

CPMR Discussion Paper 17

A New Change Agenda for the Irish Public Service

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Foreword

This paper is the seventeenth in a series undertaken by the Committee for Public Management Research. The Committee is developing a comprehensive programme of research designed to serve the needs of future developments of the Irish public service. Committee members come from the Departments of Finance, the Environment and Local Government, Health and Children, the Taoiseach, and Public Enterprise, and also from Trinity College Dublin, University College Dublin and the Institute of Public Administration.

This series aims to prompt discussion and debate on topical issues of particular interest or concern. The papers may outline experience, both national and international, in dealing with a particular issue. Or they may be more conceptual in nature, prompting the development of new ideas on public management issues. They are not intended to set out any official position on the topic under scrutiny. Rather, the intention is to identify current thinking and best practice.

We would very much welcome comments on this paper and on public management research more generally. To ensure that the discussion papers and wider research programme of the Committee for Public Management Research are relevant to managers and staff, we need to hear from you. What do you think of the issues being raised? Are there other topics you would like to see researched?

Research into the problems, solutions and successes of public management processes and the way organisations can best adapt in a changing environment has much to contribute to good management, and is a vital element in the public service renewal process. The Committee for Public Management Research intends to provide a service to people working in public organisations by enhancing the knowledge base on public management issues.

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General information on the activities of the Committee for Public Management Research, including this paper and others in the series, can be found at www.irlgov.ie/cpmr; information on Institute of Public Administration research in progress can be found at www.ipa.ie.

1

Introduction

1.1 Setting the scene

The Strategic Management Initiative (SMI) for the Irish public service is now over six years old. Since 1994, there have been significant changes in public service management. Major developments include:

- At central government level, the launch of an ambitious change programme for the civil service, detailed in *Delivering Better Government* (1996); the specification and delegation of authority/accountability under the Public Service Management Act, 1997; the implementation of the Freedom of Information Act, 1997; the production of strategy statements by departments/offices and the subsequent advent of a business planning, performance management/development process; and the introduction of a Quality Customer Service (QCS) Initiative.
- At local government level, *Better Local Government: A Programme for Change* (1996) was launched; a major initiative on local government and local development leading to the creation of county/city development boards; and the publication of the Local Government Bill, 2000.
- In the health sector, the passing of new accountability legislation (the Health (Amendment) (No.3) Act, 1996); the preparation of detailed service plans by health agencies; and the creation of the Eastern Regional Health Authority to commission services, with its three new area health boards that will deliver services in the eastern region.
- In the wider public service, developments include increased market liberalisation, competition and regulatory changes in the state-sponsored sector; the passing of the Education Act, 1998; and major changes in criminal justice structures and procedures.

Since 1994 there have also been major changes in the political, social and economic landscape. The economic and employment growth of the last six years has been well-documented (see Chapter Three). In addition, new equality legislation places significant requirements upon the public service, as both employer and service provider, to be responsive to the growing diversity in Irish society. On a less positive side, tribunals of inquiry such as the Flood,

Moriarty and Lindsay tribunals are shaking public confidence in the objectivity and fairness of political and public administration systems (Newman 2000).

At both central government and local government levels, the agenda for change is evolving, broadening and deepening. At the same time, emerging issues pose particular challenges for public service management in the first decade of the new millennium. *The Programme for Prosperity and Fairness* (PPF, 2000) outlines a significant number of key objectives to be achieved over the period of the programme with regard to modernisation of the public service:

- the design and implementation of performance management systems;
- putting in place integrated human resource management (HRM) strategies;
- improved organisational flexibility;
- better targeted training and development; and
- strengthening organisational capacity (p. 21).

Likewise, by drawing upon past experience, the National Economic and Social Council (NESC, 1999) highlights four key factors for future policy making: (a) the availability of timely and appropriate information for policy analysis, planning and evaluation; (b) scenario identification and planning; (c) a capacity to adapt to changing relationships with EU institutions, and (d) an ability to develop frameworks to implement policy and move the policy process forward in cross-cutting areas.

Similarly, the *National Development Plan 2000- 2006* (1999) poses particular challenges for the public service in terms of delivering on the planned programme of economic and social infrastructure investment. In addition, the rapidly developing information society (IS) and information and communication technologies (ICTs) have radical implications for the way work is organised and public services are delivered to the citizen.

It is timely, therefore, to assess developments to meet future needs. Implementation of the SMI agenda remains crucial to public management reform. Some of the emergent issues identified above now need to be put on the agenda or need to receive greater emphasis than in the past. Other issues are just beginning to emerge. It is also important to look at the institutional capability to deliver on this developing changing agenda and assess whether or not new arrangements are needed. Organisation design theory and labour market developments indicate the need for a fresh look at institutional arrangements for public service delivery. Arrangements such as the flexibility allowed to organisations and the role of central agencies need to be assessed so as to maximise their contribution to change.

1.2 Research objectives and approach

This study takes the launch of the Strategic Management Initiative (1994) as its start date. With regard to an appropriate end date, the 1995 Budget set a challenging target, proposing that by 2010, Ireland would 'possess the most efficient and effective public administration in Europe'. Needless to say, projections beyond the next five years are inevitably more tentative than those nearer to hand. Nevertheless, 2010 does appear to be an appropriate if demanding target for a foresight exercise such as this. In the context of building on the current change agenda for the public service, and looking towards the future, the terms of reference agreed for this study by the Committee for Public Management are:

- a) Provide an overview of major changes in recent years in the political, social and economic environment and forecasts for change in future years as they impact on public service management.
- b) Identify and highlight key issues which need to be addressed as part of the continuing public management change agenda in the coming years in the light of environmental changes.
- c) Assess the institutional capability to oversee and manage change and outline changes needed to facilitate effective implementation.

The main sources of information for this study are national and international literature on public service trends and developments. The study commenced in March 2000 and was scheduled for completion by end of year 2000, in order to input to considerations of the way forward in 2001.

1.3 Structure of the paper

This discussion paper contains seven further chapters.

- *Chapter Two* provides a framework for the study, outlining the main issues to be addressed.
- *Chapter Three* examines recent social and economic developments and trends as they relate to public service management.
- In *Chapter Four*, public service developments in Ireland are explored, looking at existing and planned changes since 1994.
- *Chapter Five* looks at international public service developments, highlighting the main trends occurring across a range of countries and institutions.

- In *Chapter Six*, the implications of the developments outlined in the previous three sections are set out, together with the main priorities for a future change agenda.
- *Chapter Seven* examines the institutional structures and processes which will be needed to deliver effective change.
- Finally, *Chapter Eight* summarises the main challenges facing public service management at a time of changing patterns of governance.

2

Analytical Framework

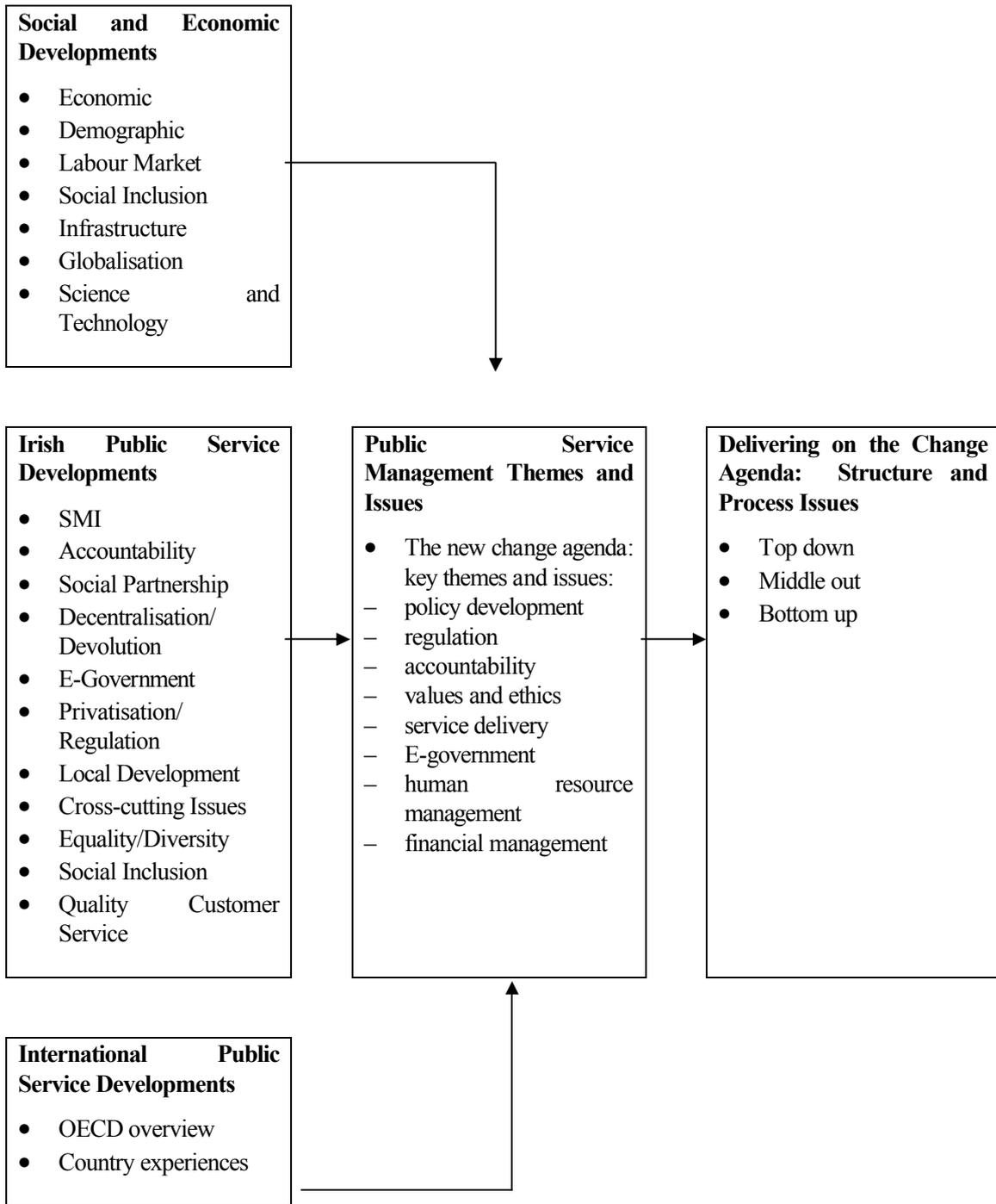
2.1 Outline of the framework

The world of public service management is changing radically. Developments in ICTs are facilitating new ways of working. Citizens are demanding quality public services, but at the same time want to ensure that taxation is kept under control. An increasingly dynamic labour market and changing household structure are placing new demands on public services. To plot such developments and understand their implications for public service management change, it is useful to have a framework within which the relevant issues can be explored (see Figure 2.1).

The main elements of this framework are outlined below:

1. *Social and economic developments.* The socio-economic drivers of change need to be examined, insofar as these will impact on public service management over the next decade. All contribute to setting the boundaries within which choices on public service management options can be made.
2. *Irish public service developments.* In addition to the SMI itself, a number of developments have taken place, or are planned for the public services in Ireland, that will impact significantly on the delivery of the management agenda.
3. *International public service developments.* Public service developments in Ireland do not occur in isolation. The SMI itself drew heavily from public management changes internationally. Changes will also continue to take place cross-nationally as well as within individual countries. Lessons can be learnt from such developments to identify key issues upon which to focus in progressing change up to 2010.
4. *Public service management themes and issues.* Arising from developments at (1), (2) and (3) above, a number of priority themes and issues can be identified that will form the basis of the developing change agenda for Irish public service management up to 2010. These themes and issues are:
 - *Policy development.* There is a need to ensure that policies are strategic, relevant, robust and address cross-cutting issues where necessary. Involving service users in the policy development process is an important challenge.

Figure 2.1: Analytical Framework



- *Regulation.* The regulatory role of government is changing. The emphasis is on less regulation, with a focus on desired outcomes. Regulation of new competitive arenas, e.g. telecommunications and energy, poses new demands.
 - *Accountability.* Accountability for results remains a vital challenge. The use of performance measurement and evaluation in providing effective feedback is also important.
 - *Values and ethics.* Developments over the past decade, including the many tribunals of enquiry, have highlighted the need for a re-definition and re-assertion of public service values, as well as the critical importance of an ethical approach to public service management.
 - *Service delivery.* Service delivery and policy implementation need to be adapted so as to provide a responsive and seamless service to the citizen. Public service providers also need to be attuned to the changing nature of Irish society.
 - *E-government.* Major opportunities and challenges are presented to public service managers by the rapid advances being made in the development of an Information Society. Continued innovation in ICTs offers the potential for a radical transformation in public management systems, as well as the quality of services provided for the public.
 - *Human resource management (HRM).* Effective HRM is central to innovation in the public service. The right people need to be in the right place at the right time to deliver the services required, in order to maintain and strengthen the social and economic progress made in recent years.
 - *Financial management.* Financial management reform is a vital support to the wider public service modernisation programme. New financial systems and procedures provide the opportunity for the improved efficiency and cost-effectiveness of services.
5. *Delivering the change agenda: structure and process issues.* Here, the focus is on the institutional capacity to deliver on the change agenda. The most effective structures and processes need to be put in place to drive change forward at central and local levels; to promote change at the level of the individual organisation; and to involve internal and external customers in the change process. The institutional context within which change takes place is one of the important variables in determining the impact of change.

2.2 Conclusions

This analytical framework identifies the different aspects of change to be assessed in determining priorities for public service management over the next decade. Increasingly, public management issues are arising at the interface between public organisations, civil society and levels of government, at local and national levels. This framework allows for a structured examination of these interface issues and their implications for public service management in the future.

Social and Economic Developments

3.1 Unprecedented change

Looking back over the past decade and a half, Ireland has experienced nothing less than a major socio-economic transformation at a pace of unprecedented change (see Appendix 1). For example, Ireland's economic performance in recent years has been dramatic and unprecedented. 'The cover page of the *Economist* magazine on 17 May 1997 stated that the economy of the Republic of Ireland was 'Europe's Shining Light'. Over a decade earlier another cover story described the Republic as the 'Poorest of the Rich'.' (cited by Considine and O'Leary, 1999). Not only have recent years seen rapid economic growth but they have also witnessed considerable social change. Albeit at a different pace, this process of economic and social development can be expected to continue into the new millennium. Such developments demand a new and dynamic mindset from public service managers, who may have become inured to decades of economic under-performance, labour surplus, high unemployment, net out-migration and budgetary crisis.

3.2 Economic trends

Appendix 1 indicates that economic growth (GNP) increased by over 7 per cent between 1994 and 1999. Indeed, economic growth is expected to exceed 5 per cent per annum at least up to 2005 (see ESRI, 2000). Such a sustained level of growth, if attained, would exceed the performance of the Irish economy over the previous two decades and be higher than the European Union (EU) average as a whole. Indeed, by 2005, it can be anticipated that average Irish living standards will be on a par with our EU neighbours.

However, Ireland remains a comparatively small, open economy within the EU, and economic success is greatly dependent upon developments within the Union and wider world economy. Continued growth is vulnerable to any sudden shock to the EU or the United States (US) economies which might slow world growth, raise interest rates or cause a reduction in foreign direct investment (FDI). Likewise, internally, continued growth would be adversely affected by rising wage/price inflation, increasing pressures in the housing and labour markets, or departure from responsible fiscal policy.

Assuming that such issues and challenges are addressed effectively, public service managers in the first decade of the new millennium should be able to expect continuing Exchequer buoyancy, increased competitiveness in the provision of goods and services, as well as rising expectations from industry, organised labour and individual citizens for quality services. The opportunity for constructive public service reform is without precedent.

3.3 Demographic change

Combined with increased female participation rates (see 3.4 below), significantly changed external migration patterns and the large natural increase in the working age population, the Irish labour market has expanded rapidly. In turn there has been a significant reversal in dependency rates¹. In the 1980s, Ireland had the highest economic dependency rate in the EU. In 2005, this rate will be amongst the lowest in the European Union. As the NESC (1999) points out, it is also important to remember that, 'demographic changes have consequences not only for the economy, particularly via labour market participation and retention rates, but also for the welfare state broadly conceived or, to be more precise, the income maintenance and social service aspects of public services' (p.24). Low levels of economic dependency also have significant implications for the reduction of the tax burden. In this regard, however, it will be important not to adopt too short-term a perspective. Age dependency ratios will continue to rise throughout the period and increasingly steeply from 2030 onwards (see Central Statistics Office, 1999). Such developments, while still comparatively small by EU standards, do place an emphasis on long-term planning for pension provision and other caring needs of an ageing population.

Within these overall patterns of demographic change, it will also be important for the public service to be responsive to the growing complexity of family and household types in Ireland. Assuming that Ireland follows a similar pattern to its European neighbours in the period up to 2010 and beyond, household types will become increasingly diverse; including not just two-parent families with or without children, lone-parents, step-families and pensioners, but also an increasing number of single-person (solo) households. Such growing diversity has important implications for many public services, as well as the demand for housing.

3.4 Labour market patterns

For many decades, employment generation in the Irish labour market failed to keep pace with supply. As a consequence, the national labour market was characterised by high levels of net out-migration by the economically active in search of work. In marked contrast, during the six years since the commencement of the SMI, the national labour force has increased by an average of over 3 per cent per annum. Much of this growth has been driven by the reversed international migration flows identified at 3.3 above, resulting in a large increase in the population of working age. Within the overall pattern of labour market growth, highly gendered patterns have emerged. During the period 1993-1999, female participation rates rose from 38 per cent to 46 per cent; equivalent male rates were 68 per cent and 70 per cent (see *National Development Plan 2000-2006*, 1999). Indeed, ‘the dramatic increase in the participation of married women, particularly young married women, in paid employment is one of the most striking changes to have occurred in Irish society over the past twenty-five years’ (O’Connor 1999, p. 188).

In order to achieve the 5 per cent per annum growth in GNP anticipated at 3.2 above, fundamental changes would need to continue to take place in the Irish labour market. Agricultural employment will continue to decline. While employment growth in both indigenous and foreign-owned manufacturing industry is likely to be lower than in the previous decade, high-levels of productivity growth will continue to be vital. The commercial services sector will continue to show the highest levels of employment growth. In addition to drawing upon the widest possible pool of labour nationally, the required levels of growth will need to continue to draw upon net inward migration, many of whom will not be Irish citizens.

Hand in hand with these developments, policies to expand labour supply will need to be effective. Such policies are likely to aim to accelerate existing trends of increased female participation, increased involvement by older workers and a targeted approach to immigration policy to meet skill shortages. Measures to optimise the available pool of labour are also likely to include increased flexibility in working time arrangements and the wider adoption of atypical forms of employment. The educational and skill levels of the workforce will also need to continue to rise to maintain competitiveness. It will also be vital to ensure that infrastructural developments keep pace with the changing needs of industry and services.

3.5 Social inclusion

Indeed, 'the new strength of the Irish economy is the fundamental backdrop to evaluating whether Irish society has become more just and socially cohesive in the process of becoming more wealthy' (NESC 1999, p. 377). Some of these developments have had beneficial outcomes from the social inclusion perspective. During the period of the last two partnership agreements (1994-1999), targets set for reducing poverty under the National Anti-Poverty Strategy (1997) and unemployment (see Department of Enterprise, Trade and Employment, 1999) have been exceeded. [One of the significant difficulties at present, from a policy evaluation perspective, is being able to monitor progress being made in this area, as available statistics lag behind the pace of change].

However, while declining unemployment has significantly improved the position of many of those previously experiencing persistent poverty, there are still groups who are particularly vulnerable to poverty. Recent research indicates the increasing risk of poverty affecting single-person households, one-parent families, households headed by either a retired person or those on 'home-duties', many of whom would be women (see, for example, Callan et al, 1999, and Nolan and Watson, 1999).

In addition, as NESC (1999) note, 'The most evident and serious example of a cost associated with Ireland's economic boom is the shortage and price of accommodation. The costs of housing and homelessness have acquired renewed prominence as factors associated with poverty. Other new and old social problems being fuelled by the rapidity of economic growth include the situation of a growing number of refugees and asylum seekers, the heightened difficulties facing some urban and rural areas, the relative income position of people on social welfare, and so on. We are still far from being able to weigh the social benefits and costs of Ireland's rapid economic and employment growth' (p. 378).

3.6 Infrastructural challenge

In many respects, the major socio-economic changes that have taken place in Ireland in the past decade have taken place despite, rather than because of, the national and regional, physical infrastructure needed to support them. 'While much of this has been due to the fact that economic activity in recent years has been greater than anticipated, and so has put unprecedented demand on the entire infrastructural system, it is essential that the constraints arising now are addressed with the utmost urgency. The cumulative impact of poor transportation infrastructure, underdeveloped environmental infrastructure, inadequate housing supply and unbalanced regional development is intensifying and if not

dealt with urgently will threaten the capacity of the economy to fulfil its medium-term economic potential' (NCC 1999a).

An effective and well-functioning transportation system is crucial to overall competitiveness. Given Ireland's geographical location, its dependence on international trade and reliance on inward investment for economic growth, it follows that quality road, rail, marine and air-borne communications infrastructures are of critical national importance. In this context, the *National Development Plan 2000-2006* (1999) prioritises expenditure to address the significant shortcomings in each of these areas. Severe transport congestion in urban areas, deficient transport systems in rural areas, persistent and growing problems of environmental pollution, combined with comparatively high energy costs, are all environmental challenges that will need to be addressed successfully if the current rate of economic development is to be sustained.

3.7 Globalisation

The extent to which Ireland will be successful in sustaining the levels of economic growth anticipated in future years (see 3.2 above) will depend to no small extent on a range of external factors. As a small, open economy, Ireland is very dependent on what happens in the rest of the world. In this context, major negative developments within the EU, the US and/or the UK economies could have significant implications for Ireland. As the ESRI (1999) point out, '... if there were to be a sudden shock to the EU or US economies which slowed world growth, raised interest rates, or caused a fall-off in foreign direct investment, the consequences for Ireland could be unpleasant'.

While external macro-economic developments are both difficult to predict and control, this latter point is particularly significant given the important role played by FDI, particularly from the US during the past decade. As the National Competitiveness Council (NCC) points out, 'Ireland's growth experience has been strongly engineered by a highly successful industrial development strategy based on attracting foreign investment' (1999a, p. 1). Over the next decade and beyond, the enlargement of the EU and, in particular, the development of the more economically advanced Central and Eastern European Countries (CEECs), such as Hungary, will lead to intense competition with Ireland for FDI. Conversely, the anticipated expansion of the EU to a market of over 110 million people represents a significant opportunity for the Irish economy from a trade perspective, as long as the necessary steps are taken to ensure competitiveness.

3.8 Science and technology

Significant advances in science and technology have always been amongst the important drivers for globalisation in the world economy and, in recent years, Ireland has been successful in attracting a significant component of information technology (IT) related FDI. The rapid growth in information and knowledge based products and systems for managing information are providing the impetus for the rapid growth of the digital economy internationally. Information and communication technologies (ICTs) are among the main engines of economic growth in the developed world and, in this regard, a number of recent studies have emphasised the critical importance of further progress in this area if Ireland is to sustain its rate of economic growth in future decades (see, ESRI 1999 and NCC 1999a).

Weaknesses in the country's telecommunications infrastructure are seen as a major threat to Ireland's future growth performance. Substantial investment is needed in the upgrading of networks to provide broadband facilities throughout the country. An additional priority is the extension of cheaper and more accessible Internet facilities. Government will have a lead role in the development of, and investment in, e-government and e-commerce. In the *National Development Plan 2000-2006* (1999), considerable additional provision is made for increased investment in research, technological development and innovation (RTDI), including the establishment of a Technology Foresight Fund, in line with the recommendations of the Irish Council for Science, Technology and Innovation (ICSTI).

3.9 Conclusions

If nothing else, the experiences of the recent past discourage over-confidence in predicting the particular challenges to be faced by Irish public service managers in 2005, never mind 2010. Without the benefit of hindsight, such an exercise is inevitably prone to a degree of speculation. However, assuming no major external threats, continued responsibility in the management of internal economic pressures and achievement of real improvements in environmental infrastructure, there are grounds for anticipating continued growth and development in the national economy during the period covered by this study. The social changes manifest in recent years would also appear set to continue. Such a situation will present public service managers with untold opportunities for the delivery of quality public services and playing a leading role in the continued economic and social progress of the country.

These challenges and opportunities present themselves in a number of diverse fields:

- After decades of under-performance in the national economy and domestic labour market, a new and dynamic mindset is required to allow the public service to become proactive, rather than reactive, in optimising its use of available human and financial resources, in an increasingly competitive external environment.
- In an era where there is considerable buoyancy in the public finances, rising expectations in industry, an organised educated workforce and citizenry, there is an unprecedented opportunity and a driving need for public service modernisation.
- However, completely new approaches will be necessary to social welfare provision, labour market policy, infrastructural and technological development, and to the forging of new global relationships, if the opportunities presented by the new social and economic situation are not to be missed.

During the past decade, the public service itself has not stood still and, it is important now to begin to outline here the important developments that have already taken place.

Irish Public Service Developments

4.1 Introduction

Since the Strategic Management Initiative (SMI) launch in 1994 there have been significant developments in the public service in Ireland. Before looking in more detail at some of these developments, it is worth re-visiting the initial aims of the SMI. Three key areas were identified for attention:

- the contribution which public bodies can make to national development;
- the provision of an excellent service to the public; and
- the effective use of resources.

Of course, these issues are still relevant, although the context has changed markedly since 1994. In addition, new challenges are emerging to which a constructive response is required (see Chapter Two).

4.2 SMI developments

The SMI itself has not stood still. *Delivering Better Government* (DBG, 1996) set out a range of initiatives to enhance service quality, accountability, transparency and freedom of information. The report identified six key areas: delivering a quality customer service; reducing red tape; delegating authority and accountability; introducing a new approach to human resource management; ensuring value for money; and supporting change with information technology. As indicated in Chapter 1, between 1997 and 1999 significant advances have been made in a number of these areas.

Additionally, in 1999 the Taoiseach announced the beginning of a new phase of change in the civil service under the SMI. Several of the main areas identified in DBG were again expressed as priorities, along with other issues:

- deepening the Quality Customer Service (QCS) Initiative
- regulatory reform
- freedom of information
- financial management systems
- human resource management, and

- promoting gender equality.

These objectives are re-emphasised in the *Programme for Prosperity and Fairness* (PPF, 2000). The PPF outlines actions to be pursued at sectoral level- in the civil service, education, health and local government sectors- to secure these key objectives.

In May 2000 the latest phase of the SMI was announced, the introduction of a new Performance Management and Development System (PMDS). The PMDS consists of three main phases: performance planning, ongoing management of performance and annual performance and development review. It is intended to step down the goal and objective setting process, developed through strategy statements and business plans, to individual and team level.

There is, however, absolutely no room for complacency. Concerns have already been expressed about the slow pace of change. For example, NESC (1999) has stressed the need to shift from development to implementation of the new structures and approaches arising from the SMI. In addition, absolutely fundamental issues of accountability have arisen in recent years which ask extremely searching questions of established approaches to public service management.

4.3 Accountability

The issue of the accountability of the public service is at the forefront of public consciousness in Ireland in an unprecedented manner. A significant number of independent inquiries and tribunals have been established to investigate specific issues, attracting a high-level of media attention. These inquiries/tribunals are having to deal with ever more serious public issues.

- In 1996 the Department of Justice failed to tell Judge Lynch that his membership of the Special Criminal Court was terminated. This led to seventeen prisoners being released and re-arrested because of the invalidity of the court's decision. An independent inquiry was ordered. The inquiry found, inter alia, an absence of proper procedures in the Department of Justice.
- An independent inquiry into systems control in the Department of Agriculture, Food and Rural Development reported in 1999, following concerns expressed by the Committee of Public Accounts in relation to the administration by that department of the European Agricultural Guidance and Guarantee Fund. This report made recommendations to

improve accountability practice in the department, including strengthening tracking systems and better risk management.

- The use of contaminated blood products by the Blood Transfusion Service Board has led to the creation of the Finlay Tribunal, looking into issues arising from Hepatitis C infection, and the Lindsay Tribunal, concerning the infection of haemophiliacs. Each tribunal has raised serious accountability and ethical issues for the public service bodies involved.
- Similarly, the Flood Tribunal inquiry into certain planning matters regarding development in the Dublin County Council area has surfaced corruption and accountability issues for politicians and officials alike.
- A sub-committee of the Committee of Public Accounts reported in 1999 on issues around evasion of the DIRT tax. Among its recommendations was the need for a review of the structure, operation and accountability of the Office of the Revenue Commissioners.
- It can also be anticipated that the Commission of Enquiry into Child Abuse, established in May 2000, will raise extremely sensitive issues regarding the education, health and welfare of children in residential care in Ireland, as well as the adequacy or otherwise of the protection afforded by the systems of public administration.

Clearly, the public service management implications of the findings of these tribunals/inquiries will need to be addressed with urgency and conscientiousness. However some efforts have already been made, under the SMI, to introduce more structured approaches to the accountability of public servants. The Freedom of Information Act (1997) is aimed at greater transparency of management practice. Freedom of information is also raising issues concerning accountability relationships between the public service and the media in general. The Public Service Management Act, 1997 sets out a formal structure for assigning authority and accountability within the civil service. It aims to clarify the roles and duties of individual civil servants. Similarly within the health sector, the Health (Amendment) (No. 3) Act, 1996 aims to strengthen the arrangements governing financial accountability and expenditure procedures in health boards; clarify the respective roles of members of health boards and their chief executive officers; and begin the process of releasing the Department of Health and Children from detailed involvement in operational matters.

However, new organisational forms have also raised new accountability issues. Executive bodies, such as the Prisons Agency and Courts Service, have surfaced the need for concomitant accountability procedures to be put in place to ensure their answerability to the Oireachtas. The growth in independent regulatory bodies, such as the Office of Telecommunications Regulation and Commission for Electricity Regulation, has raised new accountability challenges. The policy paper produced by the Department of Public Enterprise (2000), *Governance and Accountability in the Regulatory Process: Policy Proposals*, provides a comprehensive overview of accountability concerns. Throughout these developments, an overarching theme is that of political accountability. Oireachtas committees are playing a more prominent role. Civil and public servants are more likely to appear before such committees. Central to their effective functioning will be their ability to take on an enhanced accountability role.

4.4 Social partnership

The *Programme for Prosperity and Fairness* (2000) is the fifth in a series of national agreements between the government and the social partners since 1987. These partnership agreements, and the development of social partnership more generally, have often been regarded as contributing significantly to Ireland's social and economic development. For example, the National Competitiveness Council (1999b) note that, 'The creation under social partnership of a *virtuous circle* in the economy encompassing pay, profitability, investment, employment and tax reform has been the cornerstone of Ireland's economic transformation over the past decade'.

Partnership 2000 (1996), the fourth national agreement, put significant emphasis on the extension of the social partnership concept to the enterprise level. In the public service, this has led to the creation of partnership committees, composed of management, employees and unions. These partnership committees are seen as having a central role to play in the modernisation of the public service, and in driving a partnership approach to change and decision-making in their organisations. As such, they represent an important innovation to attempt to change what has been a traditional adversarial approach to industrial relations in the public service.

More recently, the role of social partnership at a time of strong economic growth has been questioned. The NESC (1999) and National Competitiveness Council (1999b) have both called for a renewed social partnership, encompassing a new shared set of goals for economic and social development. While the concept of social partnership remains a firm commitment, the structures and processes of partnership are seen as in need of change, particularly to foster broader opportunities for people to participate and to encourage sectoral-based partnership initiatives. Additionally, O'Donnell and Teague (2000) point out that a deepening of the partnership process is necessary to enhance the contribution of public services to national competitiveness and citizen's welfare.

4.5 Decentralisation/devolution

The geographical concentration of civil service functions, and associated employment, in the greater Dublin area has long been the subject of debate within Ireland. Particularly during periods of high unemployment, it was argued that the relocation of civil service staff away from Dublin could both achieve savings to the exchequer by way of reduced office accommodation costs and facilitate economic regeneration in regions away from the capital. Although often referred to as 'decentralisation', such programmes to relocate civil service staff away from Dublin have often been little more than geographical dispersal. They have characteristically involved no significant degree of devolution of decision-making power to the regions and the nature of the work undertaken has continued to be centrally determined (see Joyce, Humphreys and Kelleher 1988). In addition, the decisions regarding host area to receive dispersed units of staff have not normally formed part of a coherent regional development strategy². While some of these dispersals may have resulted in improved access to government services locally, such benefits have largely been coincidental³.

As a consequence of these complex changes over the past thirty years, approximately 14,000 civil servants or 47 per cent of total civil service staff are now located outside Dublin. New proposals announced by the Minister for Finance could result in the relocation regionally of a further 10,000 staff in civil service departments and other public bodies. Insufficient evidence is currently available to indicate whether these further moves will comprise dispersals of existing functional units to urban areas outside Dublin or whether they will also include greater devolution of public service activities across the country. The timetable for this new programme is also still being finalised.

4.6 E-government

When initially launched in 1994, the SMI could scarcely have anticipated the scale and pace of developments in ICTs during the intervening period. Similarly, while *Delivering Better Government* (1996) acknowledged the great potential for effective use of IT to transform the way government business was conducted and to provide new ways of working, developments since that time are continuing to place new demands upon the public service as both a leader and as a facilitator of change.

With regard to the support and encouragement of e-commerce more broadly, a number of relevant developments have already taken place or are in progress. These include:

- liberalisation of the telecommunications market
- the establishment and work of the Information Society Commission
- the Telecommunications Infrastructure Bill (1999)
- the Broadcasting Bill (1999) and
- the Electronic Commerce Act (2000).

Such developments also need to be seen within the wider context of extensive investment in science and technology highlighted in the *National Development Plan 2000-2006* (see 3.7 above).

With regard to e-government initiatives specifically, a number of significant developments have already taken place or are in progress, including:

- provision in the 1999 Finance Act for the electronic filing of taxes
- the development of departmental websites, including facilities for e-mail communication
- the REACH and E-broker initiatives, which will develop the framework for the integration of services and the implementation of e-government in Ireland
- pilot projects involving company records (Enterprise, Trade and Employment), the Public Services' Card (DSCFA), patient records (Health and Children), headage payments (Agriculture and Food), driving test applications (Environment and Local Government), and
- the Education Technology Investment Fund and the implementation of the Schools IT 2000 Initiative (Education and Science).

Such schemes are merely indicative of the potential transformation of the business of government afforded by the effective and innovative use of ICTs. Equally, at the workplace level, ‘public servants need to educate themselves on the benefits of ICTs and to keep themselves abreast of developments in this area and how they can be integrated into the business area’ (Department of the Taoiseach 1999, A.40).

4.7 Privatisation/regulation

Forfás (1996) recommend that there should be a relative shift in economic activity from the public to the enterprise sector: ‘Services which can best be provided by private sector competition should be left to the market and subject to regulation only where the need for such regulation is clearly established’ (p. 59). More broadly with regard to regulation, Forfás recommends that: ‘A clear distinction should be drawn between the role of government departments and agencies as providers of services and as regulators. The two roles should be kept separate’ (p.59).

There is evidence of both increased competition and an evolving role for regulation in the public service in recent years. This is particularly the case in the state-sponsored bodies sector where, driven by EU requirements, market liberalisation has been a recurring and dominant theme:

- In the telecommunications sector, there has been significantly increased competition, with the privatisation of eircom and the introduction of the Office of the Director of Telecommunications Regulation, removing from departmental control such functions as price control and entry and licensing arrangements.
- The gas, electricity and postal markets are gradually being opened up to competition, as are public transport and private health insurance. A Commission for Electricity Regulation has been established to oversee competition in the electricity market.
- Finally, a regulator-designate for Irish airports has been appointed in anticipation of supporting legislation.

Against this background, it is vital to clarify issues regarding the independence of regulators, their accountability, areas of overlapping jurisdiction, the level of enforcement powers, and the role of regulators vis-à-vis the Competition Authority. An initial step to this end has been the publication of policy proposals concerning governance and accountability in the regulatory process in the public enterprise area (Department of Public Enterprise, 2000).

A further development has been the introduction of the public private partnership (PPP) approach to public capital projects. Under the PPP, initiated in 1998, there is provision for an involvement of private sector investment and expertise in the provision and operation of public infrastructure and services. The PPP has been introduced on a pilot basis, with a focus on tackling infrastructural deficits constraining economic development. Uptake to date has been limited and managing the PPP process represents a significant new challenge for public service managers.

4.8 Local development

The NESC (1996) report *Strategy into the Twenty-First Century* put significant emphasis on local development. It notes that area-based initiatives such as county enterprise boards, area partnerships, and leader companies have led to a significant level of real devolution. However, it also noted that the local government system had been bypassed in these developments. NESC (1996) suggests that local authorities should be developed as centres for co-ordination and linkage at the local level. Similarly, Forfás (1996) suggests that sub-national tiers of government have been poorly developed, with lack of co-ordination with regard to regional policy development, and that it needs to be enhanced.

In 1998, the government established a task force on local government and local development systems to develop a model for the integration of the local government and local development systems. The task force recommended, and the government accepted, that county/city development boards should be established to replace the county strategy groups that previously drew together local development initiatives. These boards are to work in a series of steps towards the production of a comprehensive social and economic strategy for their county or city, prepared in partnership with all local agencies and communities, by 1 January 2002. Once adopted, it is intended that the strategy will form the blueprint or vision for all public sector agencies operating in the area.

The *National Development Plan 2000-2006* (1999) had more balanced regional development as a fundamental objective of the plan. To this end, a National Spatial Strategy is being developed. This strategy is to take account of the government's commitment to the development of regional 'gateways'; centres which will stimulate growth in the towns, villages and rural areas within their zones of influence.

4.9 Cross-cutting issues

Issues such as drugs, homelessness, infrastructure development and children's needs cut across government departments and levels of government. Such cross-cutting issues have grown in prominence in recent years, and there is increasing awareness of the need to develop new systems and procedures to address these complex issues.

Various initiatives have been taken to try to improve co-operation and co-ordination (Boyle, 1999). Nationally, cross-cutting teams reporting to junior ministers and/or cabinet committees have been set up to tackle issues such as drugs and infrastructure development. The Public Service Management Act, 1997 addresses the issue of responsibility for cross-departmental matters. Departmental strategy statements must identify and address relevant cross-departmental issues, though early experience indicates that statements are better at identifying the issues than they are at outlining how they will be addressed (Boyle and Fleming, 2000). The National Children's Strategy, initiated in 2000, sets up a National Children's Office to co-ordinate implementation of the strategy across government departments.

At the local level, a wide variety of government bodies and agencies interact to provide services. Notable in recent times has been the establishment of area-based partnership structures in response to EU and national initiatives, each with its own separate, independent role. The newly established county and city development boards are intended to integrate development-oriented activities at the city/county level. Initiatives to provide 'seamless services' to the user, such as 'one-stop shops' and co-location of services are also being developed (see Humphreys, 1998).

4.10 Equality/diversity

Until recent years, much equality legislation in Ireland focused on the provision of protection against discrimination on the grounds of sex and marital status, as well as provision for the active promotion of equality in employment⁴. Within this context, having abolished the marriage bar in 1973, the civil service introduced in 1986 its *Equal Opportunities Policy and Guidelines* aimed at combating discrimination and promoting full equality of opportunity between men and women throughout the service. However, DBG (1996) noted that 'notwithstanding the progress that has been made, many women employees are concentrated at the lower levels where their potential is underused and women are not adequately represented at the most senior management levels in the Irish

civil service (p.47)⁵. Following a detailed investigation of the effectiveness of the 1986 policy and the reasons for the continuing gender inequality in employment in the civil service, a new gender equality policy is now being developed in consultation with the unions by the Equality Management Group established under SMI. The scale of the challenge ahead should not, however, be underestimated.

Similarly, while a quota of 3 per cent for the employment of people with disabilities had been operational in the civil service for a considerable number of years, its achievement in the wider public service has been disappointing. Separate research is therefore in hand to investigate the reasons for the limited implementation of the disability quota outside the civil service. In addition, to address concerns regarding equality of treatment once in employment, in the early 1990s the civil service introduced a code of practice addressing important issues such as recruitment, retention, integration, career development and accommodation needs.

Recent legislation will set an even greater challenge to the Irish public service in the new millennium, not only as a major national employer but also as a service provider. The Employment Equality Act (1998) updates employment equality provisions and extends them, not just to gender and marital status, but also to family status, sexual orientation, religion, age, disability, race and membership of the Traveller community. The Equal Status Act (2000) and the newly established National Disability Authority and Human Rights Commission should likewise transform the equality landscape in Ireland in future years to the benefit of an increasingly diverse society and workforce.

4.11 Quality Customer Service (QCS)

Delivering Better Government (DBG, 1996) saw ‘the achievement of an excellent service...for the public as customers as the central thrust to its report. This commitment was renewed by the Taoiseach in July 1999 when he stated that, ‘ ... the interaction between the customer and the public service is at the heart of what we are about ... I am asking ministers and secretaries general to take a lead role in this process because it requires strong organisational leadership, a change in organisational culture to put quality service to the customer first’ (Ahern, 1999).

Prior to *Delivering Better Government* (1996), a number of individual departments/offices had already made significant, pro-active efforts to improve the quality of services delivered to their customers (see Humphreys, 1998). Such bodies would include the Department of Agriculture and Food, the Department of Social, Community and Family Affairs and the Office of the Revenue Commissioners, which together account for over 90 per cent of public contacts with the entire civil service. Nevertheless, the SMI's ability to deliver quality services to the citizens that ultimately pay for, and use, those services will be a litmus test for the success or otherwise of the SMI as a whole.

Within this context, a QCS Initiative was launched in May 1997 to promote the wider adoption of improved customer service standards by twenty-three departments/offices. To facilitate this process, each participating department/office was required to produce a two-year customer action plan. In this regard, it is also important to note that considerable interest has been shown in the QCS Initiative by the All-Party Oireachtas Committee on the SMI. The committee has already received presentations from a number of departments/offices: Agriculture and Food; Marine and Natural Resources; Revenue Commissioners; Social, Community and Family Affairs.

Following assessment of progress made under the first series of customer service action plans by the Quality Customer Service Working Group, a government decision in July 2000:

- agreed a revised set of QCS principles upon which further progress should be made. These guiding principles are quality service standards; equality/diversity; physical access; information; timeliness and courtesy; complaints; appeals; consultation and evaluation; choice; official languages equality; better co-ordination and the internal customer.
- required departments/offices to update, refine and publish their new action plans by the first quarter of 2001, to give full effect to the new principles and ensure continuous quality improvement. The new plans will be for a three year period to improve their integration with the strategic and business planning timetables for departments.
- required that the principles are firmly embedded in department/offices' strategy statements and business plans, with report on progress made against goals and objectives in their annual reports and
- required departments/offices to extend the QCS principles to any public service organisation, agency or body for which they have responsibility.

In addition, active consideration is being given to the setting up of a QCS recognition scheme to raise awareness and morale amongst service providers and to act as a driver for progressive change across the service. There is little doubt that the deepening of QCS within government departments/offices and its widening to the public service overall will, together, present one of the greatest challenges to SMI over the next decade.

4.12 Conclusions

At the start of this chapter, the three key areas identified for attention through the SMI were outlined: the contribution of public bodies to national development; the provision of an excellent service to the public; and the effective use of resources. It is worth revisiting these areas and looking at how developments summarised above are affecting them, and what key themes and issues arise.

With regard to the contribution of public bodies to national development, a number of issues emerge from this review:

- There is evidence of a shift in economic activity to the enterprise sector, particularly in the commercial state enterprise sphere and through the development of public-private partnerships. Concomitant with this is a change in regulatory practice, with regulation emerging as a significant factor determining the pace and nature of national development.
- The renewed emphasis on decentralisation/devolution and on local development has significance for national development, and particularly for the concept of balanced regional development.
- Social inclusion has emerged as an important theme in national development. The challenge is to ensure that the benefits of development are achieved in such a way that social cohesion is promoted. The role of the public service in promoting and monitoring social inclusion needs to be further developed.

With regard to the provision of excellent services to the public, significant issues emerging are:

- There is a continuing and developing focus on quality customer service for users. Translating the new QCS principles into practice presents particular challenges for all public service organisations.
- Linked to the customer service issue, developments in ICTs and e-government have the capability to transform the way government business is conducted.

- There is evidence of a growing interest in addressing complex cross-cutting issues. New systems and procedures are being put in place both nationally and locally to tackle such issues, but experience is still very much at an early stage with regard to good practice.

Finally, with regard to the effective use of resources, issues emerging from this review include:

- Partnership is emerging at the organisation level as a means of encouraging the best use of human resources. How partnership works alongside traditional centralised industrial relations procedures will be important in determining its success.
- The equality/diversity agendas are broadening and deepening. In particular the Employment Equality Act (1998) and the Equal Status Act (2000) will have significant implications for the public service both as employer and as service provider.
- There is renewed emphasis on accountability. This is both in terms of fiscal and procedural accountability, as promoted by improvements in financial management, evaluation and the like, and ethical accountability focused on improving the public standing of the public sector.

International Public Service Developments

5.1 Introduction

In 1995, Boyle reviewed the 'new' approaches to organisational control and structures in the public service in a range of countries. At that time, two main strands of 'new public management' were identified:

1. Influenced particularly by public choice and agency theory, one approach stressed reduction in the size of the public sector, contracting out of services and the use of quasi-market mechanisms in the public sector, e.g. New Zealand and the United Kingdom (UK).
2. The other approach, influenced more by managerial theory developments, stressed themes such as internal devolution and performance management, e.g. Australia and Canada.

Looking more widely, the OECD (1999a) has identified a number of common areas of reform in those countries that embarked upon public service change in the 1980s and early 1990s:

- *Comprehensive review.* A systematic examination of the role and function of government; identifying the activities where government adds value, as well as tasks that might move efficiently to the private or voluntary sectors.
- *Improved service delivery.* Providing an excellent service to the public, e.g. through the use of service or citizen's charters to set explicit service standards. Restructuring of departments, particularly the creation of executive units, was also common.
- *Information technology.* Encouraging technological innovation with the potential to transform citizen access to information, to affect policy development, and enhance service delivery options.
- *Financial and performance management.* Financial management reforms have refocused accountability on results rather than inputs. Performance management reforms have focused on increasing efficiency and accountability.
- *Human resource management.* More flexibility and decentralisation have been emphasised. Devolution of decision-making powers to line departments or agencies has been accompanied by accountability for results by departmental or agency heads.
- *Regulatory management and reform.* The emphasis has shifted from deregulation to improving regulatory quality through better management.

- *Decentralisation.* The focus has been on decentralising decision making to regional and local government. Central aims included improvements in democratic decision-making and devolving authority/accountability to improve decision making.

Within this international context, different countries have pursued different reform agendas and these agendas have also changed over time. This pattern can be illustrated by looking at changes in the countries originally reviewed in *Towards a New Public Service* (Boyle, 1995); namely New Zealand, the UK, Australia and Canada, as well as the experience of reform in the Nordic countries.

5.2 New Zealand

Reform in New Zealand can be divided into two distinct phases:

- 1984 to 1994, a period of rapidly implemented radical change, and
- 1995 onwards, a period of slower paced evolutionary change (see OECD, 1999b).

Prior to 1994, reforms focused on: the corporatisation and privatisation of government trading enterprises; departmental restructuring, particularly the separation of policy advice, service delivery and regulatory functions; decentralisation of HRM; an increased use of contracts; and a change in financial management and accountability through the introduction of accrual accounting, a focus on outputs and the development of ex-ante and ex-post reporting arrangements (see Boston et al., 1996).

In 1996, the government appointed an international expert to review progress with their reforms (Schick, 1996). He found the state sector to be more efficient, pro-active and responsive, and with significant improvement in the quality of services provided. Schick also identified three areas requiring further attention:

1. *Strategic Management*

While the initial reforms had emphasised annual actions and outputs, insufficient attention had been paid to medium and long-term planning, and to co-operation between agencies. The Strategic Result Areas/Key Result Areas initiative was seen as providing a good basis on which to build strategic capacity.

2. *Resource Base*

The need for more financial flexibility was identified in a number of areas.

3. *Accountability*

While accountability was an integral part of the design of the new public service, Schick found that the focus on ex-ante specification of outputs could lead to a checklist mentality and an over-elaboration of accountability mechanisms more generally.

In response to these comments, as well as to internal and political imperatives for change, the public administration system in New Zealand has continued to evolve. Particularly notable initiatives include:

- *Developments in the strategic management system.* In 1998 the prime minister expressed concern about the responsiveness of the public service to the government's strategic goals, and related problems with the co-ordination of policy and service delivery. Proposals were developed to enhance the strategic management system. Strategic Result Areas (SRAs) were replaced by ten Strategic Priorities (SPs) agreed by the cabinet. The prime minister nominated four teams of ministers tasked with ensuring progress against these priorities, the aim being to develop formal networks of ministers and departments. Initial indications are that the cabinet is now more focused on its strategic priorities and has a greater sense of ownership than with SRAs. There is also improved co-ordination across departments. However, there are difficulties in departments with converting the priorities into outcome indicators for monitoring and evaluation (OECD, 1999b).
- *Developments in accountability.* The State Services Commission (SSC) undertook a review of documentation, with a view to simplifying and clarifying the accountability framework. Progress has been made, but there is also recognition that the documentation is just the visible part of a more extensive process. Consequently, in 2000 the SSC has begun a pilot programme on capability, accountability and performance (CAP)⁷.
- *Improving the quality of policy advice.* In 1997 the Minister of State Services expressed concerns about the quality of policy advice, in particular: an inability to define clearly the outcomes government seeks to achieve and a related inability to put forward sound policy solutions; inadequate human resource capability in some policy units; lack of attention to implementation; and the counter-productive effects of departmental patch-protection. A project was subsequently established to examine the issues involved. Particular gaps were identified in evaluation, emerging issue identification, forward-looking research-based policy analysis, public consultation, and strategic analysis and management. Steps are being taken to fill these gaps (State Services Commission, 1999).
- *Review of machinery of government changes.* Early indications, from a review of design principles for the structuring of the state sector, are that there is a need to think through carefully the use of structural change as a means of improving responsiveness to strategy.

The State Services Commission indicates that ‘... major structural change should be the option of last resort as a tool to build a public service that is more responsive to the strategic objectives of government. Furthermore, the operation of structural change should be considered within the broad context of overall state sector capability’ (OECD, 1999b, p. 16). With regard to this latter issue of capability, information technology is seen as having an important role in changing the nature of government business.

5.3 United Kingdom (UK)

Throughout the 1980s and early 1990s an emphasis on replacing bureaucratic mechanisms by market and quasi-market mechanisms was prevalent in the UK public service. However, a change of government in 1997 brought a change of focus. Constitutional reform has been reshaping the public service. There has been substantial decentralisation of power with the establishment of a parliament in Scotland, an assembly in Wales and Northern Ireland (and associated developments in Northern Ireland flowing from the Good Friday agreement of 1998), and an elected mayor and strategic authority for London. There are further plans to devolve powers to the regional level in England.

With regard to public management, March 1999 saw the publication of *Modernising Government* (1999), which sets out a programme of governmental reform. Six main issues are identified for particular attention:

1. *Policymaking*. The intention here is to make policies more forward-looking rather than reactive. A particular concern (echoed at the service delivery stage) is the perceived need for ‘joined-up’ government; developing policy around shared goals. Significant changes have been made at the centre of government to facilitate more effective joint policy making, including the creation of a Performance and Innovation Unit and Social Exclusion Unit in the Cabinet Office to promote longer-term thinking on key issues, and the setting up of a new Centre for Management and Policy Studies to identify and promote best practice (see Boyle, 1999, CPMR Discussion Paper No. 8).

Other notable initiatives regarding policy making include the establishment of joint training of ministers and civil servants and the introduction of peer review procedures in departments. With regard to regulatory policy, the government has strengthened the Better Regulation Unit in the Cabinet Office, re-naming it the Regulation Impact Unit. Departments must carry out regulatory impact assessments when preparing policies which impose regulatory burdens. The Regulation Impact Unit must review these in the same way that the Treasury reviews the public expenditure implications of policies.

2. *Financial Review.* A Comprehensive Spending Review (CSR) set new priorities for public spending. A large number of separate departmental reviews were undertaken, which fed into a wider overall review by a cabinet committee of senior ministers. A number of cross-departmental reviews in areas such as criminal justice and provision for young children were also undertaken. The intention is to set out plans for the medium to longer term, rather than focus on immediate issues as the annual public spending survey tended to do.
3. *Responsive public services.* The focus is on meeting the needs of citizens rather than the convenience of service providers. Joined-up working through one-stop shops and local partnerships is being promoted. Pooled budgets across departments are also being used in the delivery of programmes. Initiatives are also being taken to involve and listen more to service users. An example here is the creation of a People's Panel to seek views on improving public services. Panel members are consulted about how services are delivered and how delivery can be improved from the point of view of the user.
4. *Quality public services.* The focus is on reviewing all central and local government services and activities, setting new targets for public bodies, and monitoring and evaluating performance. Public Service Agreements (PSAs) are a central element of this approach. PSAs act as 'contracts' between departments and the Treasury (and between departments and their agencies), and set out output and outcome-related targets which departments are expected to meet. A greater emphasis on outcome-related targets is also stressed in Service First, the re-launch of the Charter Programme (see Humphreys 1998, CPMR Discussion Paper No. 7). With regard to assessing performance, a Public Sector Benchmarking Project has been set up. This project aims to spread the use of the European Foundation for Quality Management Excellence Model (EFQM) across the public service (see Humphreys, Fleming and O'Donnell, 1999, CPMR Discussion Paper No. 11).

At local government level, compulsory competitive tendering has been replaced by a 'Best Value' regime. Four main approaches are being used locally to implement Best Value: (a) the provision of in-house, functionally organised services; (b) contracting out services to the private sector or delivery through public-private partnerships; (c) the integration of services around cross-cutting issues or client group needs; and (d) the integration of services around the needs of local communities (Martin, 2000).
5. *Information age government.* An IT strategy for government is to be developed aimed at cross-government co-ordination machinery and frameworks to cover areas such as data standards and smartcards. Progress in the use of IT is to be benchmarked against targets for electronic service delivery. IT is seen as being a significant enabler of moves to joining up policy-making and delivering quality public services from a user rather than an organisational perspective.

6. *Valuing public service.* A key theme here is to modernise the public service through such areas as: revising public management arrangements with a greater emphasis on rewarding results and performance; tackling the under-representation at senior levels of women, ethnic minorities and people with disabilities; and building the capability for innovation through a renewed emphasis on training and development.

5.4 Australia

In contrast to the U.K, in Australia public service modernisation in the 1980s and early 1990s focused more on management reform than cutting back the public sector. A new coalition government elected in 1996 shifted the emphasis to market-based change, while recognising the need to maintain core public service values. One third of departmental secretaries were replaced. A Workplace Relations Act was passed in 1996 to reform Australia's industrial relations system and develop a more flexible labour market. A Public Service Bill was introduced in 1997 to apply the practices of the Workplace Relations Act to the public sector. This Bill was subsequently re-introduced in 1999, after the government was re-elected in 1998, and became the Public Service Act at the end of 1999. A number of significant principles are embodied in the Act:

- workplace arrangements for the public service should, as far as possible, be based upon those in the private sector;
- a need for greater flexibility in the manner in which staff are managed;
- agency heads to have autonomy over financial and people management and be accountable for the running of their organisations;
- the concept of the Australian public service as a single labour market with common employment standards and conditions is no longer appropriate; and
- the common ethos and values that distinguish public administration need to be maintained (OECD, 2000).

Contestability is a key theme of the current reform programme, with a particular emphasis on contracting out and outsourcing services. The long-term contracting of non-core business processes to an outside service provider through the development of strategic partnerships with the private sector is encouraged. For example, there is a strategic alliance with private sector providers to manage the Commonwealth government's non-defence property portfolio. IT is also extensively outsourced. Closely associated with outsourcing, agencies are being asked to review all functions to determine whether they should be discontinued, be carried out by the private or non-profit sectors, be devolved to another level of government, or remain the responsibility of the Commonwealth (Loudon, 2000).

Australia has been a pioneer in the development of accrual accounting and budgeting. The Commonwealth government now budgets, accounts and reports on outputs produced and aims to identify the contribution the outputs make to the achievement of planned outcomes. With regard to service delivery, a particularly notable innovation is the creation of Centrelink in 1997, a one-stop shop integrating customer access to government services previously provided across a number of Commonwealth government portfolios. Centrelink separates service delivery from policy, and is associated with the concept of policy departments as purchasers of services in a stable market environment (see Humphreys, 1998, CPMR Discussion Paper No. 7). Initially Centrelink provided services for five departments, and as of 2000 has business arrangements with nine government agencies and all eight state and territory housing authorities.

The Australian public service (APS) is also aiming to stimulate longer-term thinking on the future, to test alternative scenarios and refine ideas and strategies for driving further improvement in public sector performance. The Public Service and Merit Protection Commission has sponsored the establishment of an APS futures forum to encourage the development of futures methodologies and the exchange of ideas and best practice approaches.

5.5 Canada

In the early 1990s, Canada was immersed in a major fiscal crisis and, in order to resolve this crisis, fundamental public sector reform and budget consolidation was high on the agenda from 1994 to 1999. Program Review and a revised Expenditure Management System were the main tools used, with the wider context of a fundamental re-examination of the role of the federal government. A Comprehensive Program Review developed six basic tests against which all government programmes were judged:

1. *Public interest*: does the programme serve the public interest?
2. *Role of government*: is there a legitimate and necessary role for the public sector in this area?
3. *Federalism*: is the current role of the federal government appropriate in this area?
4. *Partnership*: what activities or programmes should or could be provided, in whole or in part, by the private or voluntary sector?
5. *Efficiency and effectiveness*: if the programme continues, how could it be improved?
6. *Affordability*: is the resultant package of activities or programmes affordable within the fiscal parameters of the government?

In addition, a revised Expenditure Management System announced in 1995 puts particular emphasis on improving information on programme performance and on reporting information to parliament. Following this review, the government reduced its range of activities and developed a clearer definition of its role, set out in *Getting Government Right* (1996, Treasury Board Secretariat). Subsequently, the emphasis has shifted from public sector reform to public management reform (OECD, 2000).

Results for Canadians (Treasury Board Secretariat, 2000) sets out a new management framework for the government of Canada. This framework builds on four areas where developments have taken place in recent years and which are identified as critical to a well-performing public sector:

1. *Citizen focus*: the aim is to design, fund and deliver services, and assess their results, from the point of view of the citizen (see Humphreys, Butler and O'Donnell, forthcoming). Information technology and electronic service delivery are seen as key enablers in providing seamless services. Partnership is also a central theme: encouraging public service managers to develop partnerships across departmental boundaries, across levels of government, with not-for-profit organisations and with the private sector. Partnership is encouraged at both the design and delivery stages⁹.
2. *Public service values*. There has been significant debate in recent years in the public service about the need for sound public service values in an increasingly competitive

environment. Four basic sets of values have been identified to inform and guide public servants:

- *Democratic values* recognise that authority rests with democratically elected representatives who are accountable to parliament and ultimately to the people.
 - *Professional values* require employees to provide high-quality, impartial advice on policy issues, and a commitment to the principles of excellence and merit.
 - *Ethical values* such as integrity, trust and honesty require public servants to support the common good ahead of personal interest or advantage.
 - *People values* include respect for colleagues' needs and aspirations as well as those of the citizens served.
3. *Managing for results.* A particular emphasis has been put on measuring and evaluating results, based upon clearly defining the results to be achieved, delivering the service, measuring and evaluating performance, and clearly reporting on performance to the government and citizens¹⁰.
 4. *Responsible spending.* Building on the experience of program review, the systematic review of existing programmes and new spending proposals is being developed, including the development of management frameworks to ensure the proper stewardship of public funds.

Apart from these four areas set out in the management framework of *Results for Canadians*, two other important public management developments in recent years have been in the policy development and human resource management areas:

- With regard to policy development, strengthening policy capacity has been a central theme. Particular emphasis is being put on collaborating with a broad range of external partners in developing policy initiatives. Strengthening long-term policy research capacity is another priority, with the Policy Research Initiative, set up in 1996, being the main tool used here to identify long-term social and economic trends impacting on quality of life (see Boyle, 1999, CPMR Discussion Paper No. 8).
- With regard to human resource management, the La Relève initiative established in 1997 focused on the renewal of human resource management in the public service. Three particular issues recruitment, workplace well being and learning and development- have been highlighted as priority issues for the next five years (Privy Council, 2000).

5.6 Nordic countries

Finally, the Nordic countries share some characteristics of public sector reform with other OECD countries, but also show some distinct characteristics. Premfors (1998, pp. 157-158) notes that, ‘ ... The chief characteristic of this Nordic trajectory is a (more or less) radical decentralisation of politics and administration, but within a still large public sector and an unchanged or only modestly reduced welfare commitment between government and citizens. Reform talk has certainly contained ideas of ‘marketisation’ and privatisation, but the impact has been small, passing or almost negligible. Ideas of welfare and local democracy have survived and flourished even in hard economic times’.

Across the Nordic countries, particular issues are common, such as an increasing use of benchmarking in judging the quality of service provision and decentralisation of decision-making powers to agencies and municipalities. Noteworthy initiatives include:

- In Denmark, contract management has been one of the most important tools used in public management reform. In 1992 the first nine contract agencies were set up in central government. By the end of 1999 there were more than ninety agencies with a contract (Greve, 2000). A contract agency is an agency in a government department whose tasks are specified and for whom performance indicators are set. Contracts run from two to four years, when they are renegotiated¹¹.
- In Norway, a programme called *Simplifying Norway* is aimed at producing a better functioning public administration. The programme includes three main initiatives:
 - simplifying government regulations of the business sector
 - citizen and user-oriented development of public administration, and
 - simplifying government regulations concerning local municipalities.Also, in 1998 the government embarked on a Norway 2030 project. This will set out five future scenarios of the role and functioning of the public administration in relation to the private sector and civic society in 2030. The project is intended to strengthen the public administration’s preparedness for readjustment and development in relation to longer-term challenges, and improve strategic planning capabilities in the ministries (OECD, 2000).
- In Sweden, the Central Government Administration in the Citizen’s Service (Government Bill 1997/98:136) sets out guidelines for the development of central government administration. Three main areas for attention are identified:
 - quality, skills and ethics
 - control and management
 - provision of information.
- In Finland, in 1998 the government passed a resolution on *High Quality Services, Good Governance and a Responsible Civic Society*. This resolution outlines guidelines for

public management in steering administration in the coming years. The broad goals to be achieved are specified as: continuously evaluate public functions; emphasise the responsibility of civic society; strengthen the role of government as political leader; reform the structure of the ministries; improve the quality and availability of public services; continue to develop personnel and employer policies; and enhance the steering of market-oriented functions (OECD, 2000).

5.7 Conclusions

As this brief review illustrates, there is no single model or pattern of public service reform in OECD countries. The UK has shifted emphasis from market-to management-led reform, while Australia has moved in the opposite direction. While many of the aspects of reform programmes- decentralisation, emphasis on service delivery improvements, a greater focus on results - are similar across countries, the manner in which they are applied varies depending on the values promoted through the political process and the democratic structures and cultures which apply.

In general terms some of the more radical applications of public choice and agency theory to the public sector have been replaced by a more pragmatic approach to reform which draws inspiration from a number of sources. As Wolf (2000) notes: 'Contrary to the 80s we are less inclined to look at public management tools from an ideological perspective. Conservative governments ... agree that good governance - including efficient and effective government - is needed to create economic growth, well functioning markets and stable societies with social cohesion. Labour governments in many countries are privatising or contracting out.'

Public Service Management Themes and Issues

6.1 Introduction

In 1995, Hurley affirmed that, ‘Strategic management is a process which must become integrated in time into the very fabric and culture of public administration. We must be able to look back in ten years’ time and say that the initiative continues to operate, not just as a framework for renewal but as a comprehensive approach to our work generally, a set of tools and attitudes which influence and direct management thinking at all levels’ (Institute of Public Administration, 1995, p. 41). At the mid-point in this timeframe, it is clear that the management challenges subsequently identified in *Delivering Better Government* (1996), *Better Local Government* (1996) and *Shaping a Healthier Future* (1994) largely remain. Issues such as improving the strategic management of public services, enhancing policy thinking, providing better services to customers and improving human resource management practices remain as central to successful public service reform now as they were when they were highlighted in the early 1990s. What has changed, and provides new challenges for the coming years, is the context within which the management agenda is moved forward.

It is within this context of current and likely future developments in the public service and the economy more generally, that it is now important to identify and explore a number of priority themes and issues for public service management in the new millennium. In considering these themes and issues, particular attention is paid to developments in crucial areas of public service management: policy development; regulation; accountability; values and ethics; service delivery; e-government; HRM; and financial management.

6.2 Policy development

Dramatic economic and social change provides a new setting for policy analysis and implementation in the Irish public service. The policy process- how policies are defined, agendas set and implemented- is becoming increasingly complex given the range of international, national and local stakeholders involved in policy development. The SMI has given particular impetus to the need for a strategic and longer-term look at policies.

Strategy statements and business/service plans are the formal expression of this, at both national and local levels. Building on this initiative, and given the trends towards a more complex policy environment, three particular management challenges for policy development over the next decade emerge: policy synthesis; policy prioritisation; and policy intelligence/foresight.

6.2.1 Policy synthesis

Policy making increasingly requires interaction between government departments, between levels of government, and with external actors such as the social partners and interest groups. Co-ordination has always been an issue in policy making, but policy is more frequently being devised and implemented through networks of organisations. With regard to levels of government, to take local development as an example, the European Union, national government and local authorities all have roles to play in policy determination. Similarly, with regard to the range of actors involved, as well as public service organisations, the private sector may be involved through public-private partnerships (PPP) in infrastructural development. The voluntary and community sectors have long-standing involvement in local development and, through partnership practices, are now more formally involved in the policy process.

A key challenge in this context is policy synthesis - ensuring that policies which come into being from international, national and local initiatives combine effectively and work together to address the cross-cutting issue involved. In particular, there is a need to combine 'top-down' policy frameworks which aim to ensure consistency through central direction with 'bottom up' approaches which ensure the local perspective has a voice in the process. Scrutiny of objectives and strategies determined at different levels to ensure they fit together is a particularly important task, as is developing structures for encouraging dialogue between the different actors involved in particular policy issues¹².

6.2.2 Policy prioritisation

NESC (1996, 1999) has consistently argued for better targeting of public expenditure on priority policies and programmes. Even in a context of favourable public finances and economic growth, it is important that public money is well spent and focused on government priorities. Social inclusion provides an example. The effective targeting of policies and resources to tackle social inclusion requires the prioritisation and scrutiny of policies which are not targeted at inclusion or which are failing to address the issue effectively. Resources need to be reallocated accordingly.

Such policy prioritisation has technical, managerial and political implications. Technically, there is a need for sound evidence from evaluative information, provided by sources such as programme reviews and evaluations. Such evidence is needed to enable judgements to be made concerning the efficiency of existing policies. Managerially, as the strategy statement process intends, senior management collectively have a responsibility for allocating resources to address identified priorities (see Boyle and Fleming, 2000, CPMR Research Report No. 2). Ultimately, resource prioritisation is a matter of political determination. There is limited evidence of political engagement in the Irish public service with policy prioritisation. The political system and incentives acting on politicians tend to encourage a process whereby new priorities may emerge but it is difficult to re-assess existing commitments in this light. In this context, there may be lessons to be learned from the comprehensive review process undertaken by governments in places such as Canada, the UK and Finland. Prioritisation of policies, and consequent allocation of resources to targeted policies, will be a notable issue which needs to be mastered in the coming decade.

6.2.3 Policy intelligence/foresight

As noted in Chapter 3, changes such as the growing complexity of family and household types and in labour supply, have important implications for public service provision. It is important that policies respond to such changes in a timely and appropriate manner. This requires foresight exercises to be increasingly built into management practice in the public service. Strategy statements and the environmental analysis associated with them have made an important start in this direction. But the strength and robustness of environmental analysis is very varied at present, and the future focus limited in many cases (see Boyle and Fleming, 2000, CPMR Research Report No. 2). In particular, there is a need in the case of particularly complex or contentious policies to test their robustness in various alternative future scenarios so as to assess their continuing relevance.

Similarly, there is a need to develop a better understanding of the causal theories which lie behind particular policies. Policies are based on explicit or, more usually, implicit theories of why the particular intervention(s) proposed will work to produce the desired results. It is helpful for management to make these theories and the assumptions behind them more explicit, and assess the evidence as to whether or not these theories are valid. The growth in evidence-based approaches to policy development in a number of countries is a response to this issue, as is a focus on improving evaluative capacity.

6.3 Regulation

The nature of economic regulation in the Irish public service is changing. With increased competition, both nationally and internationally, the role of regulation is changing as services previously provided directly by the public service are now provided by the private sector or jointly with the private sector. In this context, the government's capacity to assure high quality regulation will pose a challenge over the next decade.

There has been a significant amount of preparatory work undertaken, in particular by the Department of Public Enterprise, in determining the governance and accountability implications of new regulatory arrangements in the areas of transport, energy and communications (Department of Public Enterprise, 2000). It will be important that the agenda identified for utility regulation is followed through and acted upon. Particularly important is the commitment to periodic formal evaluations of regulatory developments within the utilities. In a fast changing environment, lesson learning and assessment of continuing justification for particular types of intervention are central to effective regulation.

While progress is being made in the economic regulation of utilities, there is less evidence to date of progress in enhancing the quality of social and administrative regulations. The next phase of regulatory reform, being driven by the government through *Reducing Red Tape* (1999) and by the OECD peer review of regulatory reform in Ireland, needs to focus on capacities of government departments both to review existing regulations and assess the implications of new regulations. Improving regulatory effectiveness in social policy areas such as health, consumer and environmental protection will be a vital issue over the coming years. The use of regulatory impact analysis (RIA) needs to be institutionalised, particularly for regulations with wide-ranging and significant impacts. Similarly, there needs to be a shift towards more use of performance-based regulatory standards as against over-detailed regulation of process. In performance-based regulatory standards, the outcomes to be achieved are clearly specified, but there is some degree of flexibility with regard to how that outcome is achieved.

6.4 Accountability

As noted in Chapter 4, recent and current inquiries and tribunals have generated great public concern and interest in accountability for the management and provision of public services.

Issues of overall political accountability, personal responsibility and accountability, and the robustness of accountability systems and procedures have all been raised.

Regarding political accountability, the capacity and capability of the political system to engage with accountability concerns is an issue both in Ireland and internationally. While the committee system has been strengthened and expanded, the profile and impact to date of Oireachtas committees has often been relatively limited. In this regard, a sub-committee of the Committee of Public Accounts, set up to investigate issues around evasion of the DIRT tax, recommended the modernisation and reorganisation of the Houses of the Oireachtas (Committee of Public Accounts, 1999). The government has also published proposals for Dáil reform in *A Dáil for the New Millennium* (2000). Certainly, a case can be made that changes in parliamentary and political accountability mechanisms have failed to keep pace with changing accountability practices in the management sphere as driven by the Public Service Management Act, 1997. A notable challenge over the coming decade will be the development of political accountability practices.

With regard to personal responsibility and accountability, public servants now face increasing and multiple accountabilities. Ministers, Oireachtas committees, secretaries general, the Comptroller and Auditor General, the Ombudsman, the media and service users all place accountability demands on public servants. Meeting the needs of these varying accountability requirements, while still getting on with the job in hand, is likely to pose increasing tensions on public servants. Managing these tensions is a significant issue. In this context, the implementation of the performance management system in the civil service and the development of similar arrangements in the rest of the public service offers one way forward. If public servants are able to demonstrate more clearly what has been achieved either individually or as a team, and what they are responsible for, answers to many accountability questions should flow from this development.

Information is the lifeblood of accountability. The relationship between the accountant and the accountee is dependent on the information flows between them, and the use made of that information. Evaluative information provided by sources such as monitoring systems, annual reports, programme reviews and evaluation studies are central to accountability in the public service. This is increasingly the case where service delivery is contracted out and there are multiple actors involved in service provision. Yet the quality of evaluative information available is relatively limited. Annual reports produced by public service organisations tend to be more promotional documents than accountability oriented.

The programme expenditure review process, instigated in 1997, with some notable exceptions, has had relatively limited impact to date in terms of the breadth of programmes covered and the range of information provided. Evaluation units set up in government departments under the Community Support Framework (CSF) 1994-99 have been closed down as evaluation activity has been centralised under the CSF 2000-2006. The challenge to build effective evaluation capacity in public service organisations to provide useful information on outcomes and results remains.

6.5 Values and ethics

'Ethics is a morally neutral term. Thus the rules of conduct according to which business decisions are made can be 'good' or 'bad'. A company ethic could be 'to do business in such a way as to win at all cost'. Such a rule may be carefully articulated and communicated throughout the company and the senior management may motivate the employees accordingly. However this rule may clearly lead to morally undesirable outcomes' (Jones and Pollitt, 1999, p. 6)¹³. While it has not been generally suggested that government departments/offices have systematically pursued morally questionable business ethics in pursuit of market or other advantage, there is no doubt that public disclosures of ethical failures in recent years have damaged confidence in the quality of public administration in Ireland and undermined the morale of public servants. As inquiry has followed inquiry, and disclosure followed disclosure, in areas of public policy as diverse as agriculture, child welfare, health, local planning, taxation and the administration of justice, the public management system has appeared slow to respond with the affirmative action required not only to deal rigorously with the ethical lapses identified but also to ensure that systems and controls are in place to prevent re-occurrence.

Some of the ethical difficulties currently being manifested within the system of public administration in Ireland are unique neither in time nor space. For example, in 1990, Murray argued that, 'I remain convinced that in assessing the confidence rating of the civil service, account must be taken of the political culture in which it operates. Most commentators agree that the dominating feature of that culture is clientalism' (p. 93)¹⁴. Collins (1999) states that '... corruption seems to be increasingly common in liberal democracies. Ireland is not alone in witnessing ministerial resignations, tribunals of enquiry and government crises following revelations of ethical misdemeanours by politicians or senior officials' (p. 64)¹⁵.

He goes on to cite examples of corruption in previous decades. Jones and Pollitt (1999) also point out that, 'It is only natural in democratic societies that public attention should focus on the negative and ethical problems' (p. 3). However, any attempt to resort to apologetics needs to be resisted if public confidence in the quality of public administration is to be restored in this new decade.

Jones and Pollitt (1999) make clear that ethics and values are inextricably linked, whether this linkage is at the individual or corporate level. While public bodies need to ensure that the necessary checks and balances function effectively to prevent individual corruption or other personal abuses of power, it also follows that effective action to restore confidence at the corporate level in the quality of public administration requires a re-assertion of the core values of public service. 'Public service is a public trust. Citizens expect public servants to be committed to serving the public interest by providing impartial treatment and by managing public resources properly on a daily basis. Fair and reliable services inspire public trust and also create a favourable environment for businesses, thus contributing to well-functioning markets. Public ethics are a pre-requisite to, and underpin, public trust, and are a cornerstone of good governance' (OECD 2000b). The OECD also points out that the public service reform programmes which have been undertaken in many countries may inadvertently have contributed to 'irregular behaviour' by undermining but not replacing existing value systems and by encouraging de-regulation and decentralised decision taking.

Drawing upon its extensive cross-national experience, the OECD (1996) argues for the need for an effective ethics infrastructure in each country. This infrastructure needs to comprise eight key elements:

- *Political commitment*

Without genuine political support - clear messages from government leaders that unethical conduct will not be tolerated - initiatives to improve ethics in the public service will fall on barren ground.

- *An effective legal framework*

The legal framework is the set of laws and regulations which define standards of behaviour for public servants and enforce them through systems of investigation and prosecution. It is the 'teeth' in the overall ethics infrastructure.

- *Efficient accountability mechanisms*
Accountability mechanisms set guidelines for government activities, to check that results have been achieved, and that due process has been observed. They include both internal administrative procedures and comprehensive processes such as audits and evaluations of an agency's performance.
- *Workable codes of conduct*
Codes of conduct remain important even in OECD countries that have reduced rules applying to public servants and adopted more 'managerial' styles of public management.
- *Professional socialisation mechanisms*
Professional socialisation mechanisms are the processes by which public servants learn and inculcate ethics, standards of conduct and public service values. Training (induction and refreshers) is an essential element (including training in ethics awareness), as are good role models (especially managers).
- *Supportive public service conditions*
If public servants are underpaid, overworked and insecure, then they are less likely to embrace initiatives to improve performance, including those in the ethical domain. However, too much job security can also result in complacency.
- *An ethics co-ordinating body*
Internationally, ethics co-ordinating bodies take different forms: watchdog, including investigation (e.g. New South Wales, Australia), counsellor and advisor (e.g. UK and USA) or general promoter of public service ethics (e.g. Norway and New Zealand). But the existence of such a co-ordinating body should not allow departments and managers to absolve themselves of responsibility for ensuring ethical conduct within their jurisdictions. Ethics are everybody's responsibility.
- *An active civic society*
The existence of an active civic society, including a probing media, helps ensure that citizens can act as watchdogs over the actions of public officials. Access to information provisions are an important factor in this function.

Within Ireland some recent legislative and administrative developments will assist the establishment of such an ethics framework. For example, the Ethics in Public Office Act (1995) contains provisions regarding the declaration of interests, the payment of expenses and acceptance of gifts by office holders, including ministers and ministers of state. However, the full articulation of the OECD framework, in accordance with best international practice, will represent one of the major challenges in this new decade¹⁶.

6.6 Service delivery

There is little doubt that real progress has been made, both on the initiative of individual public bodies and following the launching of the QCS Initiative in 1997, with the quality of services delivered to the Irish public. Major government departments/offices, such as the Revenue Commissioners and The Department of Social, Community and Family Affairs, have made serious efforts, with considerable success, to mainstream customer service values into their business operations. Similarly, at local government level, the radical efforts in Meath and Donegal to decentralise service delivery, through the innovative use of IT, bears comparison with international best practice (see Humphreys, Fleming and O'Donnell 1999, CPMR Discussion Paper No. 11).

However, with these and other honourable exceptions, it remains true that 'in many bodies still, despite the national initiatives already taken and the rising expectations amongst customers themselves, a genuine commitment to addressing the needs of the general public remain relatively low in the pecking order of managerial priorities compared, for example, to meeting the internal political demands of the system. Rarely were customer service needs placed centre stage ... Many public bodies lack that external [or internal] impetus to change and re-orient their business activities to become customer rather than process driven' (Humphreys 1998, p.77, CPMR Discussion Paper No. 7). Areas of significant deficiency can be readily identified:

1. Meaningful engagement with the customer, identification of their needs and the development of delivery systems responsive to those needs remains at an early stage of development. While comment cards are now a more frequent sight in the reception areas of government departments/offices, follow-up on the feed-back received can often be unclear. Customer satisfaction surveys and panels are gradually increasing in number and quality but other methods such as peoples' panels/citizens' juries or mystery shoppers have yet to emerge significantly.
2. Intra-organisational, and even more so, cross-organisational integration of service delivery is still limited. The citizen still often has to interface with different branches of the one service and/or different levels of government in order to have her or his needs met.
3. Explicit commitments to improving standards of service by public bodies are still exceptional rather than commonplace. Participation in service accreditation schemes is extremely limited and the benchmarking of service performance within and between organisations is yet in its infancy.

What will be needed to improve the pace and quality of change currently taking place within the Irish public service is the emergence of appropriate drivers for change. Externally, it can be anticipated that the rapid socio-economic changes identified in Chapter 3 will in turn lead to increased expression, as in other European countries, of an articulate and effective consumer voice. Returning migrants, used to different approaches to customer needs in other countries, may add to this voice and question the complacency in standards which still typifies many public service bodies. In addition, the demands of new equality legislation to ensure that public service providers respond positively to the growing diversity in Irish society will also support this pressure for change. Internally, there is growing interest in the potential of an appropriate QCS Mark for the Irish public service as a means of encouraging productive competition in the improvement of standards across the service (Humphreys, Butler and O'Donnell, forthcoming). Similarly, acknowledgement is at last being achieved on the importance of developing an internal customer service ethos within organisations as an essential adjunct to improving customer service to the general public, as well as recognition of the benefits for organisations of benchmarking their service standards with equivalent businesses in the commercial and non-commercial sectors. The QCS Initiative has continued to receive support at the highest political level and this will be vital if the work currently in hand through the Quality Customer Service Working Group is to reach fruition, as ownership of the process is transferred to the bodies themselves, through a commitment to continuous improvement.

6.7 E-government

The National Competitiveness Council (1999a) correctly point out that the uptake of ICTs by government is critical for two main reasons: (a) to enhance the internal efficiency and productivity of public bodies and the delivery of public services and (b) to improve access to information by the general public. The council also points out that governments have a leadership role to play in stimulating public demand for on-line services and encouraging adaptation to the information society. Government can also act as a catalyst in promoting and encouraging the demand for and deployment of ICTs by business.

Progress to date has concentrated on efforts to ensure that the necessary legislative and infrastructural frameworks are put in place to stimulate commitment to the Information Society by government and citizens (see Chapter 4). In the area of improved customer service, particular progress is also being made. In taking the next phase of the QCS Initiative forward, the QCS Working Group has stressed that best use must be made of

available and emerging technologies to facilitate improved access to information and improved customer choice through the development of on-line services.

Of particular relevance in this regard is the government decision on Information Society (IS) developments and on the adoption of an E-Broker model as the framework within which electronic public services should be delivered. In particular, the Working Group is seeking to promote the next phase of the QCS Initiative in line with the work of the IS Implementation Group, the REACH Initiative and the work of the Connected Government Group within the IS Commission¹⁷. Guidelines have been issued to inform and ensure consistency of standards for departmental websites and standards for departmental websites are to be incorporated into the new round of Customer Action Plans. It must also be noted that in addition to the REACH and associated OASIS and BASIS initiatives, on-line services are also currently being provided by the Office of the Revenue Commissioners (ROS), the Land Registry and the FÁS on-line jobs service. Work is also in hand on eProcurement and eRecruitment in the Department of Finance and Civil Service Commission respectively.

Given Ireland's existing involvement with IT-based industries, its role in the financial services sector, its educated workforce and its dependence on successful international trading relationships, the critical importance of effective engagement in e-commerce and e-government has been recognised and acted upon at an early stage by government. As Tuohy (2000) points out, 'The government's objectives in relation to electronic commerce are to actively pursue the positioning of Ireland as a global leader in electronic commerce. The role of government is to provide a small, flexible, professional, influential and business-focused administration:

- highly aware of the environment and particularly the changes in the market
- capable of delivering a rapid response by the administration to such changes and
- committed to working closely with business to facilitate electronic commerce by business and government itself'.

The achievement of these aims will require considerable change by the public service in the way it currently conducts its business. The National Competitiveness Council (1999a) points out some of the factors that need to be taken into consideration in the adoption of ICTs by the public sector:

- The implementation needs parallel organisational changes in order to fully exploit the benefits of these applications. Also, e-government requires a high degree of co-ordination between government bodies.

- The implementation of new ICTs will give rise to significant costs in the shortrun, which should be reflected in improved quality of public services. In the longer term, wider adoption of ICTs should yield significant budgetary savings.
- A high degree of commitment from top management in the public service to the implementation of ICTs is essential, including adequate resourcing of IT.

There is also a need for considerable vigilance to ensure that the revolutionary potential offered by IT to transform the way in which Ireland is governed also helps to enhance social inclusion rather than reinforce social exclusion. As the New Zealand Government (2000) have noted, ‘The task of government is to build on ... individual initiatives and develop them into a comprehensive plan for achieving the benefits of e-government more widely on behalf of all New Zealanders. The planned development of e-government will improve the ability of all people to participate in our democracy. But, left to develop by itself, it has the potential to create new divisions in society between those who have the skills and the tools to use new technologies to participate in our democracy and those who do not. The government is not prepared to allow this to happen.’

6.8 Human resource management

Back in 1996, *Delivering Better Government* identified an ambitious agenda for HRM reform in the civil and wider public service. In so doing, it recognised that major reform of existing HRM structures and approaches was required to deliver on the goals of the SMI. This agenda included:

- reducing the degree of central regulation and control of the HR function and devolving greater autonomy and responsibility to departments/offices
- transforming the existing personnel units to become more strategic and professional in their approach to HRM
- developing and rolling out effective performance management, measurement and appraisal systems
- reforming arrangements for the recruitment, promotion and development of staff, as well as diversifying the types of employment arrangements offered by the civil service, and
- tackling the persistent gender imbalances in employment within the service.

As *Delivering Better Government* (1996) correctly pointed out, ‘the creation of a results-driven civil service with government priorities and focused on quality of service is not possible within existing personnel structures’.

In a wide ranging review of the challenges to be faced in rolling out this agenda, Humphreys and Worth Butler (1999, CPMR Discussion paper No. 10) noted that a strategic approach to the planning of human resources within the civil service was still in its infancy and that, 'although there is evidence of progress being made ... the overall position that presents itself is essentially one of unfinished business'. That is not to say that important building blocks are not slowly being put in place. New approaches to competency-based recruitment are being developed, together with a changing remit for the Civil Service and Local Appointments Commission. Moves away from seniority to competition-based promotional arrangements are taking place. Shortcomings in the existing equal opportunities policy have been identified and are being acted upon. Limited improvements have been made in the flexibility of working arrangements through the introduction of term-time leave and experimentation with teleworking (see Humphreys, Fleming and O'Donnell 2000, CPMR Research Report No. 3). Most significantly of all, the launch, in May 2000, of a performance management and development system for the civil service, represents an important step towards a more individual-centred approach to human resource management. It sets out the process by which public service employees' work performance, career and development needs will be managed in the future.

The pace of change has, however, been remarkably slow, which is a cause for serious concern given the dynamism of the Irish labour market. If much of the HRM agenda under DBG still represents unfinished business, the environment in which the civil service operates as an employer has changed dramatically since 1996. Against a background of low unemployment, and rising salaries in the commercial sector, the civil service can no longer take for granted its position as an employer of choice. Almost for the first time, it is obliged to compete to recruit and retain high calibre staff (see Goldsmith Fitzgerald 1999).

In the current business environment, it is absolutely vital that the most appropriate people with the requisite skills and competencies are matched closely with the needs of the service. Individuals need to be enabled to reach their full potential and to optimise the contribution that they can make to the organisation. As the Programme for Prosperity and Fairness (2000) notes, '... the public service has to respond better to the aspirations of its staff for more fulfilling work and improved career paths and create workplace conditions and relations which are conducive to increasing the job satisfaction, motivation and commitment of staff' (p. 19).

Having effective and modern HRM practices is essential for attracting and retaining the very best staff available, offering the prospect of a fulfilling and rewarding career, and promoting the civil and public service as the employer of choice. As Fleming (2000) has noted, 'In order to move from personnel management to HRM, there is a need for wider recognition that HRM itself is a valuable lever for change. This recognition must be translated into visible action if the civil service is to keep pace in the rapidly changing external environment in which it operates' (CPMR Discussion Paper No. 16, p. 78).

6.9 Financial management

Financial management reform is seen by government as an important support to the wider public service modernisation programme. At both central and local government levels, new financial systems and procedures are being promoted, aimed at enabling better judgements to be made as to the efficiency and cost-effectiveness of services. For example, local authorities are introducing a new Local Authority Financial Management System (LAFMS).

Traditionally, as *Financial Management in a Reformed Public Service* (1999) indicates, financial management systems have been over-centralised, short-term in orientation and more concerned with the control of inputs than the efficient and effective delivery of outputs. The challenge for the coming years is to develop financial management systems that will underpin resource allocation and prioritisation decisions and thus inform decision making.

In particular, managers need better information about the full costs of activities for which they are responsible. The costs of different activities and scenarios should be readily determined. There is a real need to improve understanding of what costs are controllable in the short- and long-term, and to differentiate between low priority and high priority activities. Improved financial management systems can be a powerful tool in enhancing strategic and performance management. The extent to which they will do so will depend both on the soundness of the systems put in place, and the ease with which managers can access the information in a usable and timely manner.

6.10 Conclusions

As noted in Chapter 3, economic growth and Exchequer buoyancy are forecast to continue over the coming decade, though the possibility of economic shocks and the slowing down of growth remain a threat. The labour market has changed dramatically in

the last ten years and the recruitment and retention of public servants is likely to provide significant new challenges. The on-going development and innovation of ICTs has major implications for the design and delivery of public services and the organisation of work. These and other developments are likely to give rise to very different emphases in the management agenda over the next decade. Also, as some aspects of management practice, such as production of strategy statements, become embedded in the system as Hurley (1995) predicted, they bring in their wake new challenges and opportunities, as well as highlighting some issues which have not previously been seen as central priorities.

Overall, new management challenges in these areas relate to the broad issue of the governance of the public service. It is changes in governance structures and processes - managing across levels of government and at the political/administrative interface - that will be central to the effective modernisation of the public service in the period up to 2010.

Enabling Change – The Role of Institutional Structures and Processes

7.1 Introduction

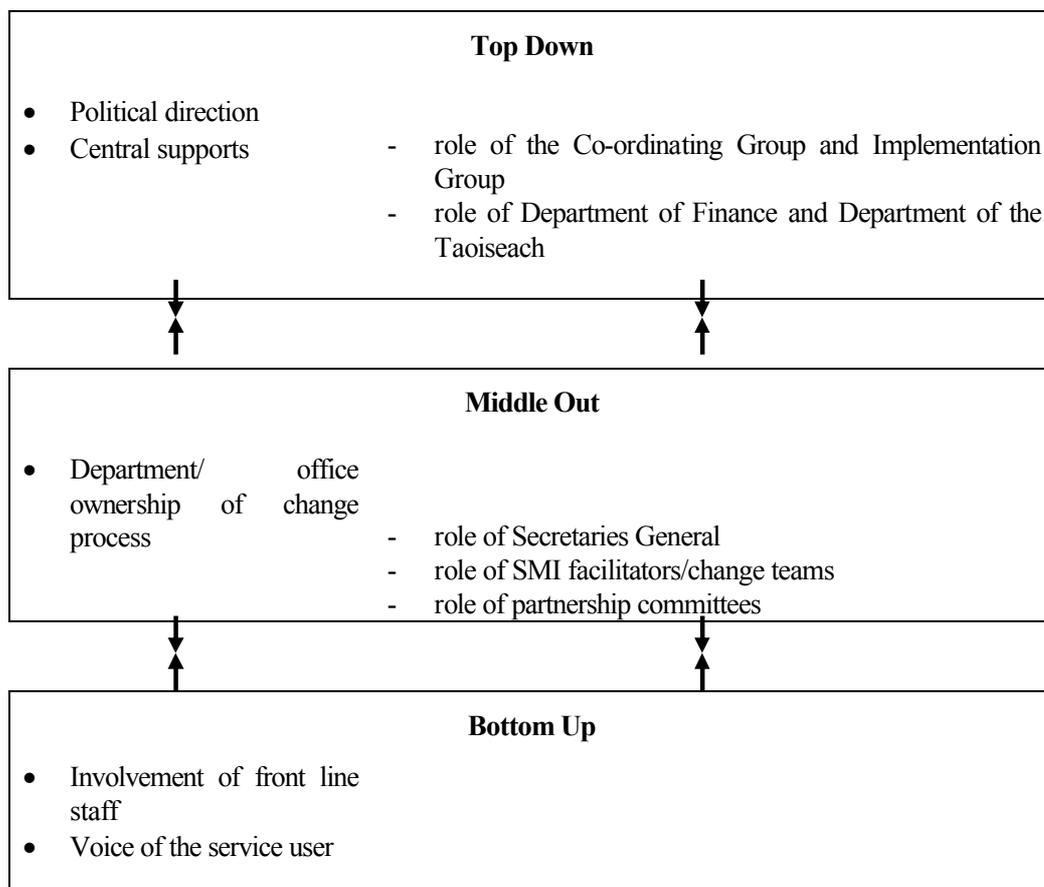
Securing institutional change of the scale required by the SMI demands particular attention to implementation. As Pressman and Wildavsky (1973) note, implementation of policy may become increasingly ineffective as the links between the various agencies involved in carrying out that policy form an ‘implementation deficit’. Other writers such as Lipsky (1979) stress that ‘street-level’ workers’ perspectives must be built into the change process, and that bottom-up drivers for change must be factored into the change process. The successful implementation of a complex change process such as public service modernisation, involving multiple agencies and a wide-ranging agenda, is no simple task.

In carrying forward the public service modernisation programme over the next decade, it is important to pay attention to implementation and to make best use of a variety of drivers of change. *Delivering Better Government* (1996) developed an initial implementation framework to push forward the civil service change process. This needs to be built on and developed further if change is to impact across all departments and at all levels. Figure 7.1 outlines a number of enablers of change that can be used to promote the modernisation agenda. These enablers can be divided into three main categories: top down, middle out and bottom up. The role of various structures and processes at each level is discussed below, and conclusions drawn as to how the modernisation process could best be built into the future. The general principles identified apply across the public service and are not necessarily limited to the civil service.

7.2 Top down enablers of change

Strong central direction and leadership are needed to promote change on the scale envisaged across the public service. A top down approach alone is unlikely to be successful, given the complexity and scale of the issues involved and the desire to locate primary ownership of change at the level of the department/office. But at the same time, without a strong and consistent push from the centre, the change dynamic is likely to be dissipated and fail. A number of elements are involved in top-down enablement.

Figure 7.1 Enabling Change – Structures and Processes



7.2.1 Political direction

Continuing cross-party support has been one of the enablers of change that has facilitated a consistent longer-term approach to modernisation. However, political direction can very much be characterised as ‘support’ rather than ‘initiation’ or leadership. The main drivers for change have been senior administrators themselves. Politicians from different parties visibly support the changes proposed, but with little proactive engagement or instigation of change themselves. This limits the scope of change, as fundamental questions about the role of the state cannot be addressed other than in a political context. While successive Taoisigh have lent continuous commitment to modernisation, by the nature of the many and various demands on their time, their interventions could only be episodic.

The engagement of the Oireachtas with public service modernisation has also been relatively limited. An All-Party Oireachtas Committee on the SMI was established in 1998 to consider and report on progress on the programme of modernisation for the civil service. As noted in Chapter 4, the committee has shown particular interest in the Quality Customer Service initiative. But its engagement with the broader SMI agenda has been less extensive. General limits on the role and effectiveness of Oireachtas committees, as noted in other studies, apply to the scrutiny of the SMI process (see Boyle, 1998, and Committee of Public Accounts: Sub-committee on Certain Revenue Matters, 1999).

There are therefore both positive and limiting factors in political engagement with public service modernisation. The continuing cross-party support, visible support of successive Taoisigh, and scrutiny of quality of service issues by the All-Party Oireachtas Committee on the SMI have lent much needed long-term support to the change programme. But political drive for, and leadership of, change has been limited, with the agenda being largely determined by public servants themselves. The role of the Oireachtas in driving the momentum for change has also not been particularly strong.

In moving forward and enabling change, a significant challenge for the future will be to secure effective political engagement. A more prominent role for the Oireachtas would seem to be indicated. Yet this needs to be done in a way that encourages continuity of change and the maintenance of a long-term perspective. Key to this political engagement is the development of the political dimension in the constant review of the role of the state and, consequently, the roles and functions of government. New ways of thinking about how best the state functions, and where government is most able to add value, need to inform and drive the political direction of the modernisation programme.

7.2.2 The role of the Co-ordinating Group and Implementation group

Top down drivers for change must include mechanisms to ensure co-ordination of activities. There is also a need for an overview of progress regarding implementation. Responsibility for directing and leading the SMI process is shared between a Co-ordinating Group and an Implementation Group. The Co-ordinating Group, reflecting the principles of social partnership, includes representatives from civil service management, the unions and private sector, with some academic input. The Implementation Group, which currently includes all secretaries general, has a mandate to drive forward the change programme and report regularly to government through the Co-ordinating Group. Given the inclusion of public service modernisation in the Programme for Prosperity and Fairness (2000) and the commitment to monitor progress outlined in the PPF, it may make sense to subsume the co-ordinating role into the monitoring and evaluation procedures set up to cover Operational Framework 1 of PPF, where the modernisation agenda is outlined.

The Implementation Group continues to have a central role to play in progressing action. But the large size of the group may cause problems of focus. In addition, its meetings can become pre-occupied with pressing items of inter-departmental business rather than longer-term strategic matters which are required to keep the SMI moving forward. Such difficulties have been alleviated by the continuation of the practice of establishing sub groups tasked with taking forward thinking and bringing back proposals on specific aspects of the SMI agenda, e.g. relating to HRM. In addition, as appropriate, broader based groups, such as the Quality Customer Service Working Group, have been used effectively. The reporting mechanism of the Implementation Group - it is required to report on progress regularly to government - is a potentially powerful implementation tool. As well as outlining what is being done, and what is planned, reports need to indicate where problems and new issues arise. For example, where timetables have been set for actions, and these actions have not been achieved, reports could outline the reasons why, identify blockages and outline steps to be taken to overcome these. In this way, the emphasis on constantly scrutinising and adapting the change programme is maintained. Flexibility to adapt to changing circumstances is important, as is investigating the reasons when progress is slower than planned.

7.2.3 The role of central agencies: the Department of Finance and the Department of the Taoiseach

Central agencies have a crucial role to play in pushing the modernisation agenda forward and ensuring coherence across the civil and public service in the methods and approaches used. But as Schick (1999, p.18) notes: ‘Central agencies are in a quandary. If they allow each department or agency to pursue reform its own way, they risk getting very different managerial arrangements than the ones they wanted. If they intervene to dictate how departments and agencies should run their affairs, they risk being accused of violating the precepts of managerialism.’

There are a variety of ways in which central agencies can promote change (see Figure 7.2). Experience indicates that points 1 and 2, exhorting and offering incentives, are not sufficient to lead to consistent change. Alternatively, at points 5 and 6, the more hands-on and controlling role of the central departments can, as noted above, lead to resistance by departments. The most appropriate role for central departments would seem to be in the middle of the range, points 3 and 4, where they can require actions to be taken and be involved in specifying key design features but not be involved in detailed design at the local level. The Departments of Finance and the Taoiseach need to scrutinise their actions constantly so as to ensure that they are not over involved in detailed design issues, and hence contributing to the length of time for initiatives to take root across the system. The need is for a clear focus on the desired outcomes, while not being over-prescriptive on the processes to be used to achieve those outcomes.

Figure 7.2: Ways of promoting change by central agencies

1	EXHORTING
2	OFFERING INCENTIVES
3	REQUIRING THAT SYSTEMS BE SET UP
4	REQUIRING SYSTEMS AND SPECIFYING DESIGN FEATURES
5	DESIGNING THE SYSTEMS
6	DESIGNING AND CONTROLLING

Source: Boyle (1996), adapted from Pollitt (1990)

Central agencies further need to scrutinise their actions to ensure a balance between maintaining momentum for change and overloading the system. There is a constant danger of 'initiativitis' - new initiatives being rolled out, each important on their own but the cumulative effect being to create difficulties in implementation for departments and offices. The move to extend the term of the Customer Action Plans to three years, to align the process more effectively with the strategy statement process, is a welcome development in this regard. Even closer integration of these and other initiatives might be expected in the future.

Similarly, there is an ongoing tension between promoting change ownership in line departments and monitoring and reporting on progress. Too detailed monitoring can lead to the creation of a checklist mentality and to resistance and control-avoidance strategies. Too little monitoring can result in a loss of impetus for change. The need here is for monitoring arrangements that show when there is progress and where there are problems, but with a heavy-handed or routine form-filling exercise being avoided.

A further tension for central agencies lies in determining the respective roles of each of the agencies. Such tensions are present in many countries (for example between the State Services Commission/Treasury in New Zealand and between Cabinet Office/ Treasury in the UK). Again, this is an issue that needs constant scrutiny by those involved, to ensure an appropriate balance. Having two agencies promoting and implementing change can be a positive factor. Not having reform too closely identified with one agency can enhance the chances of 'buy in' by departments and offices. But the appropriateness of interventions of each agency needs to be constantly scrutinised and periodically reviewed by the agencies involved.

At the operational level, the SMI division in the Department of the Taoiseach and the Centre for Management and Organisation Development (CMOD) in the Department of Finance have important roles to play in facilitating and promoting change from the centre. As implementation theory indicates, such central supports can play a pivotal role in linking policy makers and policy deliverers (Parsons, 1995). As well as promoting the change agenda, such units can act as useful channels of feedback, informing the centre of issues and blockages in implementing change out in departments and offices. One particular challenge for those central units is the identification and dissemination of best practice. Change occurs at differing speeds and in different ways in a complex setting like the civil service. The diffusion of successful initiatives and practices can be particularly helpful in stimulating improvements in areas where there is little activity.

7.3 Middle out enablers of change

A central tenet of SMI/DBG is that to be successful, change must be owned by departments and offices. The emphasis is on departments/offices becoming more responsive themselves to their external and internal environments, and changing their systems and processes accordingly.

7.3.1 The role of secretaries general

Apart from their role in steering the overall process of change through the Implementation Group, secretaries general and heads of offices are key figures in securing change in their organisations. In particular they have a challenging leadership role. The US Office of Personnel Management has identified five core leadership attributes: leading change; leading people; being results driven; possessing business acumen; and building coalitions and communications skills (Bacon, 1999). Underlying these attributes is the promotion of values, which impact on the way in which change is progressed. The importance of values has been stressed in Chapter 6. In many respects, secretaries general are the custodians of the values of the organisation, with leadership being the promotion of these values in practice.

A particular challenge for secretaries general is to encourage the development of a senior management team that takes a collective view on issues and operates in a collegial manner. A review of strategy statements undertaken by the Committee for Public Management Research shows that some departments, for example, are beginning to tackle issues of structural rigidities in resource allocation by more effective collegiate decision making at senior management level (see Boyle and Fleming, 2000, CPMR Research Report No. 2).

7.3.2 The role of partnership

Under *Partnership 2000* (1996) each government department/office has established a partnership committee comprised of senior management, union representatives, and staff. The partnership initiative is intended to foster joint ownership of the modernisation agenda, through the development of jointly agreed action plans, and to involve staff in ongoing business issues of the department more generally. A review of partnership practice indicates that successful partnership committees focus on concrete projects, create sub-groups to work on these projects (which draw large numbers of staff into the process), and communicate regularly with all staff (see O'Donnell and Teague, 2000). By contrast, less dynamic partnership committees are characterised by general discussion on less concrete issues, small numbers of staff involved in the process, and a less open approach to communication.

Partnership structures have an important role to play in promoting practical change. As enablers of change, they can be particularly useful in providing a forum for experimentation and reflection. New approaches to working can be devised and piloted through partnership initiatives. This would support the emphasis on concrete projects above. Collaborative reflection and review of the experience can then lead to further adaptation and insights as to how best to continue the modernisation process.

7.3.2 The role of SMI facilitators/change teams

SMI facilitators are civil servants assigned in each department/office to support and co-ordinate local SMI activities and actions arising from SMI/DBG. They also have a potentially important role to play in networking with other facilitators and sharing and learning from best practice exemplars. In some departments and offices, change teams have also been put in place to direct and co-ordinate action.

The impact of SMI facilitators and change teams within departments and offices varies significantly. The grade at which appointments have been made varies (from principal officer to higher executive officer), as does the amount of time officials devote to their facilitator/team duties. The active support of secretaries general is a crucial element in ensuring that facilitators can help secure change within their own organisations. Temporary cross-functional change teams, brought together on particular issues such as quality customer service or regulatory reform, bring challenges of horizontal management alongside traditional vertical management structures. There is a particular onus on team leaders, and a need for effective supports to promote this mechanism as an effective enabler of change. Given the varied experience to date, a critical review to determine the future role of SMI facilitators and organisational change teams in the modernisation agenda is called for.

7.4 Bottom up enablers of change

Bottom up models of implementation lay particular stress on the fact that front line or 'street level' workers have some degree of discretion in how to apply policy. This applies particularly in the case of professionals. The models also indicate that service users, as recipients of implementation practices, bring a crucial perspective to bear on the change process. It is therefore important that the views of front-line staff and service users are influential in the implementation process.

7.4.1 The involvement of front line staff

Despite attempts to involve front line staff in a structured way in the implementation of SMI/DBG, there are signs that staff involvement is not consistent across the civil service. In a staff survey conducted for the civil service by Hay Management Consultants in 1997, only 45 per cent of staff agreed with the statement 'I am consulted by my superiors on important decisions affecting my work area'. Interviews for the Committee for Public Management Research study on strategy statements '... reveal a recognition of a certain degree of cynicism among staff as to how meaningfully they are actually involved in the real process of strategic management' (Boyle and Fleming, 2000). The signs are that the active engagement of front line staff in meaningfully progressing the modernisation agenda is still a significant challenge for many organisations.

For the next phase of the modernisation programme, it will be important that new ways of meaningfully involving front-line staff are developed. The role of partnership has been mentioned at 7.3.2. Beyond this, initiatives such as the Performance Management and Development System have the potential to clarify and enhance the role of individual staff in the change process. Additionally, the next phase of the QCS Initiative requires effective engagement with the 'internal customer' as one of the guiding principles to inform the next series of customer action plans. However, it will be important to develop realistic expectations of change arising from increased employee participation. This means communicating exactly what will and will not come out of the process. It also means a focus on action rather than simply improving communications.

7.4.2 The voice of the citizen

Public service modernisation is ultimately about providing quality services to customers, and promoting greater inclusiveness in the policy-making process to address citizens' needs. It is vital, therefore, that the views of service users and of citizens are built into the change process and act as a stimulus for change (see Humphreys, Butler and O'Donnell, forthcoming).

The National Children's Strategy (2000) has as one of its three main goals: 'children will have a voice'. New initiatives are proposed to ensure this voice will be heard, including an Office of Ombudsman for Children, the representation of children's views on national and local fora, and the creation of a Dáil na nÓg. Some departments are also taking significant steps to involve service users in the planning of policy and the review of services. In other

departments and offices, the evidence is far less compelling. As noted in Chapter 6, there is a need to broaden out civic participation in the policy and implementation process. In particular, more extensive use is needed of newer methods of consultation such as people's panels and citizens' juries, as well as longer-standing methods such as focus groups and opinion surveys. The citizens' voice, when harnessed in a systematic way, is a powerful enabler of change. When combined with an increased emphasis on participatory democracy, the articulation of customers' views can help shape a more responsive public service.

7.4 Conclusions

Implementing the agenda of SMI/DBG and the *Programme for Prosperity and Fairness* is a long-term challenge, and is recognised as such by the government and officials involved in the change process. New priorities, as outlined in this study, indicate that the modernisation agenda needs to be continually added to and new priorities set. Change has become a continuous imperative, and implementation structures and processes must meet the challenges this entails. This review of implementation and the enablers of change indicates a number of issues which need to be addressed if modernisation is to really impact on public service organisations in a way that results in meaningful changes in working practices and quality of service delivery. Key points include:

- The need for more extensive political engagement with the change process. The role of key ministers and of the Oireachtas in providing momentum for change needs to be strengthened.
- The need for the Department of Finance and the Department of the Taoiseach to constantly scrutinise actions and reporting procedures to ensure that while central direction is given, ownership and responsibility lies primarily with departments/offices themselves.
- Development of the leadership role of secretaries general in the promotion of change in their own organisations and sectors of responsibility. In this context, the development of collegiate decision making at senior management level is important.
- More extensive use of partnership structures to engage staff, particularly front line staff, in the change process. The use of sub-groups of partnership committees, working on specific projects, offers one way forward here.
- A greater role for the voice of the service user and the citizen in progressing key issues in the modernisation agenda. As the ultimate recipients of change, citizens need to have their views on the impacts of change clearly heard and responded to.

From Delivering Better Government to Delivering Better Governance

8.1 Preparing for the future

Drawing from the themes and issues highlighted in this study, it is possible to develop a picture of how the public service could look by the year 2010. A number of important points and ideas emerge:

- Irish society will continue to become more complex, less homogenous and more international in character. Both collectively and individually, its citizens will expect and require an efficient, technologically advanced public service which supports change, is committed to continuous improvement and values diversity.
- To cope effectively with this increasingly complex external environment, policy development will need to be based on sound evaluative information and a solid understanding of the theory of change underlying the policy. Cross-cutting issues will need to be handled effectively, rather than falling between different public agencies, and public policy will have to be underpinned by a firm commitment to the values of service in the public interest.
- From the point of view of the citizens, quality services will be required to meet their needs, regardless of the number of organisations or levels of government involved. They will be delivered seamlessly in a manner that suits the service user and not the service provider.
- Citizens will expect to have an effective 'voice' in policy determination and elaboration, but will also need to exercise that voice responsibly.
- Above all, public management reform will be inextricably linked with the political process, through effective engagement with the issues by the Oireachtas and through developments in deliberative democracy.

Addressing these public service management modernisation issues must take place within the context of governance. The OECD (1995) define governance as:

The act of governing in a wide sense. The term covers public administration and the institutions, methods and instruments of governing. It further incorporates relationships between government and citizens (including business and other citizen groupings) and the role of the state.

In this context of governance there are important challenges ahead. Some concerns have been expressed in recent years about trends in voter turnout at elections as an expression of citizen engagement with government. The 1997 general election turnout of 66.2 per cent was the lowest since 1923, and the 1999 local election turnout of 50.2 per cent was the lowest ever. Two-thirds of young people did not vote in the 1999 local and European elections, giving Ireland the lowest level of first-time voter turnout in the European Union (Brennock, 1999). Recent issues of accountability raised at various tribunals and inquiries are likely to have further implications for the inter-relationship between government and citizens.

While many of these broader governance issues are beyond the scope of this paper, from a public management perspective what is important is the management of governance relationships: managing between levels of government and across the private, voluntary and community sectors where they are involved in delivering services on behalf of the government. How these various actors work together to develop and provide public services for citizens has an important bearing on the public perception of the relationship between government and citizens.

8.2 Key challenges for the coming decade

In tackling the issues raised above, a number of significant challenges can be identified if public service modernisation is to proceed effectively in Ireland. These challenges incorporate but move beyond the management of public service organisations. Improving management practices in a comprehensive manner will only be fully effective if a number of broader governance issues are also addressed.

8.2.1 Political challenges

The OECD (1999a) in discussing public service change notes that: ‘It is impossible to overstate the importance of strong and visible political support to reform’. Ireland has been fortunate in securing cross-party support for the SMI modernisation agenda. This has lent a degree of continuity to a long-term change process, in contrast to some of the more short-term politically driven reform programmes in other countries. However, while there has been continuing political support, the modernisation agenda has been and

continues to be largely driven by the administrators themselves. The degree of meaningful political engagement with public management issues has remained relatively limited. This affects the capacity of the reform programme to ask and address fundamental questions about the role of the state, and the prioritisation and urgency given to implementation of the modernisation programme and the scrutiny of the allocation of resources generally.

A significant challenge for the coming decade will be to address the political dimension of public service change. The engagement of representative democracy with public service modernisation is vital to a deepening of the reform programme. The pace of change of political accountability mechanisms has not matched that of public service organisations, which itself has been criticised for the time taken to implement change. Reform of Oireachtas practices so as to more effectively direct and participate in improving public service management is needed. To this end, new proposals for modernising the Dáil outlined in *A Dáil for the New Millennium* (2000) may contribute positively.

8.2.2 Participatory challenges

The partnership process at both national and local government levels has enhanced direct citizen participation in public management. But not all groups are represented in the formal partnership process, and there is also evidence that citizens are becoming increasingly disenchanted with democratic processes and institutions. Putnam (cited in Plumptre and Graham, 2000) argues that higher levels of civil society involvement with government leads to enhanced trust and co-operation which in turn leads to better government.

In particular, there is a need to move beyond a focus on better customer care. The Quality Customer Service Initiative and development of more user-friendly service provision is clearly vital to better service provision. But on its own, as currently constituted, it cannot address broader issues of citizen involvement in public service provision and the extension of participatory democracy to encourage better government. Other administrations, at both central and local government levels, are developing initiatives such as citizens' juries and user panels to deepen participation in service design and delivery. The National Children's Strategy (2000) includes an innovative response to giving children a more active role in the policy process. The concept of active citizenship is one which needs to be promoted, and which will pose significant challenges for the public service up to 2010.

8.2.3 Leadership challenges

Kotter (1995) notes that while management is the key task in making hierarchies function well, leadership is needed to deal with the changes required in networks. Handling relationships between public, private and voluntary bodies all involved in policy and service delivery requires that underlying cultural norms are questioned and changed where necessary. Leadership is required to promote an emphasis on co-operation, consensus, persuasion and the like.

A new emphasis on leadership to complement the focus on management is needed. This is not confined to the top managers in organisations. Leadership can and should come from a variety of sources. A major challenge is to create an environment in the public service that encourages people to take on and develop leadership responsibilities. Structured secondments, on-the-job learning through challenging assignments and mentoring - all provide examples of ways in which leadership can be promoted. Developing and implementing a vision of excellence in public service, and promoting collaborative practices to achieve that vision, require that leadership be given as much emphasis as strategic management, business planning and the like.

8.2.4 Management challenges

The management agenda set out by the Taoiseach when announcing a new phase of change in the SMI in 1999, and in the *Programme for Prosperity and Fairness* (2000), remains to be tackled. The issues set out in this study highlight the importance of these and other management challenges. What is important now is the development of a sense of urgency and impetus behind management change. Otherwise, the full implementation of many of the management issues identified in 1994 and re-emphasised in 1999 and 2000 could still be elusive targets in 2010.

One particularly important management challenge is the devolution of power and responsibilities. This applies both between levels of government and within organisations. To date, Ireland is not as advanced in managerial devolution as many of its OECD partners. If more balanced regional development and more flexible work organisations are to be achievable goals, devolution must take on more prominence than it has to date. Conversely, this is likely to mean stronger central control of strategic frameworks and parameters within which devolution operates. Devolution is not so much about letting go of control as it is about ensuring that the right controls are exercised at the right level of government and management.

A central message of this paper is that the management of cross-cutting issues - those complex issues which no one level of government or organisation alone can address - is a growing feature of public service management. Three particular management challenges in addressing cross-cutting issues are:

- Getting policy design right, and in particular testing the strength and robustness of policies through foresight exercises and developing explicit causal theories which underlie the policies.
- Determining appropriate service delivery mechanisms so that, from a user's perspective, a 'seamless service' is provided. The initial focus should be on the user's needs rather than those of individual organisations.
- Providing sound evaluative information to enable judgements to be made regarding progress in addressing the issue under scrutiny. This requires evaluative capacity and capabilities to be developed and maintained at different levels of government, as elaborated on in the NES report *Opportunities, Challenges and Capabilities for Choice* (1999).

8.2.5 Implementation challenges

Overall, one notable theme that emerges from the list of challenges outlined above is the need for the next phase of public service modernisation to tackle the implementation 'deficit'. The pressure for change in the external environment is increasing, and in many instances has outpaced the capacity to respond. Developing a greater sense of urgency will require behavioural changes as well as structural and technical changes to existing systems and practices. Issues such as leadership and governance require changes in ways of thinking and of organisational culture.

One of the key implementation challenges will be identifying and using effective drivers of change. For example, initiatives such as e-government, while taking the lead from technological advances, have the capacity to challenge and address issues such as organisational structures and the culture of service delivery. Making effective use of appropriate drivers of change is one way of improving the speed of change and building behavioural change into the process in a structured way.

8.3 Some concluding reflections

At the outset, this study noted the 1995 budget target that by 2010 Ireland would 'possess the most efficient and effective public administration in Europe'. In the course of this study, a number of themes and issues have been identified that are likely to exercise the minds of all those involved in the public service in the years leading to 2010. The aim is a

public service where users receive a service where there is no distinction between sections and levels of government - a public service that values diversity, both in the client system and internally; where there is a flexible approach to working practices and patterns of working; a public service where policy is increasingly based on evidence and clear strategic thinking.

To achieve such a public service requires shifts in thinking, practice and organisational culture. A number of these important shifts are highlighted here:

- *From government to governance.* In broad terms, while government is still the main actor in public management, there is increasing involvement from other actors. The role of the private and not-for-profit sectors is increasing, in Ireland as in many jurisdictions. An increasing voice for civil society is a common espoused value. For many of the major public issues, there is recognition that government cannot act alone but must interact with markets, civil society and individual citizens to deal with issues of public concern. Rather than an emphasis on ‘less government is better government’, what is needed is an emphasis on how good governance can foster more effective relationships between the various actors involved. A decreasing emphasis on management through hierarchies and increasing focus on managing complex networks is an important part of this process. So too is the increasing emphasis on the related issue of the management of cross-cutting issues.
- *From customers to citizens.* While the needs of individual customers of public services continue to be an important theme, there has been growing awareness of the broader needs of service users and citizens. Involving citizens more in the policy process, from design through implementation to evaluation, is increasingly seen as an important and necessary part of good public management practice.
- *From specialisation to ‘seamless’ services.* Closely linked with the above theme is a move to give greater emphasis to the delivery of ‘seamless’ services to the public. While the establishment of specialised executive units, hived off from policy departments, is still an important element of institutional design, more attention now needs to be given to the question of how to deliver an overall package of services that makes sense to the user rather than to the organisation. ICT developments are seen as key enablers here.
- *From policy making to policy coherence.* There is an increasing emphasis on conducting policy making in a more forward-looking and coherent way. The centralisation of cabinet procedures and creation of inter-departmental task forces to develop cross-sectoral policies is a growing feature of public management practice. So too is an increasing involvement of individual and groups from outside the civil service in policy design. With regard to policy implementation, policy coherence requires effective liaison between the central and local levels, and effective co-operation at the local level. The review and evaluation of policies

to ensure their continuing relevance, and to determine the most effective role for government, is another key theme in ensuring policy coherence. On the regulatory policy front, a shift from emphasising deregulation to emphasising better regulation is notable. Producing high quality economic and social regulations is growing in importance in the increasingly competitive environment the public sector is becoming.

- *From rules- to values-based management.* The reduction in traditional rules and regulations governing the actions of public service managers in favour of more flexible and devolved decision making brings with it a changing emphasis on how control and accountability is ensured. There is an increasing focus on values and ethics in the public service. There is a consequent need for ethical frameworks being developed to govern the actions of public servants.
- *From career public service to employer of choice.* Given demographic, economic and social changes, the public service in Ireland, as in many countries, is finding it increasingly difficult to attract and retain people. An increasing focus on leadership in the public service, performance management, promoting diversity and tackling under-representation, and learning and development initiatives will need to be used to promote the concept of the public service as an employer of choice. Above all, the major changes taking place in the external environment are likely to continue to ask searching questions of well-established but inflexible working patterns and grading structures.
- *From resource control to resource management.* Tightening budget discipline has been a central feature of public management reform since the 1980s. As the government has managed to establish broad control frameworks for public expenditure, the emphasis has shifted to ensuring more effective resource management within strict control totals. What is needed is the development of financial management systems so as to be better informed about the true cost of programmes, and to improve resource allocation and management decisions.

But, as these shifts in public management take place, it will be important that a sense of balance is maintained. Putting less emphasis on detailed rules and regulations does not mean abandoning rules that are needed to provide the foundation for fairness, equity and probity. A move to ‘seamless services’ does not mean the abandonment of specialisation, as there will always be a need for specialist knowledge and expertise which can sometimes be best applied in specialist units. More emphasis on involving service users in the policy process does not mean abandoning the public interest to those with the loudest voice. Rather, it is a case of shifting the balance towards a more responsive and citizen-centred public service. The challenge to public service management is to constantly scrutinise

services so as to maintain the most appropriate point of balance between the competing tensions acting on the system.

APPENDIX 1

Some Key Indicators of Macroeconomic and Socio-Economic Performance (1987–1999)

	1987-1990	1991-1993	1994-1996	1997-1999e*
GNP % change	4.9	2.2	7.4	7.5
GDP % change	5.5	2.8	8.4	8.5
GDP per capita % change	5.8	2.3	8.5	–
Inflation	3.1	2.5	2.2	2.0
Employment (annual % change)	1.5	0.6	4.0	4.9
Labour Force Male	83.2	75.9	75.8	75.6
Participation Rate Female	38.1	45.4	47.5	49.7
Unemployment % of the Labour Force	15.9	15.5	12.8	8.5
Long-term Unemployment % of the Unemployed	64.2	59.4	61.7	52.3
Budget Deficit/Surplus	-4.3	-2.4	-1.6	+1.3
Debt/GDP	107.2	94.3	80.2	59.2
Debt/GNP	121.4	107.6	93.9	70.00

Source: *NESC* (1999) p. 9.

*e = estimates

Notes:

1. 'In 1970, over 60 per cent of the adult population of working age had only primary education whereas a generation later in 2010 the figure will be under 10 per cent, with over 40 per cent having a third level education. This change is having an impact on fertility behaviour, on marriage patterns, on labour force participation, on potential earnings, and on tastes ... Today, while emigration continues to be a significant feature of life, with many young people leaving in their twenties, the pattern has changed. Like homing pigeons, after a few years abroad, the bulk return to live in Ireland. More recently the growth in the number of foreigners (sic) coming to Ireland, a significant number of whom are spouses or partners of returning emigrants, has further added to the forces of change. This changing migration pattern means that, instead of 'brain drain', Ireland has benefited from the new skills and new ways of looking at things which those coming from abroad bring with them' (ESRI 1999).
2. From 1967 onwards, dispersals of departmental personnel staff have included:
 - Department of Agriculture/Lands (collection branch/headage) staff to Castlebar, accounts branch staff to Cavan, the special beef premium unit at Portlaoise, as well as the movement of other staff to Johnstown Castle (Co. Wexford);
 - Department of Arts, Heritage, Gaeltacht and Islands staff to Furbo (Co. Galway);
 - Central Statistics Office staff to Cork;
 - Department of Defence finance branch to Renmore (Co. Galway);
 - Department of Education's examinations branch and other staff to Athlone, as well as school transport, finance, planning, building and other functions to Tullamore;
 - Department of Enterprise, Trade and Employment's Patents Office to Kilkenny;
 - Department of Environment and Local Government branches dealing with accounts, driver testing, group water schemes, housing grants and local government superannuation to Ballina;
 - Department of Justice, Equality and Law Reform's finance division to Killarney;
 - Office of Public Works accounts branch to Kilkenny;
 - Office of the Revenue Commissioners staff to Dundalk, Ennis, Limerick, Monaghan, Nenagh and Wexford; and
 - Department of Social, Community and Family Affairs (DSCFA) staff to Letterkenny, Longford, Sligo and Waterford.

3. In contrast, it must also be noted that a number of large departments, particularly Agriculture and Food, the Revenue Commissioners and DSCFA, have adopted regionalised office structures in order to facilitate specifically improved local access to the particular services involved. Even in such regional offices, however, the degree of effective devolution of decisionmaking remains limited. Significant issues also remain regarding the more integrated usage of government regional and local offices by other public service providers, e.g. local government and health boards.
4. See, for example, the Anti-Discrimination (Pay) Act 1974; the Employment Equality Act 1977 and the Unfair Dismissals Acts 1977-1993).
5. *Delivering Better Government* (1996) argued strongly that, 'Effective equality policies are...an essential feature of effective human resource management' (p. 47). In particular it stressed that the 'promotion of equality policies also confers benefits on the organisation. It increases productivity by making better use of staff resources. It improves the quality of decision-making ... It helps to retain the best staff by taking their needs into account and allows flexible working arrangements which meet business and staff needs' (p.47).
6. 'Given the slow rate of progress made to date and unless new and affirmative action is taken across a wide front, then a balanced representation of women and men in the higher grades of the civil service is unlikely to be achieved within the working lives of most of those currently serving' (Humphreys, Drew and Murphy 1999, p. xi).
7. Under the CAP pilot, a small number of departments will prepare, operate under, and report against a strategic business plan, designed to link better departmental activity with government's strategic priorities, produce a better balance between ownership and purchase interests, and more support for ministers exercising their ownership interest in departments. Self-assessment by departments against the elements of the European Foundation for Quality Management's Business Excellence Model is an important part of the pilot system (OECD, 2000a).
8. Centrelink is developing a new service delivery model based around the concept of 'life events.' The aim is that customers will be able to approach Centrelink and describe their individual circumstances and particular life event(s) they are experiencing (such as looking for a job, caring for someone sick or disabled) and in return they will receive a personalised solution containing the services they need, from across the public service, to meet their needs. To support this approach, a range of initiatives are being developed:
 - The *one main contact model*. This will enable each customer to do his or her initial and continuing business with the same customer service officer.
 - Expert decision support systems to assist staff in delivering accurate and appropriate service offers.

- A wider range of access options for customers, including the Internet, kiosk, in person, over the phone, and smaller offices in more convenient locations.
 - Once only proof of identity, involving the introduction of some sort of customer authentication mechanism.
 - Improved customer profiling for compliance and risk assessment.
 - Redesigning all the literature of the organisation. (Bashford, 2000).
9. With regard to delivery, a new initiative started in 2000, Service Canada, aims to provide a one-stop access point to government service, providing access in person, by telephone or electronically. From the perspective of the user, the intention is to achieve an integrated service delivery network. Client satisfaction surveys are to be used as a measure of success.
10. One particularly notable initiative is a project to modernise comptrollership across the public service. This project focuses on performance information, risk management, control systems, and ethical practices and values. As part of this initiative a Financial Information Strategy is being implemented to facilitate managers' use of financial information, including accrual-based information.
11. An evaluation by the Office of the Auditor General of Denmark compared sixteen contract agencies with sixteen non-contract agencies. The average rise in productivity in contract agencies was 9.3 per cent a year, compared with 3.3 per cent for non-contract agencies (Greve, 2000, p.159).
12. An example here is *Homelessness - An Integrated Strategy* (Department of the Environment and Local Government, 2000), a report produced by the cross-department team on homelessness established by the government. This report, while providing central direction for a national strategy, also drew significantly from work done at the local level, notably by the Homeless Initiative set up to co-ordinate policy and implementation in the Dublin region.
13. Ethics may be defined as 'the rules of conduct recognised in certain limited departments of life'. As such, ethics can relate to a business or to an individual in that business. 'Morals' and 'ethics' may also be used interchangeably. Values are ultimate objectives, which may require certain morals. Religious beliefs may be a source of such values or of associated ethics (see Jones and Pollitt, 1999).
14. 'Put simply, Irish clientalism involves individuals who seek out their TDs, or similarly placed 'elites', in order to acquire some benefit or service which they feel they would not receive by their own or their group's efforts' (Hazelkorn 1986, p. 327; see also Peillon, 1995).
15. Collins (1999) defines 'corruption' as 'the misuse of public power for private profit or political gain' (p. 64).

16. Other infrastructural developments would include the Freedom of Information Act 1997, the Public Service Management Act 1997 and the Committees (Compellability, Privileges and Immunities of Witnesses) Act 1997, together with the introduction of a new Civil Service Code of Standards and Behaviour.

17. Reach is a cross-departmental agency established by government to improve the quality of service to customers of the Irish public service. In particular, it will develop the framework for the integration of services and the implementation of e-government in Ireland. The systems developed by REACH aim to:

- integrate services - customers will access a range of related services through a single access point
- personalise services to the individual needs of the customer and his or her preferences
- provide choice and convenience - customers will choose the access channel and time of access which best suit them
- reduce and eliminate repetitive form filling and repeated provision of basic personal data
- simplify services in terms of accessibility of information and application processes to allow for self-service access by customers over the internet.

As a first-step, self-service information systems are being developed for personal customers (OASIS - Comhairle) and for businesses (BASIS - Department of Enterprise, Trade and Employment). REACH will report to government through the Minister for Social, Community and Family Affairs and will be developed in close collaboration with the Departments of the Taoiseach and Finance, which have specific responsibilities for the IS Action Plan and e-government strategies respectively. For further details see www.reach.ie

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