Public Service Reform

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Abstract and Keywords
This chapter examines the reforms that have taken place in public services from before the financial crisis, through immediate reform efforts post-crisis focused on reduction in pay and numbers, to broader reform initiatives that have occurred since 2011. The impact of the austerity-related reforms is analysed and assessed from four main perspectives: (a) the impact on public service numbers and pay, (b) the views of senior public executives on the impact of austerity and reform efforts, (c) the effect on the public service bargain, and (d) the effect on the organization and delivery of public services. The chapter concludes with a discussion of the likely longer-term implications of the public service reforms undertaken during the time of austerity.

Keywords: pay, public service bargain, public service reforms, financial crisis, austerity-related reforms

Introduction
The financial crisis triggered by the collapse of the international banking system in the late 2000s has driven a new round of cutbacks and public service reforms in many countries. This wave of reforms is characterized by
consolidation and recentralization (Gieve and Provost 2012; Thynne 2011). There is an emphasis on spending cuts, the need to do ‘more with less’, joined-up government, closer integration of policy formulation and implementation, more flexible public service labour markets, greater use of technology, building and maintaining public trust in public institutions, and accountability (Posner and Blöndal 2012; Van de Walle and Jilke 2014).

Despite these common themes, a review of academic studies (Raudla, Savi, and Randma-Liiv 2013) shows that government responses to the crisis have been diverse (Bideleux 2011; Kickert 2012; Lodge and Hood 2012; Peters 2011; Peters, Pierre and Randma-Liiv 2011; Pollitt 2010). Raudla, Savi, and Randma-Liiv (2013: 39) note that ‘this means that the contextual factors that define the depth of the crisis and hence shape the response(s) to crisis are vastly different due to country specific features’.

Given the depth and the scale of the fiscal crisis in Ireland, it is of interest to examine the nature and scale of public service reform that has occurred in response to austerity. To what extent has the crisis resulted in short-term changes or will it lead to longer-term, more systemic structural and process changes in the way public services are provided? Has austerity resulted in more centralized or decentralized modes of decision-making? What has been the impact on the behaviour and attitudes of public servants working in challenging conditions? How does Ireland’s response compare to that of other countries affected by the fiscal and economic crisis?

This chapter is divided into three main sections. In the first section, ‘Reform in the Irish Public Service’, the reforms which have taken place in public services are briefly described, covering three main time periods: (a) an overview of reform prior to the financial crisis, (b) immediate reform efforts post-crisis, focused on reduction in pay and numbers, and (c) reform initiatives which have occurred since a change of government in 2011. In the second section, ‘Public Service Reform in Ireland: The Effects of Austerity’, the impact of the reforms is analysed and assessed from four main perspectives: (a) the impact on numbers and pay, (b) the views of senior public executives on the impact of austerity and reform efforts, (c) the effect on the public service bargain, and (d) the effect on the public service landscape. Finally, a concluding section
sets out some general thoughts on the likely longer-term implications of the public service reforms undertaken during the time of austerity.

Reform in the Irish Public Service
A Brief Overview of Reform pre the Fiscal and Economic Crisis

Reform of the public service in Ireland has, as in many countries, been an episodic item on the political agenda for many years. In the 1960s, the report of the Public Service Organisation Review Group (1969), popularly known as the Devlin Report, recommended sweeping and controversial changes regarding the separation of policymaking and execution. As Barrington, Carpenter, and MacFeely (2015) note, this provoked extensive debate but ultimately had little effect. The 1980s saw the publication of a white paper titled *Serving the Country Better* (1985). The emphasis was predominantly on changing administrative process rather than more significant structural reform (Connaughton 2005) and had some positive albeit limited impact (Boyle 1997).

The Strategic Management Initiative (SMI) was launched in 1994 with the stated objective of improving the efficiency and effectiveness of the Irish public service. Two years later, the report *Delivering Better Government* (1996) set out a reform agenda. Over the ensuing decade, with varying degrees of emphasis and success, a range of initiatives, policies, guidelines, and new legislation was put in place. The Public Service Management Act 1997 was an important piece of legislation, setting out a formal structure for assigning authority and accountability within the civil service (Boyle and MacCarthaigh 2011).

In 2008, the Organisation for Economic Co-operation and Development (OECD) produced a landmark report on the Irish public service. It was the first time the OECD had benchmarked a national public service against good international practice. Their report broadly indicated that Irish public services were doing a good job but that there was a need for more integration and coordination of public services, better implementation of reform initiatives, and more of a focus on performance and value for money (OECD 2008). In response, the government produced a report titled *Transforming Public Services* (Department of the Taoiseach
2008) but the actions proposed here were rapidly overtaken by the impact of the fiscal and economic crisis.

**Early Public Service Reform Efforts at a Time of Crisis: Reducing Pay and Numbers**

The impact of the financial crisis on the public service was immediate and dramatic. In 2009, as a means of addressing the escalating public service wage bill and with considerable anti-public service sentiment in the media, the government introduced a public service pension levy of 7 per cent on average, and public service pay cuts of between 5 and 20 per cent depending on salary level.

In an initiative to reduce public service numbers and to further reduce the pay bill, incentivized early retirement (available to staff over 50 years) and career break schemes were also introduced, with staff availing of these programmes not being replaced. In December 2009, a further decision imposed new ceilings on total public service numbers to be achieved through the implementation of employment control frameworks (ECF) in respect of each organization. Administrative budgets for all organizations were cut.

The key enabler of these dramatic changes, post the introduction of the pension levy and immediate wage cuts in 2009, was the Public Service Agreement 2010–14, commonly known as the Croke Park Agreement from the location at which negotiations took place. This was an industrial relations agreement reached between the government and the trade unions. The agreement gave employees assurances that there would be no compulsory redundancies from the public service and, in as far as could be foreseen, no further pay cuts. In return, the government obtained agreement on significant restructuring and reorganization of the public service as a means of achieving cost reductions. The agreement also set out arrangements in respect of the redeployment of staff across the different sectors of the public service.

In assessing the impact of the agreement, Roche (2012: 1) states that ‘the Croke Park Agreement has provided a framework for managing fiscal consolidation and public service retrenchment, and so avoiding the industrial conflict, general strikes and chaos often observed in other bailout
countries and indeed in non-bailout countries like Italy, Spain, France and the UK’.

New Government, New Public Service Reform Agenda


The depth of the crisis had provoked many commentators to call for fundamental reform in Irish political and administrative structures, and indeed to suggest that the political and administrative system itself was in need of major reform (Hardiman 2009; Laffan 2010). One economic academic and commentator summed up the general view of many people: ‘any programme of public service reform needs to pursue two objectives simultaneously. The system needs to work much better and it needs to cost much less. The record of the last decade has been one of missed opportunities, waffle, increased cost and reduced effectiveness’ (McCarthy 2011).

The need for reform, particularly in relation to human resources (HR) management, was exemplified by the findings of an independent review of the Department of Finance and its role in the financial crisis, commissioned by the government, which found weaknesses with regard to the availability of specialist skills (Wright 2010: 35). These limitations had also been identified in an internal capacity analysis carried out in 2009 (Department of Finance 2009), and were consistent with the generalist and career-based nature of the civil service in Ireland. Compared to many OECD countries, the Irish civil service has remained at the more conservative end of the spectrum with regard to HR reform (O’Riordan 2008: 49).

Christensen (2013) and Wallis, Goldfinch, and Klein (2012) contrast the Irish experience with that of New Zealand. Christensen (2013: 566), for example, states that in New Zealand they recruited economists into the civil service who took an activist approach to policy advice. He compares this to
the Irish situation where there was little economic expertise in the civil service, limited knowledge of microeconomic ideas about taxation, and a passive approach to policy advice.

An early action by the new government was the establishment of a new department, the Department of Public Expenditure and Reform, to manage reductions in public expenditure to sustainable levels while reforming and improving public services (Department of Public Expenditure and Reform 2011). The new department took over functions previously managed by the Department of Finance and the Department of the Taoiseach. The intention behind the establishment of the new department was that public service spending and reform should be managed together. The Department of Finance retained responsibility for overall budget, tax, and spending matters. New secretaries general, each with public- and private-sector experience, were appointed to lead the Department of Finance and the Department of Public Expenditure and Reform. Economists were recruited into the central departments.

Bringing in people with outside experience was seen as sending a message that the traditional ways of doing things needed to be changed, providing an opportunity to develop a new approach and culture. These personnel and institutional changes were aimed at creating a new dynamic at top levels at the centre of government regulatory and fiscal administration. They were intended in part to enhance the challenge function and strengthen independent advice.¹

An Economic Management Council (EMC) was also created, with the status of a Cabinet committee, and membership of the Taoiseach (Prime Minister), Tánaiste (Deputy Prime Minister), Minister for Finance, and Minister for Public Expenditure and Reform. The council oversees economic policy. It is intended to give a strong political lead to the required budgetary adjustments and reforms. The creation of this EMC has generated some degree of debate as to its role, as some see it as usurping the role of the Cabinet in government (Whelan 2014). Other institutional reforms include the creation of a Fiscal Advisory Council and a Government Economic and Evaluation Service.
In November 2011, the government published the Public Service Reform Plan (Department of Public Expenditure and Reform 2011), a blueprint for public service reforms up to 2015. Revised targets for reductions in public-sector numbers were set out. Public service numbers were to be reduced by 37,500 from peak 2008 figures to 282,500 by 2015. Facilitated by an ageing public service, it was envisaged these reductions could be accommodated through retirements and voluntary departures. The plan also identified five priorities: customer service; maximizing new and innovative service-delivery channels; radically reducing costs to drive better value for money; leading, organizing, and working in new ways; and a focus on implementation and delivery. Issues such as the development of shared services, procurement, and outsourcing were emphasized. A review of progress (Boyle 2013) suggests that most actions identified in the plan have been implemented to some degree, but that significant challenges still remain.

In January 2014, the Department of Public Expenditure and Reform announced a further reform initiative. The Public Service Reform Plan 2014–16 (Department of Public Expenditure and Reform 2014) identifies four main reform themes: delivery of improved outcomes, reform dividend (using savings to invest in new or improved services), digitalization/open data, and openness and accountability.

(p.219) These service-wide reforms have been accompanied by sectoral reform plans. For example Putting People First, the action programme for local government reform, set out a number of key objectives in relation to local government (Department of the Environment, Community and Local Government 2012). These objectives include the structural reform of local authorities such as mergers and rationalization; reorganization of political and executive structures; alignment of community and enterprise functions with the local government system; greater impact and involvement in local economic and community development; service efficiencies; and revised funding arrangements. The Civil Service Renewal Plan (Department of Public Expenditure and Reform 2014) was published in October 2014. This plan sets out changes to accountability and performance regimes in the civil service.
Important in maintaining the momentum of reform and cooperation of public servants was the negotiation of a successor to the Public Service Agreement, the Public Service Stability Agreement 2013–16 (LRC 2013), commonly known as the Haddington Road Agreement. The driver for the agreement was a government decision, in the light of the economic situation, to seek a further €1 billion savings in the cost of the pay and pensions bill. The agreement saw the introduction of initiatives such as more flexible and speedier redeployment, longer working hours, changes to overtime rates, and pay cuts for those earning over €65,000 per annum.

At the same time as the Public Service Stability Agreement was introduced, the government enacted the Financial Emergency Measures in the Public Interest (FEMPI) Act 2013. This legislation gave effect to reductions in pay and pension rates and enabled far-reaching changes to pay and working conditions for members of unions that had not signed up to the Public Service Stability Agreement. The legislation allows the Minister for Public Expenditure and Reform to impose further changes to working conditions by ministerial order.

The Public Service Stability Agreement, as with the preceding Public Service Agreement, provided a mechanism for securing the cooperation of staff for the reforms needed to ensure cost reductions. This included a continuation of the restriction on recruitment and promotion, the selective recruitment of appropriately skilled personnel from outside the public service at all grades if required, cooperation in respect of processes and systems to allow for shared services and e-government initiatives, commitment to the redesign of work processes, and the dismantling of barriers to a unified public service to be achieved through progress towards standardized terms and conditions of employment across the public service.

In a sign of the improving economic climate, in November 2015 the Minister for Public Expenditure and Reform formally signed the Commencement Order, bringing into law the FEMPI Act 2015. The Act gives effect to the provisions of the Lansdowne Road Agreement, negotiated between the government and trade union bodies in 2015 to follow on from the Haddington Road Agreement, and amends previous FEMPI legislation, which has underpinned the various public service pay and pensions reductions since 2009. The 2015 Act provides for a number of measures to begin a partial and
phased restoration of the pay reductions of recent years. The bulk of the measures are focused on lower-paid public servants in the first instance.

Public Service Reform in Ireland: The Effects of Austerity

Effects on Numbers Employed and Pay

There have been dramatic reductions in public service numbers and pay, broadly in line with the proposed actions, as illustrated in Figure 12.1. From its peak in 2008, the total number of people employed in the public service dropped from 320,000 to 294,000 in 2015, a drop of 8 per cent. While numbers have fallen in all sectors since 2008, some have been affected significantly more than others. The biggest drop proportionally has been in local authorities (23 per cent). The smallest drop proportionally has been in the education sector (1 per cent) and civil service (7 per cent). Overall numbers employed rose slightly in 2015.

While public service employment levels have been dropping, the population has continued to increase. At 63.4 public service employees per 000 population in 2015 there were approximately 10 less public service employees per 000 people than there was in 2008 (Boyle 2015).

Figure 12.1. Numbers employed in the public service

Source: Department of Public Expenditure and Reform Databank.

There is no doubt that the reduction in numbers employed in the public service will continue to have a major impact on working conditions over the coming
years. Early staff retirements have also caused difficulties. For example, an independent review of the Department of Justice conducted to examine the performance, management, and administration of the department following a series of controversies, found, amongst other things, that: ‘There is a failure to ensure effective knowledge transfer from retiring staff. A combination of retirements and the public service staffing moratorium, without a sufficient focus on succession planning, has led to loss of knowledge and expertise’ (Report of the Independent Review Group on the Department of Justice and Equality 2014: 10).

Changes to public service pay and pensions are shown in Figure 12.2. The public service pay bill and pensions reached a peak of €18.7 billion in 2008. From 2008 to 2014, as the cutbacks in numbers and pay introduced by the government have taken effect, expenditure on public service pay and pensions decreased from its high of €18.7 billion to €16.8 billion in 2015.

What evidence there is to assess the impact these changes in numbers and pay have had on service provision suggests that provision has, overall, held up well to date. In terms of perception of quality of service provided, as assessed by surveys of business executives, Ireland’s score on a Quality of Public Administration Index has actually increased slightly in recent years compared to European averages (Boyle 2015). There may, of course, be time lag issues which will manifest themselves in the future. In an examination of Irish health system performance, Burke and colleagues (2014) found that indicators of activity in the Irish health system during the economic crisis had shown a relatively resilient system (as measured by activity) from 2008 to 2012. (p.222) However, indicators from 2013 on demonstrated a system under increasing pressure that could no longer continue ‘to do more
with less’. The indicators revealed a system that had no choice other than ‘to do less with less’.

The Views of Senior Public Executives on the Impact of Austerity on Reform

Coordinating for Cohesion in the Public Sector of the Future (COCOPS), a major comparative public management research project, provides a picture of the challenges facing the public service in European countries and explores the impact of new public management (NPM) style reforms in Europe. A cornerstone of the project is the COCOPS executive survey on public-sector reform in Europe: a large-scale survey of public-sector top executives, exploring executives’ opinions and experiences with regard to public-sector reforms. In Ireland, the survey was carried out in September and October 2013. A total of 437 valid responses were received, giving a response rate of 27 per cent (see Boyle 2014 for details).

Figure 12.3 shows senior public executives perceptions of the impact of the fiscal crisis on power relations. Ireland is compared to the COCOPS average.² It can be seen that there is a strong view that the power of the Ministry of Finance has increased,³ and that decision-making has been centralized in organizations. In other European countries there is also a view that greater centralization of power has occurred, particularly that of the Ministry of Finance, but not to the same extent as in Ireland. The relevance of performance information is seen as having increased, as has the role of budget-planning units in organizations. There are more mixed views as to whether the power of politicians has increased or if conflict between organizations has increased.
Irish officials feel they have a low level of management autonomy. The lowest degree of management autonomy is expressed with regard to hiring staff (78 per cent rather low autonomy), promoting staff (76 per cent rather low autonomy), and dismissing or removing staff (74 per cent rather low autonomy). These levels of management autonomy are generally much lower than those expressed in the COCOPS sample. For example, only 13 per cent feel they have a rather high degree of autonomy in hiring staff compared to 41 per cent in the COCOPS sample. This general picture of low management autonomy reflects the fact that, historically, the management of the Irish public service has tended to be relatively highly centralized, and also that, in response to the financial crisis, measures were introduced which further restricted managers with regard to issues such as staff recruitment or promotion.

With regard to reform trends more generally, 84 per cent of Irish senior public servants believe that public-sector downsizing has been an important reform, while a similarly high percentage see focusing on outcomes and results as one of the most important reforms. Collaboration and cooperation among different public-sector actors, transparency and open government, and digital or e-government are the next three most important ranked reforms. The reforms that Irish respondents thought least important are privatization, the creation of autonomous agencies, and extending state provision into new areas. When compared to the average results from the COCOPS sample, Irish respondents rate contracting out, a focus on outcomes and results, and transparency and open government as more important reform trends.

The vast majority of respondents (90 per cent registering points 1–5 on a 10-point scale) feel that the reforms have been more top down than bottom up. A high percentage also feel that the reforms have been more about cost-cutting and savings than about service improvement (80 per cent), and have tended towards no public involvement rather than high public involvement. Respondents
are also more likely to see the reforms as crisis driven, partial, and contested by unions, than planned, comprehensive, and supported by unions. Views are relatively evenly split as to whether reforms are consistent or inconsistent, or too much versus not enough. A small majority feel that the reforms are more driven by politicians than by senior executives. A similar small majority see the reforms as more unsuccessful than successful. Here, the Irish results are broadly in line with the COCOPS sample.

Figure 12.4 sets out the views of public executives on a range of cutback measures applied at the organizational level in response to the financial crisis. In the view of Irish public executives, the main cutback measures applied are pay cuts, pay freezes, and hiring freezes. This is to be expected given the government response to the fiscal crisis outlined in the section ‘Early Public Service Reform Efforts at a Time of Crisis: Reducing Pay and Numbers’. Compared to the COCOPS sample, Irish public executives are much more likely to feel that all the listed cutback measures have been applied to a greater extent. For example, only 21 per cent of the COCOPS sample note pay cuts as being applied to a rather large extent, compared to 93 per cent of Irish respondents.

Irish public executives on the whole feel that public administration has got better over the five years to the end of 2013: 62 per cent feel that it has got better, and 38 per cent feel that it has got worse. Compared to the COCOPS sample, Irish respondents tend to be somewhat more positive in their assessment of how public administration has performed. Notably with regard to policy effectiveness, policy coherence and coordination, cost and efficiency, external transparency, and openness and ethical behaviour, a larger share of Irish respondents feel things have improved. Conversely, Irish executives are more likely to feel that things have deteriorated with regard to citizen trust in government, the attractiveness of the public sector as an employer, and staff motivation. These findings need to be interpreted in the context of the scale of cutbacks applied to the Irish public service over this period and the fact that, in most of the other countries in the
COCOPS sample, cutback measures have not been applied to the same degree. To a significant extent this might be seen as a rather positive assessment by Irish senior public servants.

(p.225) Overall, the results tend to underline the mixed managerialist/Weberian character of Irish public administration (Rhodes and Boyle 2012). There is also evidence of what Pollitt and Bouckaert (2011) describe as a new public governance (NPG) reform agenda, where outcomes, networks, and joined-up government receive more emphasis. The influence of the fiscal crisis has been strong and is reflected in aspects of reform such as the emphasis on downsizing, cost-cutting, and efficiency. Centralization of power in what was already a centralized control environment has increased. At the same time, Irish senior public executives have a broadly positive view of many aspects of public-sector reform.
Lodge and Hood (2012: 81) argue that austerity has impacted on the public service bargain, which they see as covering issues such as what kind of skills and competencies are required from public servants, how public servants are to be rewarded, and what kinds of responsibility or political stance is expected of them. However, they note that the effect is not uniform, and that different states have been affected in different ways. Not least because the financial crisis is only one of several major forces, including long-term demographic and environmental change, that can be expected to impact on governments in the coming years.

In Ireland, the reduction in numbers employed in the public service, reductions in pay, and changed terms and conditions of employment outlined in the section ‘Early Public Service Reform Efforts at a Time of Crisis: Reducing Pay and Numbers’ have resulted in significant changes to the public service bargain. The Public Service Agreement and Public Service Stability Agreement in particular have changed the nature of the public service bargain. But at the same time, some traditional characteristics of public service employment (security of tenure, a common grade and pay system, defined benefit pension) have remained intact. With regard to competencies and skills there is an increasing trend away from the generalist public servant working in a relatively closed environment to more use of specialist staff with more open recruitment. Nevertheless, traditional competencies and skills in areas such as policy analysis and HR management have been re-emphasized. The public service bargain is changing, but the extent and form of that change is still evolving.

Effect on Organization and Delivery of Public Services

On a very basic structural level, there have been significant changes in the public service landscape during the period of austerity. At central government (p.226) level, the new Department of Public Expenditure and Reform, and initiatives such as the creation of the EMC, have changed the dynamic. As at early 2015, all bar three secretaries general of government departments have been appointed in 2011 or later, reflecting a significant change of personnel at the top. Shared services in areas such as HR management and payroll have been introduced. State agencies have been rationalized,
and a programme of closure and consolidation implemented as part of the public service reform plans. Though, as Boyle (2016) notes, new agencies also continue to emerge.

At local government level, there has been the merger of city/county councils in Limerick, Tipperary, and Waterford; abolition of eighty town councils, replaced by a new system of municipal districts; new structures for community and economic development; and the establishment of a National Oversight and Audit Commission. The number of elected councillors has been reduced from 1,627 to around 950. The eight regional authorities and two regional assemblies have been replaced by three regional assemblies.

More generally, with regard to service provision there has been an emphasis on widening the mix of providers and using alternative service delivery mechanisms. Robert Watt, Secretary General at the Department of Public Expenditure and Reform, noted that a major challenge in developing new service models is to reallocate resources to try something new and different in an environment where rising demand for services means that it is unsustainable to provide services in the traditional way (McKeown 2013: 12). This is reflective of a view across many countries and management consultancies that, as well as being provided by directly employed state employees, services could equally well be provided, often at lower cost to the exchequer, by private-sector or third-sector organizations, working under contract (Pollitt 2014).

However, Pollitt (2014: 26–7) cautions that the increase in contracting out, which seems to be accompanying austerity in a number of countries including Ireland, may be storing up trouble for the future. Such caution is supported by Reeves (2013), in particular with regard to the development of public-private partnerships (PPPs).

Conclusion
Austerity has caused major change in the public service. Arguably, Ireland has seen the biggest change to its public services since the foundation of the state. Not least, the reduction in numbers employed has resulted in a much smaller public service, at a time of growing population and growing demand for services. Growth in demand in some areas has been facilitated by redeployment of staff, and in other cases by
changed ways of working. In this broad context, it is possible
to identify a number of reform themes and trends.

(p.227) One trend is the increased centralization of power
and control, both politically and administratively. A second
trend is more of a role for ‘outsiders’, particularly in senior
management positions, combined with more open recruitment
and an increasing emphasis on specialization and
professionalization. A third trend is more use of
commissioning and contracting out of services, allied with
rationalization and more use of shared services. A fourth trend
is a greater use of new models of service delivery, and an
increasing emphasis on what Dunleavy and colleagues (2006)
call digital-era governance. And a fifth trend is a changing
public service bargain, with changed terms and conditions of
employment giving more flexibility to employers.

An inevitable question is whether these reform trends will be
long-lasting or if they are likely to be temporary and alter as
the economic environment stabilizes. The increased
centralization of power, certainly at the administrative level, is
likely to diminish as the effects of austerity reduce. As
mentioned in the section ‘New Government, New Public
Service Reform Agenda’ Ireland was already relatively highly
centralized with regard to HR management in the public
service and was subject to recommendations from the OECD
(2008) that a more decentralized approach would be welcome.
There are some early signs of moves to more decentralized
decision-making, such as proposals in the Civil Service
Renewal Plan (2014) that departments and state agencies be
given more flexibility and accountability for managing staff
resources within strict multi-annual pay allocations.

The use of more open recruitment, a greater role for
‘outsiders’, and more specialization and professionalization in
the public service is likely to continue. Whilst having benefits
and bringing about a more diverse and specialized skills base,
this will bring its own challenges. In the UK, which has
promoted open recruitment and employment of senior
managers from outside the public service for a number of
years, there have been issues around higher levels of turnover
and difficulties for some outsiders in adjusting to the
organizational culture and practice of the public service
(Institute for Government 2013; Public Administration Select
Committee 2010). Greater specialization and professionalization also brings with it the need for career structures and paths for such staff.

More commissioning and contracting of services, greater use of shared services, and the use of a wider variety of service delivery models is likely to be a continuing and increasing feature of public service reform. As resource constraints continue, and demands increase, it is inevitable that a more diverse set of delivery mechanisms and cheaper cost options will be a growing feature of reform, and innovation seen as a means of organizational change (O’Donnell 2006). Again there are both benefits and challenges associated with such a move. A more active role for individual citizens and communities in shaping public services can make services more responsive (p.228) and help deliver desired outcomes. But commissioning and contracting of services requires public servants to acquire new skill sets, and may lead to challenges such as the potential for more misuse of public funds and more fragmentation of services.

Finally, changes to the public service bargain in Ireland look set to stay, and will likely continue to evolve. The ‘deal’ between elected politicians and public servants as to their respective roles and responsibilities, entitlements and duties has seen changes to such fundamentals as pay and pensions and working conditions more generally. While some of these changes, such as pay cuts, are being ameliorated as the economy improves, some are likely to remain and be further developed. The idea of the anonymous public servant providing frank advice to their ministers in return for security of tenure and an absence of public scrutiny is one that increasingly bears little resemblance to reality.

The Irish public service has been subject to significant and in many ways radical reform as a result of austerity. It would have been impossible to envisage proposals to cut pay and pensions, reduce numbers employed, increase working hours, introduce major redeployment and other wider reforms without the driving force of the financial crisis providing the catalyst for change. Some changes may have happened anyway, including more professionalization and specialization and more commissioning of services, but would likely have occurred over a much longer time frame.
Public service reform has been implemented in line with the commitments entered into in the austerity programme. The reform initiatives broadly conform to the prevailing international thinking on good practice with regard to public service modernization (OECD 2015). The inevitable question as to the extent these reforms have contributed to fiscal consolidation and economic recovery is a difficult if not impossible one to answer definitively. On the plus side, many of the issues identified as in need of being addressed have, to varying degrees, been tackled. A revised budgetary framework and greater use of alternative service delivery mechanisms are examples of reforms widely seen as necessary and useful. Irish public services are seen as relatively well managed compared to those of many other European countries (Boyle 2015). But challenges remain and initiatives such as shared services and centralized procurement bring their own difficulties if not managed well. Reform of the health service is a major area where significant problems remain to be tackled. There are difficulties in ensuring coordination and coherence in the revised budgetary landscape. Many services are increasingly under strain as a result of years of cutbacks. Providing good, evidence-informed, and independent advice to support long-term recovery remains a continuing challenge. The public service landscape is changed, but the resilience and results of these changes remains to be tested. (p.229)

References

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Notes:

(1) External appointments at senior levels in central government agencies were a more general feature of change at the time. In 2009, a new Governor of the Central Bank of Ireland was appointed, a well-respected professor of international financial economics, as well as a new Head of Financial Supervision in the Central Bank, a former Chief Executive of the Bermuda Monetary Authority. These appointments coincided with developing new regulatory structures for financial regulation.

(2) Here, Ireland is compared to the ten countries that were originally involved in the COCOPS project: Austria, Estonia, France, Germany, Hungary, Italy, the Netherlands, Norway, Spain, and the UK. The COCOPS survey has subsequently been applied in a number of other countries.

(3) In Ireland, this includes both the Department of Finance and the Department of Public Expenditure and Reform, which took over a number of functions of the Department of Finance in 2011, as discussed elsewhere in this chapter.

(4) ‘Rather low’ refers to a score of 1 or 2 on the 7-point scale. ‘Rather high’ refers to a score of 6 or 7.