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Where to next with the RPA? Lessons from international developments in public service reform.

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Introduction

The Review of Public Administration (RPA) was launched in June 2002, with terms of reference that reflected a need to reorganise the administrative architecture of Northern Ireland within its unique system of devolved government. Its original goals were far-reaching (RPA 2006; Knox 2012), but the RPA has recently become synonymous with the amalgamation of local authorities (with a primary focus on the eleven new councils to be in place by April 2015) (Department of the Environment 2013). In this paper, I hope to reopen the discussion of public service reform in Northern Ireland by presenting some thoughts on the significant international developments that are taking shape in administrative systems across the developed world, and what might be learned from them. I consider first some of these emerging international trends before selecting some which have particular relevance for the Northern Ireland situation. The associated powerpoint presentation will help to illuminate the points set out below.

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Emerging reform themes

The banking, financial and economic crises have forced governments to consider once again the organisation and performance of their public administration systems (OECD 2010; Kickert 2012). In some states, Germany and France amongst them, the global financial crisis has added impetus to existing reform agendas. For others, and particularly those most severely affected by the crisis, the impact has been quite dramatic, leading to a range of hitherto unimaginable public sector reforms which reflect a variety of ideologies and influences. And for those countries which required external financial ‘bailouts’ – Iceland, Ireland, Portugal, Greece and most recently Cyprus - there is the added dimension of international oversight of reform initiatives that are not confined to budgetary and fiscal policy alone (Posner and Blöndal 2012)

For students of public administration, making sense of recent bureaucratic reforms is problematic as they are a curious blend of old and new ideas. On the one hand, the rhetoric used to justify recent ‘New Public Management’ reforms - the need for smaller, more efficient and innovative government reflecting best practice in the private sector - has been married with older bureaucratic concerns about baseline costs, standardisation, centralisation of decision making, and reductions in discretionary behaviour by bureaucrats. Thus while a new era of public service reform is underway, driven by factors that were not present when the RPA was developed, we are only beginning to understand the consequences of these reforms for the organisation and performance of government.

A survey by the OECD in 2011 found that the initial rounds of reforms adopted by its member states in response to the crisis revolved around a number of primary themes (OECD 2011). Unsurprisingly, tax increases had been aligned with spending cuts and changes to eligibility criteria (in a pattern following the inherited orthodoxies of the previous recession, cf Pisani-Ferry 2007) as well as structural reforms, with particular emphasis on organisational mergers alongside a culling of what were deemed ‘non-essential’ state agencies and bodies. Other prominent themes included ‘doing more with less’, restoring public trust in government and public administration and, relatedly, seeking new ways of enhancing engagement with the public and stakeholders.

A more recent, and possibly more accurate, survey of almost 5000 senior public service managers across ten European states found that the most prominent reforms currently underway concern digital or e-government initiatives, collaboration and cooperation among different public sector actors, as well as reforms to increase transparency and open government (Hammerschmid et al 2013). And we also find evidence of on-going organisational reforms as governments seek to deliver public services in new ways, and in co-operation with civil society actors as well as the market. Shared service initiatives are proving particularly popular for governments seeking to reduce ‘back office’ duplication and costs. A renewed impetus has also been given to tackling long-standing problems of institutional and policy fragmentation by re-thinking ‘purchaser-provider’ divisions within the public service, in some cases involving significant reductions in the policy autonomy of public service managers.

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In Northern Ireland, the development of the public service in the immediate term will be shaped by UK-wide reform plans (and austerity measures) as well as more specific local needs and circumstances. However these wider international trends and practices in administrative reform present considerable food for thought in terms of innovation and considering new ways to address old and new policy problems, as well as improving the capacity of the public service. Four issues are of particular interest in this regard – public service performance, on-going digitisation of public services, public service motivation, and structural re-organisation.

Performance

Achieving more with less has been a mantra of the various cutback strategies that have emerged in recent years. As part of this, the role of performance management and evaluation has come into focus as public service leaders and political executives seek to eliminate waste and reduce costs in their administrative systems. The role of performance management has been strongly emphasised in the implementation of cutbacks, as it provides a useful and fair means of protecting public services that perform well and which provide value. Performance management in government is of course not new (Bouckaert and Halligan 2008), but the focus on policy effectiveness is giving ground to an emphasis on efficiency and productivity in public services.

Public service performance can be considered along a number of dimensions, from methods of measuring individual performance to looking at the coherence of policy between local and national levels of government, or within a specific policy domain such as social exclusion. However, while there has been important improvements in the generation of performance data over the last decade, there remains a distinctive gap about how this information is examined and understood, and fed back into the policy process (van Dooren and van de Walle 2008). Linking performance information back into the budgetary process (performance budgeting), and using parliamentary committees as the venue for considering whether or not policy programmes are performing well, is now a well-established practice in most democracies across Europe. The OECD's review of the Irish public service published in 2008 provides an informed commentary on the importance of developing a 'performance culture' within an administrative system and how it might be achieved in practice (OECD 2008).

Digitisation of public services

The ICT revolution in government has not delivered a democratic revolution in the manner that many of its proponents had hoped, but it has had some transformational effects in the digitisation of governance processes and public services (OECD 2005). Recent data from Eurostat and the OECD (2013, p.157) indicates that there remains considerable variation across the developed world in the extent to which citizens use the internet to interact with public authorities, but younger age cohorts are increasingly more likely to do so. The move towards online services is inescapable and an attractive proposition for reforming governments. Indeed the EU's E-Government Action Plan 2011-15 has set ambitious targets for member-states in terms of the proportion of public services that are available online. However as well as direct public access to services, more recent interest has been in the issue of open

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government data (OGD). OGD makes information gathered and used by public organisations more readily available for use by citizens and academics alike, with a view to promoting transparency in government (Ubaldi 2013).

Considering how public organisations might improve the quality of information that they provide, it is helpful to set out a hierarchy of data use: from building on simple collection and aggregation, to online publication, and from here to presentation in a format that allows for third party analysis or visualisation. For example, in the United States all public organisations must ensure that data they make publicly available is in a form that is fit for analysis by external parties. As well as contributing to transparency in government, greater availability of public information also acts as an *ex ante* form of public service accountability, and encourages innovation within public organisations themselves. Of course as recent events indicate, such development must conform to the often onerous and complex requirements of data protection legislation.

As well as the use of more open specifications which allow for greater sharing, re-use and interoperability of data, some other important developments relevant to the issue of digital government are taking place. These concern the emergence of "service-oriented architectures" or "clouds" of services, common IT platforms and standards for all online public services, and the OECD's interest in m(obile)-government, or 'IT everywhere' which facilitates public access to government services and information regardless of location.

Working in the public service – Public Service Motivation

The economic crisis has also instigated a transformation in the nature of public service employment. The primary indicator for this is of course rates of pay and pensions, and in the majority of EU states changes to these and other entitlements (including security of tenure) have been implemented. Except in the more extreme cases, redundancies have been a last resort, with governments preferring 'natural wastage' and incentivised retirements and career break or educational schemes to avoid adding to unemployment figures.

As the extrinsic motivations (pay and other entitlements) for working in the public service have been reduced, there is considerable academic interest in recent years in the intrinsic motivational basis of public service employment (Perry et al. 2010; Vandenabeele 2008). In essence, this research considers what motivates people to work in the public service and draws on earlier work (Perry 1996) which pointed to factors such as an attraction to policy making and its potential for change, a desire to contribute to society and a perceived public interest, as well as altruistic factors such as self-sacrifice and a desire to help others.

Significantly, aligning the values underpinning these motives to an organisational mission and leadership, as well as effective goal setting, has been demonstrated to lead to improved performance in public organisations. Hence a 'rediscovery' of traditional public service values has been a notable feature of recent state-level reforms, including their enactment in law (as has been the case in Australia for a number of years). The need to demarcate the distinctive nature of public service employment also arises from much more open recruitment policies, and particularly for the

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senior levels of government, which have been introduced in countries which had traditionally been closed to direct outside appointments, including Germany, the UK and Ireland.

Structural re-organisation

A final word should be given to an issue that is most closely associated with reform agendas and which, as noted above, is now most closely associated with the RPA – structural re-organisation. Such re-organisations routinely promise better services, more ‘joined-up’ government, and of course reductions in the cost of running public services, though a combination of efficiency savings, job reductions and in some cases outsourcing and privatisation. A prominent form of recent re-organisations initiated by governments has been quango ‘bonfires’, with the focus often on reducing numbers than a more detailed analysis of the appropriate relationship between organizational form and task. Agency closures and mergers are ongoing across Europe; for example the review of UK Public Bodies beginning in 2010 and subsequently legislated for (Public Bodies Act 2011) sought to reform over 500 of the 900 entities it considered as quangos. Similarly, in the Republic of Ireland the *Public Service Reform Plan* (Department of Public Expenditure and Reform 2011) also seeks a substantial reduction in agency numbers. In the context of Northern Ireland, the RPA has resulted in both agency mergers and creations with no dramatic overall reduction in numbers (Elston 2013; Knox 2012, p.131). Alternatives to organisational closures and mergers include various ‘shared service’ initiatives, and the growth of public service shared service centres across Europe is testament to this. There also appears to be greater appetite emerging for alternative forms of governance that spread responsibility and risk outside of traditional government boundaries, including ‘mutualisations’ and the appointment of specialists to boards of public bodies.

This ‘clearing of the administrative landscape’ by means of quango mergers and closures is not just occurring at the national level. Seeking to improve capacity through amalgamations at the local government level has been an ongoing feature of reforms since the early 2000s – Denmark decreased the number of its municipalities by two-thirds between 2000 and 2010; the Dutch process of incremental amalgamations has witnessed over a hundred fewer municipalities to around 400 today, with plans to reduce this further. Integration of public organisations, elected or otherwise, holds obvious attractions in terms of efficiency gains and savings, but is still not a panacea for joined-up government. For such integration to work requires detailed workforce planning to ensure internal cohesion, as well as consistent political commitment to the new organisation and its goals. Organisational mergers can also be potentially harmful to accountability, with finances and responsibilities obfuscated within larger bureaucratic structures. And just as the proliferation of public service organisations has led to dysfunctions, care must be taken not to over-centralise or over-concentrate which can equally create sub-optimal performance (Verhoest et al. 2007).

Conclusions

The global financial crisis has re-ignited important debates about the role and contribution of administrative systems to economic development, to public trust in government, and to social cohesion. The current ‘wave’ of administrative reform ideas has resulted in different national programmes according to existing structures and practices, political and

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ideological debates, and the depth to which the crisis has been felt. Other important themes not discussed here include regulatory reform, reforming accountability arrangements, the changing character of political-administrative relationships, and of course the co-ordination and coherence of these reforms.

Current reforms are also distinctive in the extent to which governments have recognised the need to open up the avenues for policy advice and expertise to external parties. Hence the clamour for ‘evidence-based policy making’ and means of equipping public service leaders with new skills to reflect the distinctive nature of public policy problems. The distinctive role which universities have to offer in terms of the development of analytical skills and policy innovations, the application of research to practice, and examination of evidence for making policy are evident and should be harnessed in the next stage of public service reform in Northern Ireland.

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