

**GOVERNANCE AND PUBLIC POLICY  
REPUBLIC OF IRELAND**

**Diploma stage examination**

**6 December 2007**

**MARKING SCHEME**



**Question 1**

**(a) Public Service Reform**

A combination of factors came into play in the early 1990s which contributed to the process of public service reform in Ireland. These can be considered as internal, external and international pressures.

*Internal Pressures:*

- Senior civil service management aware of need to overhaul existing system.
- Financial and human resource systems were in need of modernization.
- The use of multi-annual budgeting and the emphasis on value for money
- Growth in the use of IT for government work.
- Experience of interacting with other modern administrative systems, particularly in the EU.

*External Pressures:*

- The increasing cost of the public service.
- Changing public expectations.
- Need to address the complex demands of modern public administration.
- Belief that the traditional management structure did not encourage individuals to take personal responsibility: there was a tendency to take the safe rather than the best option.
- Recognition that the public service plays an important role in economic development.

*International Pressures*

- 'Globalisation' and the demands resulting from the internationalisation of government activities.
- OECD pressure for reform.

*½ mark for each point up to a maximum of 6*

The reform programme that emerged became known as the Strategic Management Initiative. It calls for a strategic approach by civil servants based on the need for better planning and management. The public service, it was argued, could be better delivered if administrators were more like 'managers', with goals and output targets. In essence, SMI was designed to address three key areas:

- Contribution to National Development.
- Provision of top quality services.
- Effective use of resources.

*1 marks for each point up to a maximum of 3, and up to 3 for explanatory text up to an overall maximum of 6*

*(12)*

**(b) Areas of reform**

(i) Quality Customer Services

A core part of the SMI agenda is the recognition of citizens as 'customers' in the delivery service. In 1997, a **Quality Customer Service Initiative** was launched in which public organisations were expected to issue statements of service standards. All Departments must also now produce 'Customer Action Plans' which detail how they will improve service delivery. Where possible, citizens should be able to make a choice between service delivery mechanisms. Also, a comprehensive system of complaints and redress has been put in place.

(ii) Regulatory reform

In 1999, the Government produced a report titled Reducing Red Tape: An Action Programme of Regulatory Reform in Ireland. Since the report was launched, there have been a number of relevant developments in the area of regulation:

- The creation of an office of Telecommunications Regulation.
- The establishment of a Commission for Energy Regulation.
- Also, the Government is committed to privatising airports and regulating their activities.

(iii) Openness and Transparency

The most important step taken with respect to this element of the SMI programme is the Freedom of Information Act, 1997. The Freedom of Information (FOI) Act came into effect on 21 April 1998 and introduced the legal rights for people:

- To access official records held by Government Departments and other listed public bodies.
- To have personal information held on them corrected or updated where such information is incomplete, incorrect or misleading.
- To be given reasons for decisions taken by public bodies that affects them.

(iv) Human Resource Management

The SMI project acknowledges that for medium and long-term goals to be met, greater attention needed to be given to the needs of staff. This involves the introduction of more flexible working arrangements, and the use of Performance Management and Development Systems (PMDS). PMDS involves all civil servants meeting with their line managers to discuss targets and agreed work practices that will contribute to achieving the Departmental strategic objectives. PMDS also contributes towards managing and avoiding underperformance.

(v) Financial Management

Prior to SMI, the introduction of administrative budgets for line departments in 1991 was probably one of the most important reform measures to date. Budgets were set for three years by agreement between the Department of Finance and each line Department, and covered all aspects of spending, including training, travel and subsistence, and salaries and wages. The idea was to improve administrative efficiency and the effectiveness of spending programmes by the delegation of authority for decision-making from Finance to departmental management within each Department. Also, methods for assessing value for money have been introduced.

(vi) Information technology

The use of IT is a phenomenon that has been readily taken up by the Civil Service. Increasing amounts of information concerning the civil service are now available on-line and Departments all have Intra-net facilities for internal communications. In 2004 the 'e-Cabinet' initiative was launched, which will electronically manage cabinet documentation. The initiative aims to cut down on the manual process of preparing, refining and circulating cabinet documentation.

*4 marks for discussion of any three of these up to a maximum of (12)*

**(c) Comptroller and Auditor General**

The Comptroller and Auditor General performs a vital role in the public accountability process in Ireland by providing assurance that public money is properly administered and well spent. The Comptroller and Auditor General must be able to carry out his/her work free from interference from any other individual or organisation. Accordingly, he/she is independent of both the legislature (the oireachtas) and the executive (the government).

As outlined in the Constitution of Ireland, the Comptroller and Auditor General performs two main roles: Comptroller General and Auditor General.

The Comptroller role relates to the control of funds from the Exchequer. In effect it is an independent check that money is made available to the government only to the extent authorised by Dáil Éireann. The process starts when the Minister for Finance or the National Treasury Management Agency requisitions a specific sum of money in writing. When the Comptroller and Auditor General is satisfied that the sum is authorised by law and that no specified limits are exceeded, he/she authorises the release of the requested funds in writing.

The Auditor General role encompasses the examination of accounts presented by public organizations to ensure that they comply with principles of accuracy, probity, regularity and value for money. The Comptroller and Auditor General presents annual appropriations accounts based on its work to the Dáil Committee on Public Accounts.

(7)

**(c) Implementation Group of Secretaries General**

The Implementation Group of Secretaries-General is chaired by the Secretary General at the Department of the Taoiseach who is also Secretary to the Government. It is comprised of the heads of all government departments and the heads of major offices. Its principal role is to co-ordinate the public service modernisation process.

The Implementation Group also provides leadership to the various reform programmes and drives the process forward within the Civil Service.

The Implementation Group has established a number sub-groups comprised of staff from different Department and offices of similar grade to assist it in its work. An example of such a group includes the Change Management Network.

*2 marks for each and 1 bonus mark for all three up to an overall maximum of (7)*

**(e) Criticisms**

Critics of the reform programme argue that the public service is not equivalent to a private sector firm, and that the values and ethos of public service cannot be quantified.

They argue that profit-making is not a motive of public servants, and that any reforms initiated should reflect the unique nature and ethos of public administration.

Furthermore, the use of new terminology has been problematic. In particular, the concept of citizens as 'customers' has proven problematic as public servants are not comfortable with the idea.

There has also been criticism of the emphasis on 'processes' and 'outputs', as well as the myriad of monitoring devices or 'performance indicators' which have become a feature of the Irish administration.

A survey conducted in 2003 revealed that 25% of civil servants could not name any new initiative in the previous five years. This seems to suggest that the SMI process has not 'trickled-down' to the grassroots level yet.

Also, the fact that the SMI model was based on experiences elsewhere (especially New Zealand) which were perceived to be successful, does not mean that they will work in Ireland. Indeed, in the case of New Zealand, significant difficulties have been encountered several years after their reform programme which demonstrate that 'New Public Management' reforms based on the business model are the solution for all ills.

*2 marks for each point up to a maximum of (12)*

**(50)**

**Question 2**

**(a) Conventional Model**

The official explanation whereby politicians reflect the wishes of the electorate, using the skills of impartial civil servants 2

**Ruling Class**

The Marxist view that all involved in government consciously or unconsciously protect the values of the economic ruling class. 2

**Pluralist Model**

Power is held by various interest groups and the government acts as neutral. 2

**Corporatism**

Interest groups have power over the government, provided that they exert control over their members to ensure that they conform with government decisions. 2

**Party Government**

Policy is formulated within the party and then adopted by the government. 2

**The Whitehall Model**

Civil servants are the key originators of policy decisions which reflect the basis of conflict between various departments and offices 2

**Rational Decision Making**

Decision makers undertake a logical process of decision making. This fits with the traditional/conventional view that civil servants undertake the analysis and that politicians then base their decisions on the public's wishes. 2

**Instrumentalism**

Policy makers start with the status quo and "muddle through" continually adjusting to new situations 2

(16)

**(b)** All models contain an element of truth, but no one model seems to fully explain how decisions are actually made 1 ½

It is possible to find examples of policy decisions that support each model. 1

But policymaking in reality is an extremely complex process and it is naïve to believe that just one of the 8 models can explain the process. 1 ½

(4)

**(20)**

**Question 3**

- (a) What elements of income or expenditure should be devolved? Who should be responsible? 1
- What elements should be retained centrally? 1
- How should devolved budgets be planned and who should devolve them? 1
- Should the devolved budget be allocated to types of spending (capital, revenue) or as a lump sum? May managers transfer budget from one heading to another? 1
- Who is accountable? 1
- How is performance monitored? 1
- How is performance rewarded or penalized? 1
- (7)
- (b) Cash accounting simply records all income and expenditure at the time was payment was made. As a result, the purchase of new equipment is recorded only for the year of purchase. The value of the purchased assets were not, in future years, recorded as part of the organisations asset base. 2
- Accruals accounting categorizes the budget into current and capital costs and is designed to include the resources that will be used to deliver services. The capital is amortized over its useful life, rather than simply being included with other cash purchases. Capital costs include an allowance for depreciation and a capital charge to reflect the costs of using the assets. 2
- (4)
- (c) Having a budget that lasts more than one year means that managers do not have to rush to spend their budget (or make savings) by the end of the financial year. 1
- Decisions about spending can be made more rationally. For example, having an annual budget could encourage managers to go for short-term solutions; they were now able to take a longer term view, perhaps making a large capital investment that would create savings in the long term 1 ½
- It allows running costs to be separated from programme budgets. For example, under cash accounting, managers in social welfare offices tried to reduce their staff costs when unemployment was high - they were trying to reduce the overall budget. Under the accruals approach, it is clear that more staff will be needed if the department is to make more social security payments. 1 ½
- (4)
- (15)**

**Question 4**

- (a) Implementing  
Examples include An Bord Pleanála and the Marine Institute 1
- Advisory  
Examples include the National Economic and Social Forum and the Economic and Social Research Institute 1
- Tribunals  
Examples include Employment Appeals Tribunals and the Labour Court 1
- Information  
Examples include Central Statistics Office and the Library Council 1
- Regulation  
Examples include the Environmental Protection Agency and the Private Securities Authority 1
- Representation  
Examples include the national Economic and Social Forum and the Combat Poverty Agency
- Registration  
Examples include the Dental Council and the Irish Medical Organisation 1

*1 mark each up to a maximum of (6)*

- (b) **Patronage**  
Agency membership is decided by politicians, leading to accusations of political Partisanship. 1 ½
- Accountability and the Democratic Deficit**  
Agencies are not directly accountable to the electorate. They often meet in secret and there is no formal system for scrutinizing their performance. 1 ½
- Fragmentation**  
A system of running the country through around Departments and local authorities has, in part, been replaced by hundreds of agencies. 1 ½
- Inefficiency**  
This inevitably leads to inefficiency arising from the overlap of functions of different agencies. 1 ½
- Governance**  
A 2005 study of Agencies in Ireland found that many had weak corporate governance arrangements. 1 ½
- Audit**  
As a result a number of new audit organisations were formed and the remit of the Office of the Comptroller and Auditor General has expanded significantly. 1 ½

*(9)*

**(15)**

**Question 5**

**(a)** The u-turn by Fianna Fáil on coalitions had a number of consequences for the Irish party system.

Firstly, it made a range of governing coalitions suddenly possible. In particular, the Labour party now had coalition partners other than Fine Gael and Fine Gael could no longer rely on Labour to form governments with it. This was borne out by the coalition between Fianna Fáil and Labour in 1992-4. 2

Fianna Fáil has become the party most likely to form coalitions with smaller parties of differing political persuasion. For example, it formed governments with the Progressive Democrats (PDs), a small liberal party, from 1997-2007 and most recently with the Green Party and PDs. 2

The policy change has also kept Fine Gael out of office for over 20 years, with the exception of 1994-7 where there was a change of government without an election following the Labour Party's defection. 2

The change in policy has also meant the Irish voter has no way of knowing who will form a government after general elections, as the decision comes down to the issues of what mix of parties can combine to hold 50% of Dáil seats. 1

(7)

**(b)** The Irish Party system does not have a large Social Democratic party on the left and a large Christian Democratic party on the right as is the case in many EU states. Instead, it has two centre right parties - Fine Gael and Fianna Fáil - which have their origins in the Civil War of 1922-3. 2

The left in Ireland is traditionally the most weakly supported in Europe. Although Ireland does have a Social Democratic party in the guise of Labour, it has remained a weak third party in the system. On average only 14% of the vote goes to the left, compared to over 40% in other European countries. The political centre-right however accounts for somewhere in the region of 80% of the vote, compared to around 40% in the rest of Europe. 2

If you examine the centre-right parties you note that Ireland doesn't follow the same European norms. For example Fianna Fáil have been described as a secular conservative party - but these predominate in Protestant countries and emerged as a result of upper and middle class interests protecting themselves against a burgeoning left movement. Clearly it does not fit this categorization as it has a radical, anti-establishment and populist heritage with strong connections to the labour movement. It was originally more of a 'national party' than a secular conservative one. 2

Fine Gael has been described as a Christian Democrat party and is part of the Christian Democrat grouping in Europe. But again the fit is awkward, as it did not emerge to protect the Church interests from secularisation. Indeed, since the late 60s onwards it had quite a secular wing and neither is there a strong radical or traditional liberal or anti-clerical party of the right. 2

(8)

**(15)**