

Reform or risk ruin

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The focus of reform should be on delivering existing or better outcomes more cost effectively.

All of us want a public service that is efficient and effective. Yet when it comes to public service reform, there are few plaudits for governments who make the effort to deliver it.

For reform to be genuine, tough decisions are needed. Arguably it should take place in good times, when there are some spare resources to help support the change. Instead, we are seeking reform when public expenditure is being cut dramatically.

Looking back 30 years, Ireland's reform process has been, for the most part, strong on rhetoric and low on delivery. Successful reform requires sustained political effort and commitment, strong planning and managerial capability, and buy-in from those producing and using services.

The evidence suggests that it is also more effective when it is incremental and ongoing rather than a dramatic big bang. Yet if change takes too long, crippling cynicism sets in. Taken together, these challenges make it a really hard sell.

The Irish reform agenda started late and, after a much-hyped start with the creation of the Department of the Public Service in the early 1980s, gradually petered out. It came back on to the agenda in the 1990s, this time led by the Department of An Taoiseach. It understandably took a back seat as peace in the North came to dominate that department's agenda.

In the early 2000s, after considerable success in the peace process, it came back on the agenda, this time led jointly by the Department of An Taoiseach and the Department of Finance.

Despite the favourable fiscal environment, little progress was made, perhaps because it fell between the two stools on Merrion Street.

Action in the boom years mostly involved creating new state agencies to address some recently identified needs or problems. This resulted in considerable duplication. Changes were mostly small scale and did not create institutional coherence or scale.

The major exception to small change was the health sector, where the HSE was created to address the failure of the health boards to deliver safe and cost-effective care. Significant additional financial resources were provided. Nonetheless, the HSE failed to deliver on what was promised, primarily due to a strong mismatch of objectives, delivery mechanisms and incentives for staff at every level. That experience shows why proper systems design, supported by good governance, is a prerequisite for successful reform.

Difficult

So now we are on another difficult reform journey, this time led by the Department of Public Expenditure and Reform. The scale of what has to be done, listed in the two Public Service Reform Plans, is massive. Two recent reports, by the IPA and the Rafter Committee, shed further light on where internal processes might change. What matters to all of us is that reform stays firmly on the political agenda and the public monitoring of progress is welcome evidence of continued political commitment.

A problem with public service reform is that it is unexciting. It does not engage voters easily and

certainly does not get them rushing to the ballot box. People know when a service is not working but, in most cases, they cannot see why. For example, they know when they face longer waiting lists for certain medical treatments or pay higher prices for drugs in Ireland than elsewhere, but they don't know exactly why that is and what role government is playing, or is not playing, in reducing those gaps.

Another problem is that real reform requires a whole series of interconnected actions and interventions that involve many agencies and can take years to deliver. Individually these carry little interest to the public and yet collectively they are precisely what will make the lives of people in Ireland better. The new national policy framework for children and young people, launched by government last week, is a case in point. It demonstrates the very great challenges of organising coherent and comprehensive delivery of services in this area.

The focus of reform should be on delivering existing or better outcomes more cost-effectively. We want our taxes to be well spent. Those leading the reform need to have an open mind about how service delivery should change and resist naive characterisations, such as private delivery is always efficient and public delivery always wastes resources'. In essence, they must avoid making assumptions that are not grounded in evidence.

Centralising and increasing scale usually reduces costs and improves quality, but not always. Outsourcing is not cost-effective if contracting and monitoring costs are high.

In sum, modes of service delivery should be decided on a case-by-case basis. This applies to everything from bin collections to up-skilling programmes to providing community care for the elderly and to developing and managing school buildings.

At the heart of good reform is increased clarity on what is to be delivered and who is accountable for delivery. This means having leaders of the reform process that are analytical and questioning. They must also be focused on fairness in relation to service access and on risk. Their proposals should be subject to review by others as initial plans may be inadequate or faulty. The process must be stopped if it is not delivering what it promised.

Now that public service reform is back on the agenda, as a society, we need to make sure that it does not slip off our radar once again.

Frances Ruane is director of the ESRI. She and Pete Lunn recently co-edited a volume, based on the research of ESRI colleagues, entitled Using evidence to inform policy'.