’t remember the numbers right now, but actually each institution under the ministry was a separate entity that was responsible for spending money and for producing strategic plans. That meant that you had a huge amount of strategic plans. This cutting, I would say, this drastic cutting of the
number of responsible organizations, at the end of the day allowed us to make the system more transparent and clear. On the other hand, it also increased the power of the ministers to take decisions, power and responsibility. They are, all these institutions are, administering strategic plans. Each minister is responsible for all this stuff. This was a key element of the change that was performed during this strategic plan, in the centralization leading change.

FRIEDMAN: So then the Ministry of Finance had the authority to reduce the number of strategic plans?

KAZAKEVICIUS: No. Actually that is set in law. By passing additional laws it is possible to reduce; believe me this is a very, very difficult process. For example last year the Minister of Finance proposed government supported to draw the broadest right from police department. That was a huge political pressure and she didn’t manage to succeed with this proposal. Each organization tried to keep its right. That is not a simple process.

FRIEDMAN: So the new strategic management system, has that been in place for a full cycle?

KAZAKEVICIUS: Yes, it was. I would say now we have had a full cycle, because the first try I cannot say it was a good start to shift the old system to new. Now this year we have it.

FRIEDMAN: What were some of the obstacles in shifting to the new system? Did you have a communication strategy, or have training sessions with line ministries to explain the new system?

KAZAKEVICIUS: Yes.

FRIEDMAN: Were they receptive?

KAZAKEVICIUS: No.

FRIEDMAN: Why did they oppose the transition?

KAZAKEVICIUS: All the systems were pure bureaucratic processes, and now changes of the system mean that for civil servants, there are a huge amount of new jobs. That means you cannot deal with this as you usually deal with things in a bureaucratic way. To do this in a new way, that is a change. Second, during this process you should have steady contact with political leadership of the ministry, and all systems allow you to produce bureaucratic process. I think two things are crucial to public servants, not to be very supportive of new system. But you know I think three cycles will solve this problem.

FRIEDMAN: In your opinion, the negotiations between the prime minister and finance minister and the line ministries, did they serve their purpose? Let me take it a step back, what was the purpose of the negotiations? Was it to discuss dollars or the strategic plans?

KAZAKEVICIUS: Originally the idea was to organize the, I would say, the expectation levels. Usually if you see how it works—when prime minister sets expectations and the finance minister agrees that there is enough financial resources to do that, then the idea is to put this agreement on paper and issue a protocol of this meeting. If you try to do this the bureaucratic way—for example, of course the prime minister can send a letter and have responses and lower level negotiations on it. It is possible to do it in this way, but actually on this highest political level in
government, in a small group you can get this agreement and have this protocol signed as one-year guidelines, what will be done and how it would be budgeted. I see that this process is simple, more transparent and clearer to all players, and at least sets a very clear deadline. That means you should prepare all papers to the prime minister, to the finance minister, to the line minister, to each ministry, before the prime minister sets the date of this meeting. If you try to manage this whole process, I don’t know a better way to do that.

One, that is the one thing. The second thing that is very important is communication about goals to the public servants. The idea is that the leader, the boss, should communicate how it goes to others, to the staff. This conversation can be seen as setting goals and motivating conversation among ministers and the prime minister and to set or show an example. If the ministers and the prime minister can organize this one-year conversation on these topics, it sets an example for all other people in public service that you can have this conversation without a formal process to put it in. It changes behavior and sets an example. If leadership shows no example, only sets values and demands to have this behavior, you get nothing.

Coming back to your first question, okay, this negotiation can always be better. It is very difficult to change behavior, the behavior of politicians in a coalition government, and to run the whole process in a different way. It is very, very difficult. The prime minister should learn these new things, and all ministers should learn, and all staff—including ours—should learn how to prepare for this conversation, and how to go from this conversation to prepare the protocols. I would say this is a long path of learning. After the election this year there will be a new government, and the learning process will have to start from scratch. But okay, sometimes you should start this--

FRIEDMAN: Can I ask you a little bit more about the letters that were produced, the expectation letters. Were these the expectations of the ministers themselves, or were they the expectations that the ministers would achieve, or accomplish, in a given year?

KAZAKEVICIUS: Exactly, the idea was not to have this expectation letter, because that is the problem. Like we said, if you put expectations of the prime minister to the minister, and in a coalition government, this seems somehow not very understandable; and if the minister produces the expectation letter for himself, okay, that was involved in system two, but actually the idea was to have these meetings to set agreement. So nothing beforehand in written form; no expectation letters, nothing. So you go from this meeting, and you have a protocol where you put key things that are important in preparing the budget and in preparing the strategic plan, and setting goals for the ministry or for agencies under the ministry, and so on.

FRIEDMAN: At one point in the process of preparing a strategic plan for a line ministry did this negotiation occur?

KAZAKEVICIUS: Actually after the ministry prepared the first draft of the strategic plan, and that is the first plan of the budget.

FRIEDMAN: Is that the first step in the process, or does the Ministry of Finance first give a budget ceiling?

KAZAKEVICIUS: Budget ceilings are given after negotiations.
KAZAKEVICIUS: You can say the first step actually, because this process does not have such clear steps. The ministry prepares a strategic plan, sends it to the Ministry of Finance and the prime minister’s office, and I don’t know how my colleagues will work further--last year I insisted to have, to establish so-called common working groups with people from the prime minister’s office and the Ministry of Finance. The minister of finance and the prime minister provide the same information, so not to have, not to compete between the prime minister’s office and the Ministry of Finance. It was one for each ministry, line ministry, it was set for a specific group of people. We tried to formalize a screening process to tell people what they should screen in this plan and what they should prepare for the prime minister. I encouraged people to have contact with line ministers at this step in order to clear up any things that were unclear, actually to invite people to discuss this. Maybe one or more things should be discussed and need only clarification, and there is no sense to put it to the prime minister at this point.

After the screening process this group prepared a screening paper, so I asked each group after that to prepare talking points to the prime minister. This means a screening paper, 3 pages; talking points means eight points, no more, to the prime minister. We didn’t share this information with the line ministers before negotiation. Okay, after negotiation—I would say actually during negotiations—during negotiations I provided line ministers with this paper in order that they could see what was given to the prime minister, in order to have this process be transparent. This was not to hide—actually before negotiation not to show, but after negotiation, to show, what was the intention of the prime minister. After all negotiations concluded, the Ministry of Finance provides savings, and it goes in the usual way to parliament option.

What I should mention additionally is before the ministries start to prepare the strategic plan, the government, as a whole, decides about what the one-year priorities are, and asks the line ministers to put these priorities in each strategic plan.

FRIEDMAN: When you say the government, you mean the prime minister?

KAZAKEVICIUS: No, that govern decisions about priorities; that all governments discuss and to have decision for this year for government from political point of view are crucial, this, this, this, this. It is seen as guidelines to prepare strategic plans.

FRIEDMAN: How does the government set these priorities; how do these negotiations occur?

KAZAKEVICIUS: Do you mean government priorities?

FRIEDMAN: Yes. Is there a formal negotiation?

KAZAKEVICIUS: No, it is put in day-to-day business. It is adopted as a usual government decision. A draft is prepared by the prime minister and then, this goes out through the usual process, no additional, no parallel process.

FRIEDMAN: Okay, and then the line ministries are required to reflect those priorities in some relevant way.

KAZAKEVICIUS: And the prime minister’s office during the screening that I ask, maybe Egle [Rimkute] can provide you some more information, I don’t remember. We put some questions to these screening groups, one was to ask if the strategic
plan properly reflects government priorities; whether it reflects the government’s program, if ministers’ priorities are clear, and are finances allocated to do all these priorities. There was some questionnaire, we developed a form of questionnaire and we put all these questions in the questionnaire. Maybe you should discuss this with Egle. I don’t remember exactly how many questions.

EVANS: She has a flowchart that is this long.

FRIEDMAN: I just have one or two more questions about the strategic planning system. What were some of the obstacles you faced in implementing the system? Were there parts of the system that you had to scrap, that you had to set aside, or is the system in place as you wanted?

KAZAKEVICIUS: We had one cycle. I have a problem, because I left the prime minister’s office three months ago, so I have no relevant information that shows this assessment. For me it is difficult to speak, because I don’t have evidence-based information. I can only assess using my own experience, but it is not evidence-based. I would say that is my caveat on this question.

What is still a problem, is how to prepare the strategic plan. We tried to put in that you should administer the thing about all institutions about all activities, not only pure about ministry, but about all organizations under the ministry. In this planning process, include leaders of these entities to make this plan; I would say, growing from the bottom. But I’m speaking about leaders of institutions. You can imagine it could be twenty institutions responsible to each minister. To organize this planning process, to screen all institutions, to see what they are doing and how they are doing, to have discussion and planning, and after all this process, to put the strategic plan on paper and put it to the prime minister’s office—that was the ideal.

I have feeling that it is a job for the divisions of strategic planning, and they sit in offices, doors closed, making plans. This idea, about planning and speaking, about understanding others, about negotiations, putting this into the plan and after that, putting it to the prime minister’s office, we don’t manage to get this, we don’t manage. That means that if you are speaking about implementation, this is the same process in a different orientation, in a different way, from top to down. I have feeling we have still problems with this. I know that planning is everything, implementation is nothing.

You could somehow manage to do this meaningfully for the plan to ensure that the goals, resources and other things are in the direction from top to down. After the plan, the budget law is enforced and plans are enforced. This process should be elevated more. I’m sure, despite the fact that we introduce a system of goal setting to civil servants. That means that each leader of an organization under a ministry who is a civil servant, he obtains his own goals from the minister. After a year he is assessed how he implements these goals. That means that each person has responsibility. It is set very clear. Goals, year’s goals, personal year’s goals should correlate with the strategic plan of the minister.

We formerly said the system, but look, it is a change of behavior and—it takes time.

FRIEDMAN: Do you think there is potential for the system to continue to improve and grow stronger roots in the ministries so that it does become more consultative and that the performance—?
KAZAKEVICIUS: Yes, of course. I am not any more responsible for these things, how to improve the system, but the answer is the same. It is important to have more communications, and not only communication between the prime minister’s office, the minister of finance and the line ministries. But the line ministry is the institution responsible to the minister to set, I would say, the “culture” of negotiation, and in seeking compromise and in understanding the situation there. Of course the prime minister’s office should show example for this, it is very important. Always I say to people who are working here in the strategic planning division, they should set benchmarks—how to behave with this planning—in order to ask line ministries to do the same.

The second thing is including room to make better legislative program planning as part of strategic planning and to do human resource planning. We only started to put in some elements, we should—we started to work to make benchmarks among different institutions; how they do not co-function, common function, how to say, that means human resources, law advice, property management, IT management and so on and so on. This assessment we are doing as part of strategic planning as we run a separate process. United Kingdom runs this audit, I think. New Zealand has a baseline assessment of some kind. BASS—the abbreviation I remember, but not exactly what it is.

FRIEDMAN: Is this the link from one plan, from one year to the next year?

KAZAKEVICIUS: The idea is to have this link. Last year we only started actually, we made the first assessment, and the idea is to show next year in which direction goes one or the other institution. It is the same with payment, the same with the proportion of leaders and staff, and so on. We put all of this in the strategic plan in order to—after you sit down with a strategic plan, you see how healthy is all the system and you have not information somewhere about the institution, somewhere else about people, somewhere else about legislation. The idea is to put them together and to have this picture and to see changes. Actually all the systems are put only as far as the first step, or as an idea, but a lot, a lot of work went into making this, all assessments perfect.

EVANS: Were you looking at integrating the capability reviews into this at all?

KAZAKEVICIUS: Capability review? I don’t know.

EVANS: That’s down the road.

KAZAKEVICIUS: We started capability review as a separate process. I would possibly have to discuss with my colleagues. I have no real view how to proceed further. Actually we have three or four options how to go. But I personally, it would be difficult to imagine that it is possible to include this in the strategic planning process. You cannot do this to all institutions once per a year. If not, actually what you will do is put in some institutions, some not. So that is a different issue. I don’t know what will be the decision. Of course it is possible to do that. Now you will get—you can have fun to discuss this unfound solution.

FRIEDMAN: Can we transition a bit and can I ask you about your role on the Sunset Commission?

KAZAKEVICIUS: Okay.

FRIEDMAN: Where, when the Sunset Commission was founded, its role and mandate, and your experiences there?
KAZAKEVICIUS: Brief history. I feel you should know. Actually this prime minister, in 2001, decided to have a Sunset Commission, the first Sunset Commission. After that, all other governments kept this commission, with different chairmen and different members, more or less alive. After winning election in 2008, there was set a new commission, including parliamentarians, and I was not chair of this commission actually. The prime minister’s chancellor was a member of this commission. This commission agreed on reform of the prime minister’s office, and second, this commission acted on so-called governmental agencies that are not under line ministries, but somewhere under government. But I don’t remember—in 2009, I think, I had joined the prime minister’s office. I was asked by the chancellor to replace him on this commission. I was a member of this commission, and after the chairman resigned, it was decided to appoint me as chairman of this commission.

The idea was all issues related to the prime minister’s office were resolved. Second, the idea of how to deal with government agencies—it was very simple to kill them, or to put them under the line ministries, but—.

FRIEDMAN: Previously, did these government agencies, did they produce strategic plans? Were they integrated into the government’s planning procedures?

KAZAKEVICIUS: Yes. But okay, that’s it. They produced strategic plans and the prime minister was responsible for personal appraisals of the government agencies. The number of those was ten. Actually you had 14 political ministers and then some quasi ministries, but not political, a very interesting thing. It was—actually we did manage to get support of parliament to abolish such class of government agencies. So that was a negotiation, some compromise solution. Until now we have seven I think—we managed to put two or three under a line ministry. From two we made one; but the rest of them were kept and the compromise was, we changed the big responsibility of the heads of these government agencies, and made them responsible to a line minister. We solved the problem in this way.

Now, each has its own strategic plan, but the line minister takes the strategic plan and brings it to prime minister. The head of government agency does not negotiate the plan, he negotiates it with the line minister and the line minister brings it. Actually this slight adjustment was a good lesson for me personally. Always keep in mind, what is the goal of the changes? What do you wish to change? We have a primary goal to abolish this class of agency, it was only to solve our problem. That was for me personally a big lesson how to sit and think exactly, what do we wish, what is the purpose of the changes.

FRIEDMAN: What was the purpose of these changes?

KAZAKEVICIUS: The purpose was, to make more responsible ministers, responsible for policy, in the field for which they are responsible. For example, we have an information society committee. And the prime minister—that means all ministers are responsible for something, and the prime minister is responsible for information society policy. It’s nonsense. The prime minister is responsible for all government activities. That is the idea, to make ministers responsible for all things. Actually, okay, with this committee we managed to put it under the government, under a ministry. As an example, we had a narcotic control department and an alcohol control department; we managed to make one of them and we put it under, actually we made the Minister of Health responsible for this issue. He is responsible for policy now, not the prime minister.
All of the issues related to the effectiveness of these strategic plans, part issue related to personnel appointment, it all goes to the Minister of Health. Actually there were two things we said--you have the responsibility, and you have the tools to do your job to make this effective. This was to make a more and more clear and more transparent system in government. That was one of the purposes.

The second thing in the Sunset Commission, what we made was a public service effort; an idea, actually, and we didn’t succeed with this at large, but some elements we introduced. That was a big question. The third big block, we developed, I would say, a total amount of the work of the Sunset Commission, in 2011, during 2011, the methodology of how to approach each ministry and its agencies, all and what kind of data to get from official registries and to allocate hot issues; we called this the minister responsibility field. The idea is not that the Sunset Commission will screen all institutions, but okay, to see where there could be problems, and actually to discuss this with responsible people in the ministry, sometimes the best leaders of these institutions, and to provide advice to the minister and to responsible people in the ministries.

We managed during 2011, during the first half of the year, to screen all ministries using this methodology, to produce recommendations, and then after that, the Sunset Commission produced a yearly report about, I would say, the institutional health of government institutions, with generic recommendations to the ministers. We put this to government and we managed to get approval of some recommendations of government. We counted how many people are employed in government exactly, and we developed a methodology to see if this number rises or decreases in which institutions, and to ask why, to check salary level--actually the average--to the check salary level of leaders, and to include all institutions.

That means we had a huge stack of institutions. At least in Lithuania we have ministries, government agencies, agencies under ministry, budgetary agencies, public agencies that are created by government, state enterprises, state-owned enterprises, that is at least seven. In the strategic plan we are speaking of, for example, it is related to the budget, it is goal of budget institution, we are not speaking about public institution, but government-owned. We are not speaking about state-owned enterprises or state enterprises, despite the fact that for example if we are thinking about registry, we have real estate registry, that is state enterprises and people registry, this is a budget institution--two different things.

It was this big job for the Sunset Commission to produce this report, to have this picture and this idea to use the methodology each year to show the public and the politicians changes, how this institutional landscape changes and actually to put some information why these changes occur, what the consequences are, and to put information as to how ministries and institutions are implementing the Sunset Commission’s previous recommendations; to show in numbers, if the changes make sense or not. Actually that is my, I would say, direction of the work of the Sunset Commission. Of course in the commission, we discussed the scopability review, screening. We started this process at the Sunset Commission.

EVANS: The functional reviews I guess?

KAZAKEVICIUS: Yes, the functional reviews, yes. The commission was a part of this process, but we had this, only one experimental pilot review, but not under all this
process, scheme that we introduced. I cannot say how this works because I have no experience with this.

FRIEDMAN: We’ve taken up a lot of your time, is there anything that you’d like to ask?

EVANS: I’ve been reflecting back on the time, are there things you would do differently? What do you see that reflecting back what were the things that really worked and what things would you do differently?

KAZAKEVICIUS: Okay, now I’m free to speak, I have no commitment to the people who work in the prime minister’s office any more, but I would say maybe one thing that we should do, is to take more tough decisions about letting people go from this office. Yes, that is actually—all reform is not about changing legislation or changing government decrees, it is about changing behavior. If you wish to have this change, first of all you should manage to get the right people in, the wrong people out, and to do this the first day. Actually, that is, understanding what we should do, but not to the end. That is unfinished business. That is one thing that maybe is crucial for sustainability of this process, to make this office more open and communicate it and guide it. It is about leadership.

One thing also about people, more investment people here, and people who are working in ministries. So it is about people. About decisions—always you can make adjustments. You need to have two things, one to have good people around who are thinking, who understand what works or not works, who can provide frank feedback and frank assessment, and tell you directly what works or not. It is very important in the system to have this feedback. If you have no feedback—this is not about Lithuania, it is not about public service. If you’re a boss and you assign something, a big probability is nobody says it does not work. You have the opportunity to build in this, or to build a check, how to do it yourself.

EVANS: It is an old cliché, speaking truth to power.

KAZAKEVICIUS: That is the same about people. Good people can give you frank assessment. I always insist here to have a simple solution, a solution that works. If solution doesn’t work, you don’t need the solution actually to check. Second, to make pilot projects that are not big; they are not expensive and not resource consuming. With the introduction of one-year goals, that at least we introduced this to all of the public servants, 30,000 people. But we started with small project here in the prime minister’s office actually, for one year. I tried to make some adjustments to see if this works and what are the problems, after it was introduced. It is very important to have people with frank feedback. You put in small pilot projects to see what works, what does not work, and to have feedback from people, how they feel from this and where they feel not comfortable, and what they can do about that.

If you have good people you can calibrate somehow this whole thing, and then in turn put this in a government decree and go to other people, to other public servants. You know at least you have fixed some mistakes, and second, you show an example. Always in the same parliament, public servants, in our parliament we have public servants and politicians and the government decree applies to public servants. Public servants of parliament were angry with me. We have this goal, this system. Actually I can say, very easy, okay, look guys, we introduced—we have here the prime minister’s office, one and a half years, it works. If you have a problem please ask, we have a solution.
So that is it, it is all about people.

FRIEDMAN: This goal system, was this put in place together with the Ministry of Interior or is this a separate—is this part of their human resource reform program or is this a separate thing?

KAZAKEVICIUS: If you are speaking about formality, that is part of the Ministry of Interior’s case, about formality. But in reality, I would say it was very difficult. The Ministry of Interior for ten years was responsible for public servant law. That means sometimes for me, it is difficult to understand. If you are speaking about public servants, you can choose to take a union position or an employer position. For me personally if you are thinking about the Ministry of Interior’s position, for me personally it seems nearer to a trade union position, not an employer position. There was a need to look on this issue somehow from an employer perspective, and thus introducing these goal systems. This is more or less from an employer’s perspective. There was a huge resistance from all ministries, including the Ministry of Interior, of course. Until today, a lot of people have tried to kill this.

FRIEDMAN: This system, was it implemented by Interior or was it implemented by your office?

KAZAKEVICIUS: Actually, this system—if you see how this works, this system should be implemented by each leader of each organization, and only the government issues the decree that is obligatory to each leader of each organization. That means the Ministry of Interior is responsible for the decree. If you see formal, they have right to take the government changes of this decree and so on. But we put this whole issue to our prime minister directly. So this way we introduce this.

I hope that after two cycles—all countries that introduce this have the same problem; it needs two, three, four cycles, and it works. Now we have one cycle. I hope that we have a second. After that, we will see. But at least we have an understanding now about people, what it is. If you say, okay, we will introduce this goal system, all are very anxious. Now that we have this time, that all have came through this process one time, now it is doable and I think, very bad; I hope that more or less, we can go further. At least after a long negotiation with parliament and the appropriate committee, I have the feeling that we have understanding and that they are now prepared to put this to the law. If they put—if this is prescribed by law, it will be difficult to change back.

FRIEDMAN: Is there any thought about tying this to individuals’ pay, or is that too contentious?

KAZAKEVICIUS: I said for my colleagues, the intention was to have result-oriented pay system; the outcome is that we have result-oriented career system. That is not so bad, the system, because it is related. It is not so bad. This old system is not very transparent, when we are thinking about payment. It is a very difficult system, and actually, very un-transparent. The system makes a number of people feel that it is not a fair system, actually. We fixed one element, but the state needs to fix another element too, of this payment system. This is not enough. But we had this discussion in parliament. Now if we will have not have had an election year, maybe it would be possible to go with this system. I led the group that designed a new public servant law, a draft law actually. We have new a public servant draft law, with a new payment system. We never put it throughout the government, because parliament made it very clear that they will not go along with it, at this time. Now the ideas—not ideas, the numbers and so on, the transition system; it is not one idea. In this transition period, how do we put people from one system
to another? I hope there is probability that after the election, maybe parliament will come back to this payment issue, somehow.

FRIEDMAN: I’ve asked you many questions and taken up a lot of your time; I appreciate that very much.

KAZAKEVICIUS: That’s fine.

FRIEDMAN: Is there anything I didn’t ask you that I should have?

KAZAKEVICIUS: I don’t know.

FRIEDMAN: Okay, I’ll thank you for your time.

KAZAKEVICIUS: You’re welcome.