

**Irish Congress of Trade Unions
Public Services Committee**

**Presentation to Task Force
on the
Implementation of the OECD Report on the Irish Public Service**

30th July 2008

Introduction

The Public Services Committee (PSC) of the Irish Congress of Trade Unions (ICTU) welcomes the opportunity to present its views to the task force established to “develop a new action plan for the public service of the 21st century in the light of the recent comprehensive review by the OECD.” It is not our intention to comment on the detail of the OECD report, *Ireland: Towards An Integrated Public Service*. However, this paper highlights some key issues regarding the implementation of recommendations made in the report and the general question of public service modernisation.

The OECD report was published just over two months before the Government’s public spending cuts announcement of 8th July 2008, and against the backdrop of rising public dissatisfaction about levels of access to public health services. This presents huge challenges to the Task Force, which will need to persuade those who use and deliver public services that its recommendations are designed to deliver improved and “integrated” public services in an environment of budgetary restrictions and service rationalisation that is not conducive to improved public services.

Most of the 300,000-plus people who work to deliver public services, and many of the millions that use them, are aware that the OECD report has been published. But few will be deeply familiar with the detail of its findings and recommendations or the implications for them. This makes it vital that implementation is addressed using partnership structures as a tool of communications and consultation, in order to persuade staff and service users that the exercise is genuinely driven by a desire to improve services in the current environment.

The Government’s view

At the April 2008 launch of the OECD report, and prior to the establishment of the Task Force, then-Tánaiste and Minister for Finance Brian Cowen said that the Government would decide which of its recommendations would be implemented. To quote directly: “Some recommendations I can sign up to straight away; some will require further reflection; some may ultimately prove to be unsuitable to Irish circumstances.” The ability of the PSC (or, indeed, anyone else) to properly address

the question of implementation remains restricted until the Government makes clear which recommendations fall into each of these three categories.

A successful public service

The PSC welcomes the positive tone of the OECD report, which vindicates our long-held view that the public service has been, and continues to be, a positive force in Irish society. The OECD recognises that Irish public services are, broadly speaking, “on a sound trajectory of modernisation.” Speaking at the launch of the report on 28th April 2008, OECD Deputy Secretary-General Aart de Geus said our public services were “not in need of a doctor, but would benefit from the advice of a friend.”

The report made four important underlying points:

1. ***That the public service has been a major contributor to Ireland's economic and social success:*** “The Irish public service has played a central role in ensuring that the right economic, regulatory, educational and social conditions are in place to facilitate growth and development.”
2. ***That the Irish public service is not over-staffed:*** “In comparison with other OECD countries, Ireland has thus been able to deliver public services with a public sector that is relatively small given the size of its economy and population.”
3. ***That Irish public spending is below OECD averages*** as a percentage of both GNP and GDP (ranking third lowest in the OECD as a percentage of GDP and “much closer to OECD averages” in terms of GNP): “Public expenditures have risen sharply, but from a low base and at a slower rate than overall economic growth...much of these increases have reflected a need to play catch-up from historically low levels.”
4. ***That Irish social partnership has played an important role in our public services*** and has shown its capacity to evolve: “The strong, consensual social partnership model has helped secure industrial peace and put in place a framework for wage setting and for formal consultation on high-level national policy issues.”

The OECD report neither advocates, nor identifies a need for, a fundamental ‘reform’ of the Irish public service. Rather, it advises on how the “yield” from ongoing reforms can be improved, and calls for greater focus “on citizens and their expectations, and on targeting delivery of services from their perspective so as to achieve broader societal goals.” These are objectives that the PSC wholeheartedly shares.

The PSC also concurs with the report’s observation that it is time for the public service to “communicate its many achievements.” It is long past the time that senior public servants defended their organisations and staff from ill-informed criticism and we believe that far more proactive management strategies are required in this regard.

A citizen-centred approach

The PSC agrees completely with the report's emphasis on a "citizen-centred approach" to public service delivery. Public servants and their representatives have experienced a decade or more of 'reforms' that have focussed almost exclusively on internal structures, processes and procedures, focussed most heavily in the area of human resources. Relatively few of these 'reforms' have resulted in any discernable improvement in the public's experience of services on the ground, despite the devotion of huge amounts of management time and effort and staff agreement with sometimes unpopular and painful changes. This goes a long way towards explaining the undeserved poor image of public services and the people who provide them.

The OECD report correctly notes this over-concern with internal processes. However, the report itself then strays into these areas, particularly in its discussions of payment systems and performance management. The PSC agrees with the report's view about the need for caution in relation to performance-related pay, not least because of its uneven history in the Irish public service and elsewhere. But the very fact that it makes relatively detailed observations on this and other HR issues raises a real concern that future initiatives may continue the same inward-looking focus. This is to be avoided if the objective is to move quickly towards a consumer-citizen-community focus in the development of quality public services.

The PSC strongly suggests that proposals for future public service modernisation and change should be measured against their likely impact on service delivery and the timely delivery of quality improvements in services on the ground, and that all other considerations should be of secondary importance. The entire logic of the OECD report suggests that we need to remove our gaze from a pre-occupation with our internal and institutional furniture and instead focus outwards on the effective and efficient provision of services to citizens and communities.

The PSC also agrees with the thrust of the OECD's suggestion that the public service staff perspective should go beyond the immediate needs of particular organisations. We, therefore, welcome the notion of an increased network approach to working and see this as offering a positive contribution to service delivery. This need not be a difficult thing, but it does require a significant change in management approach plus adequate investment in staff training to raise awareness of cross-departmental and cross-sectoral issues and developments.

The number of agencies

The citizen focus is equally important in the matter of the number and function of agencies. The report points to a proliferation of agencies. This has happened because of various Government initiatives and, ironically, in response to rigid policies of recruitment limitation in the mainstream public services.

The Government's public spending cuts announcement of 8th July 2008 also proposed a reduction in the number of agencies as a means of cutting public spending. Against this background, the PSC believes it will be difficult to convince

either the public or public servants that the motive behind any rationalisation is anything other than spending cuts.

We accept that it is logical to review the structures used to deliver services. But we believe strongly that this needs to be approached on a case-by-case basis. There is no such thing as an 'optimum' number of agencies and there is a danger that reducing the number of agencies could be seen as some sort of panacea. Before decisions are taken, there should be a rigorous assessment of the potential impact of any proposal on services. It is also vital that staff in agencies affected by rationalisation proposals are involved, on a partnership basis, in any discussions about their future.

Pay and working conditions

The PSC and a number of individual public service union leaders made clear at the time of publication that any proposed changes that affect pay, payment systems and staff working conditions must continue to be dealt with through existing industrial relations and partnership fora. This continues to be our position, not least because the many modernisation initiatives applauded by the OECD were implemented through these procedures.

The PSC position in this regard does not contradict the thrust of the OECD report, which acknowledges the positive role that social partnership fora have played in delivering public service modernisation. Neither does it run against Government policy. For example, then-Tánaiste and Minister for Finance Brian Cowen confirmed at the launch of the report that: "The Government is committed to developing the modernisation agenda through the partnership process."

Staff mobility

Any changes in the area of staff mobility should start with a factual assessment of the current situation, clarity over what changes are being proposed, and why. The OECD report fails to distinguish between the substantially different recruitment and promotion procedures and practices in place across the civil and public service. As a result, its report fails to acknowledge the extent to which recruitment and promotions have been 'opened up' in recent years, particularly in areas like health, local government and education. For this reason alone, the PSC firmly believes that a significantly more sophisticated understanding is required before recommendations for implementation are made. In any case, proposals for further changes in this area would raise industrial relation issues that must continue to be dealt with through existing industrial relations and partnership fora.

We also note that there are contradictions in the report, which recommends a diminution of central staff controls *and* tighter integration as part of a 'whole' public service approach. Elsewhere it laments the lack of accountability to Government departments on the part of the agencies.

The proposed creation of a senior public service management corps also raises IR issues and requires a sober assessment of the operational implications of such a proposal both within and between departments and organisations. We are particularly concerned that such a development could create an 'elitist corps' and that this development could have a detrimental effect on Ireland's public service ethos, which is commended in the OECD's report.

Conclusion

When the OECD report was commissioned, unions said public servants had nothing to fear from international comparisons. That position has been vindicated with the publication of the report, which demonstrates that Irish public servants are delivering high quality services and value for money and debunks the myth that public service employment levels are out of control.

The PSC, its constituent unions and their members support a citizen-centred approach to service delivery and are committed to the ongoing development of responsive, high quality, value-for-money, public services relevant to the changing needs of citizens and communities.

In this spirit, we remain open to discuss the issues in further detail with the Task Force and, indeed, after the Task Force completes its work. We do this in the spirit of partnership and we trust that this will be reciprocated by other stakeholders in recognition of the value of drawing on the experience and commitment of staff and of involving them in the decisions that affect their working lives.
