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Reform of Public Policy-making in Ireland

Muiris MacCarthaigh[1]

School of Politics, International Studies and Philosophy,
Queen's University Belfast

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1. INTRODUCTION: PUBLIC POLICYMAKING REDISCOVERED?

One of the more prominent issues to emerge from the recent economic crisis has been a concern about the method and quality of policy-making in Ireland. This concern has been specifically raised in relation to regulation of banking and other financial and fiscal affairs, but also more generally in relation to what is traditionally understood as being a defining characteristic of a civil service, i.e. the development of policy options for government. The importance of how public policy is created, framed and evaluated has been 'rediscovered' not just in Ireland, but across the OECD as governments seek to address crisis-inspired and other problems in new ways, and with less resources. This development has implications not just for the way in which public service organisations work, but also for the nature of politics itself. Policy, after all, creates politics as it involves resource allocations and decisions that will favour some interests over others. Recent events also pose challenging questions for the academic community as dominant theories concerning policy development have been found wanting, while also presenting opportunities for rethinking the role and capacity of contemporary state governing. Taking policy-making as a problem-solving activity, this paper sets Irish policy-making in some international and theoretical contexts, before looking at recent developments and considering future reform trajectories.

2. IRISH PUBLIC POLICY-MAKING IN CONTEXT

Focusing on the Irish case, a number of recently published articles have suggested a variety of shortcomings in respect of what might be termed pre-crisis policy-making in Ireland. Writing in the journal of this Society, Hearne and Watt identify the need to 'build better networks between researchers and policy-makers' and 'change the culture and capacity of the civil service (2011: 162). Frances Ruane's recent article in *Administration* on 'Research evidence and policy-making in Ireland' provides an extensive survey and critique of the quality and nature of the current system of engagement between policy-makers in the public service and the academic and non-academic research community, and recent developments in respect of policy-relevant national research funding. John FitzGerald's (2012) provocatively titled article 'Restoring credibility in policy-making in Ireland' focuses mainly on the policy failures in respect of the financial (specifically, banking) and fiscal systems, issues which have also been addressed by a number of official reports (Honohan 2010; Regling and Watson 2010; Nyberg 2011). He suggests the need for 'domestic institutional reform' (2012: 34) as a safeguard against repeat failures, and points to, amongst other things, the need for more specialist expertise in the public administration, more evidence-based policy making, as well as reform of the government accounting system (2012: 33-4).

Looking a little further back we find that concern about the quality and nature of policy-making in Ireland is not new and has been raised before at a formal level – the review published in 2002 of the Strategic Management Initiative / Delivering Better Government reform programme launched in 1994 noted that the reforms had,

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[1] m.maccarthaigh@qub.ac.uk

… introduced a managerialist tone into the civil service which properly focused on the managerial actions and organisational processes required to deliver results within a given policy framework. It is not clear that a similar focus has yet emerged around the dynamics governing the evolution of policy, and the arrangements through which ministers and civil servants most effectively interact in shaping such policy and in considering the strategic options for its implementation.

We believe that three elements make up a "whole of government" perspective - *Governance*, *Policy Making*, and *Public Management* [emphases in original]. While the first two of these were not entirely overlooked in SMI/DBG…they were more lightly touched upon than the principal areas of public management concern. The quality of Governance and Policy Making, and the quality in turn of their connection into Public Management will continue to require attention in the future.

(PA Consulting 2002: 84-5)

It is quite common for suggested reforms of public policy-making to be framed in a manner that envisages a traditional conception of government as bureaucracy, i.e. one that is defined by hierarchy, departmentalism, a short-term focus, excessively rule-bound, and slow to respond. Proposed reforms of policy-making are thus commonly concerned with 'joining-up' the various parts and levels of government, usually through new co-ordination mechanisms. However, a more accurate reflection of government since the 1970s is probably found in the 'garbage-can' form of policy making described by Cohen *et al.* (1972) in which problems, solutions and decision-makers are disconnected, and policy making is a more fluid and uncertain process.

In the context of the current economic crisis, a number of more general criticisms have been levelled against the method of policy-making that emerged within Irish government in recent years. Prominent amongst these has been the stakeholder or participative mode of governance as principally manifested in the social partnership process, and also in the manner of appointments to state boards. Based on ideas of inclusive and solutions-focused networks, the partnership approach to public policy issues pervaded all levels of Irish government during the 1990s and 2000s. The extent to which social partnership was a policy-making arena *per se* remains contested, particularly when its operation in the 'shadow of hierarchy' is considered, and specifically the relative ease with which its work and recommendations were bypassed or ignored by a strong executive so inclined.

One school of thought concerning such modes of governing conceptualises government as a strategic centre, extending its reach beyond traditional confines of public organisations through interaction with varieties of networks and advocacy coalitions. As a consequence of this power diffusion, policy-making initiatives bubble up from within these networks into which varieties of interested actors are co-opted, rather than initiated by the core executive (Rhodes 1996). Others, such as Bell and Hindmoor (2009) challenges the idea that this dynamic undermines government authority, however, and they suggest that to manage an array of networks necessarily requires a corresponding strengthening of central leadership.

Accusations of 'group think' within these networks have also been prominent, not just concerning the lack of contestation in partnerships, but also the mode of political appointments to boards of state agencies. Such appointments are perceived to favour a 'safe pair of hands' at the expense of more expert, probing or challenging viewpoints. The state agencies are themselves blamed for leaching policy-making capacity out of government departments, and of course the 'generalist' civil service is routinely identified as the weak link in an increasingly specialised chain of public governance.

It must however be recognised that the Irish administrative system has traditionally displayed remarkable ability to mobilise quickly and develop coherent policy in response to systemic challenges, usually those with political priority attached and involving some external dimension. So the Emergency of WWII, EU accession and the various EU Presidencies, the administrative re-organisation involved in the securing of EU structural funds at national and sub-national levels, and the Troika loan programme can in one respect be regarded as high watermarks in the implementation of a specific policy agenda by the administrative system. Programmes for Government and a multitude of strategy statements now also provide important policy frames for the administrative system. But the ability of the administrative system to be remarkably effective and flexible in response to clearly-defined national policy goals deserves more attention.

Too often, however, the claim is made that policy-making in Ireland is silo-like, not 'joined-up', lacking in coherence or failing to properly address the problems it faces. Distinctions between 'policy-oriented' and 'service-oriented' Departments add to this sense of disconnection. Perhaps the most tangible manifestation of the uncertainty concerning who or where policy-making responsibility lies occurs in respect of the large number

of state agencies which emerged over the 1990-2008 period (Hardiman *et al..* 2013; MacCarthaigh 2012a). While the creation of many followed a New Public Management (NPM) logic of devolving implementation tasks out of central government and leaving policy-making within departments, in reality a large number of agencies developed considerable policy autonomy (McGauran *et al.* 2005), and arguably still do. The 'Public Service Reform' programme published by the government in late 2011 included a commitment to restore the primacy of departments as the generators of policy, though in practice agencies will remain important to this process.

The new Department of Public Expenditure and Reform has notably increased the volume and type of information available for public access (most notably Ireland Stat), and seeking to encourage better use of statistical and other performance data in Irish public life. Indeed it is probably not widely appreciated how many sources of detailed and current data public bodies in Ireland now generate. The CSO's work on collating and better using administrative data with a view to providing a "whole-system" approach that combined this information with official statistics is a very welcome development. And there are more, easily-accessible, types of data being made publicly available such as the All Island Research Observatory (AIRO) based at NUI Maynooth which has made a recent and important contribution to policy development and public debate, as has the Irish Social Science Data Archive (ISSDA) at UCD. But data alone is not enough and deciding on policy trajectories or adopting certain tools to implement policy is critical, and requires engagement with research on public policy-making.

But what can the academic community offer in respect of changing public policy-making in Ireland? In seeking to understand the Irish system of public policy-making with a view to its reform, there is an enormous volume of extant literature on the public policy process and how we might frame our understanding of it (Parsons 1995, Hill 2005, John 2012 and Cairney 2012 provide useful syntheses), as well as different 'parts' of the process (insofar as policy making can be disaggregated into discrete parts, or activities). However there is no widely accepted theory of the policy process, and in the Irish context we have quite an underdeveloped tradition of public policy analysis. This is not to diminish or ignore the efforts of Irish academics who have sought to explore public policy-making in Ireland by reference to prominent theories in the field and their application to specific policy sectors (cf Adshead and Millar 2003, Adshead *et al.* 2008; Hardiman 2012; also the work of the recently emerged think-tank publicpolicy.ie and Frank Litton's justmuddlingthrough.com). But much of our current understanding of policy-making in Ireland relies on long-standing literature and ideas that do not capture the complexity of contemporary government. When Chubb (1982: 72) commented that 'public policy-making in Ireland…might seem to be a very open and democratic process. On the contrary, the critical phases are conducted largely in private', he conceived of policy-making as the legislative process alone. Of course legislation is today understood as only part of the broad policy-making and regulatory process, and greater avenues for public participation in policy development as well as provisions such as freedom of information and data protection legislation have changed the policy-making environment.

It remains the case however that the study of public policy-making and implementation is not a prominent feature of the Irish social and political sciences. And in the absence of good data and research on the policy-making process here, few comparative works on policy-making address or attempt to situate the Irish case in an international perspective. Ireland does not have a vibrant public policy academy or School of Public Policy as commonly found elsewhere in Europe, which combines primary research concerning the many domains and policy tools of government with the insights of practitioners, politicians and other professionals. There is no standard induction for Irish civil or public servants in the 'art of the state' or modes of policy-making.

It has been well documented that for the last three decades, the disciplines of public administration and policy-making in most western states have been predominantly taught in business schools (under such titles as public sector management), with large numbers of public servants seeking management qualifications as part of their career development. In general, these schools tend not to provide much recourse to the concepts or theories which the social sciences usefully offer and which are now in much demand as governments seek to address enormous social problems and low levels of public trust arising from the crisis. The complexity of these contemporary problems also points to the need for a broad church approach to public policy which was not previously evident. In order to consider where policy-makers might usefully draw on academic research, it is instructive to briefly consider the development of the discipline and some recent developments.

3. THE DEVELOPMENT OF PUBLIC POLICY PRACTICE AND RESEARCH

The extended 'reach' of the state from the 1970s to the late 2000s witnessed great expansion in the range of policy areas with which politicians and thus public organisations now engage. There are also few areas where the mode of state engagement has not been reformed in some respect – some of the key dynamics being a

decentralisation of state engagement, greater complexity and inter-dependency in policy domains, Europeanisation and the (related) growth of regulatory forms of state engagement in policy. Public policy is also no longer a national process, with increasing influence being exerted by:

- International institutions and organisations, and particularly through the use of rankings and perceived best practices

- The growing role of multinational firms on policy debates

- Increasingly privatized expert knowledge which has moved to foundation, think tanks and large consultancy firms

- International social movements, which seek to create alternative policy debates and settings.

However prior to any of these developments post-war scholars such as Lasswell (1956) began to conceive of policy-making as a scientific pursuit, and split the policy process into discrete elements (which combined again to form the 'policy cycle') with a view to exploring (and presumably improving) public policy-making. More recent work has emphasised the inter-connection and inter-dependencies within these stages of policy-making, and the range of approaches we might usefully pursue to understand why and how policy is made. These include the rational choice approach of Simon (1947) and his followers, the role of networks and groups identified by Richardson and Jordan (1979), the policy streams approach championed by Kingdon (1984), the role played by the (new) institutionalism of Thelen and Steinmo (1992), and the EU-inspired multi-level governance of Hooghe and Marks (2003). All remain vibrant, and variants of these approaches surface routinely as a means to criticise and address policy failures and underperformance in government. Thus having been quite influential over the last number of decades, the network-based approach to policy-making has come under strain in the context of a reassertion of Weberian principles in Western governments as political executives seek to exert more centralised control over public finances and expenditure. The rational choice school remains influential, from the cost-benefit and cost-utility approaches to policy-making that have been central to NPM-based reforms, to the more recent emphasis on 'evidence-based policy-making'.

The use of this latter term essentially denotes the use of statistical and other data for policy-making, and in recent years has become a mantra for those inside and outside of government seeking to address perceived shortcomings in the policy-making process (as pointed out by Ruane 2012, who also identifies the emphasis placed on improving 'governance' for the same purpose). This approach emerges from a rationalist perspective that emphasises the possibility of objective information, and as a means of overcoming cultural resistance within public and non-public bodies to new or conflicting forms of information that challenge conventional wisdoms and values.

However as even the most experienced of statisticians will agree, all data contain uncertainties and estimations (Dilnot 2012) and there are different levels and types of evidence that one can draw on to inform policy. Data and evidence are essential, but many aspects of government also require professional judgement and experience, and the input of stakeholders. Litton (2012) points out that calls for 'more expertise, evidence-based policy-making, cost-benefit analysis and rigorous evaluation of outcomes' is a plausible solution to policy problems if means and ends are (generally) clear, but such nostrums tend not to resolve the complex problems faced by modern government in which means and ends are often very unclear. This is particularly the case in respect of important policy areas that are increasingly interconnected such as social and labour market policies, or the environmental and agricultural agendas of government. Thus evidence-based policy-making features more prominently in some areas, and particularly the health sector, than others. Where it tends to be most successful is where there are clear metrics and protocols in place for achieving targets and goals.

As noted above, recent years have seen much improvement in the range and type of information now available to policy-makers, particularly concerning the effects of different types of policy tools. And recognising the importance of these tools in the success or otherwise of policy, politicians and senior civil servants are increasingly encouraged to think of alternatives to legislation to achieve policy goals – including for example the provision of incentives, public education, the use of benchmarks and the creation of quasi-markets. The Regulatory Impact Assessment (RIA) process offers much in this respect, though the degree to which it is embedded into the Irish system has been questioned (Economist Intelligence Unit 2009) and remains quite unclear. The emerging influence of behavioural economics (cf Thaler and Sunstein 2009) is further evidence of governments' recognition of the limitations of command and control mechanisms to achieve policy goals. But there is still some work to be done to explore the fit between the tools used by governments and the policy problems they seek to resolve (Peters 2006).

4. WHERE TO NEXT WITH POLICY-MAKING?

As NPM-inspired reforms begin to wane, public management scholars now write of a new period of administrative reform emerging from the crisis, with many labelling it the 'post-NPM' era. Conceptualisations of the character of post-NPM reforms are strongly informed by ideas concerning the need to address the perceived fragmentation of public service organisations – and cultures – brought about by NPM through new coordinating measures, including shared services, organisational mergers and rethinking political-administrative relationships (Christensen and Laegreid 2011). Such reforms also seek to reduce variety and achieve greater standardisation in the terms and conditions of public service employment in order to achieve more centralised control over budgets. At the same time, improving performance and accountability remain central to administrative reform efforts.

As a consequence of state retrenchment, governments across the OECD are having to become much more strategic about how they pursue policy goals, and by extension make policy (overseen in some cases by external funders). Ireland provides an interesting case-study for this work and post-NPM reforms, as the government elected in 2011 has had to dramatically reform the nature and scope of state involvement in virtually all policy domains, including straightforward 'exit' from some. It has unintentionally involved competing dynamics, the outcome of which has yet to be determined. Thus outsourcing, co-production, shared services, organisational mergers, devolution and other forms of decentralisation are all underway, while at the same time there is a re-assertion of classical ideas about government departments and the senior civil service being the locus of policy-formulation. In practice such compartmentalisation of policy-making is unlikely to occur as local autonomy is an inevitable feature of public administration, and the experience of the Department of Public Service in the 1970s in trying to overly control policy implementation provides important lessons in this respect. Instead, what might be pursued is a more strategic form of governing, requiring a strong centre with a clearly defined policy programme. Again some of the recent developments around Ireland reflect this, not least the work of the small but powerful Economic Management Council which now sets the primary policy agenda of government within the Troika framework.

Perhaps the most important development for policy-making will arise from the government's commitment to clarifying accountability roles across the political and administrative divide, and augmenting the powers of parliamentary committees to hold individual public servants to account. Whatever shape this legislatively-underpinned development takes will have consequences for the willingness of public servants to assume responsibility for policy-making and create innovative policy, a problem facing governments elsewhere also (Paun and Harris 2012). There are serial accountability problems in Ireland, and some patchwork attempts have been made to address specific issues that have in effect complicated rather than clarified responsibilities (MacCarthaigh 2012b). Fewer, but meaningful, accountability mechanisms should be prioritised over multiple reporting and oversight layers which inhibit rather than provide accountability.

In the immediate term, as the Irish government seeks to exit its loan programme, we can expect to see public policy-making as an increasingly top-down or cascading affair, with strategic goal-setting and steering by central government, and an ongoing emphasis on performance metrics. This runs the risk of over-bureaucratising government and so local autonomy must be protected within any performance framework. An important factor will be the development of a means for feeding such information back into government deliberations, and making sense of it. Indeed while full bond market re-entry and thus exiting the loan programme is the Holy Grail for government right now, the opportunity should not be lost to capture the lessons learned over the course of the Troika engagement about policy-formulation, implementation and resistance to reform in Ireland.

Governments are most likely to learn from experience when they have expertise and good information acquired through communication with policy networks, and so maintaining networks should remain important even in the absence of the social partnership model. As Weiss (1998) points out, in making policy systems of public administration must retain enough independence to ensure their resistance to capture by interest groups, but they cannot be removed for society and various networks that legislate their work. It is also necessary to develop public trust again in the decision-making capacity of government. Much local expertise and service adaptation was successfully achieved in the years prior to the crisis, but maintaining flexibility in respect of such local delivery in an era of standardisation, cost controls and increased accountability requirements will be difficult.

Alternatives include treating the policy-making task as a distinct and institutionalised function, something which the Devlin report had envisaged happening within government departments some forty years ago (Public Service Organisation Review Group 1969). For this to be successful would require creation of career paths and layers of expertise for different type of specialist within the Irish public service. More routine flows of

information between practitioners and academics can be created which do not compromise necessary boundaries, and perhaps become institutionalised and centred in some form of public policy school. There are other models being developed elsewhere, for example the Danish MindLab agency (http://www.mind-lab.dk/en) which works with civil servants on specific projects to manage strategic change and to identify new policy trends, such as co-production of public services. Given the complexities of modern government, the engagement of research and practice will be ever-more central to the management of post-crisis governing.

5. CONCLUSION

Public policy-making remains both contingent and contested, and trying to combine research evidence, experience, policy and practice in a meaningful way to advance the multitude of tasks expected of modern government is no easy task. The challenge is compounded by the fact that we do not know enough about the Irish policy-making process as there has been little if any fundamental research conducted – not least in respect of the roles played by well-resourced interest groups and public relations consultancies, and even the effectiveness of parliamentary opposition in shaping government decisions and non-decisions. Thus while government in Ireland continues on the most intensive programme of reform since the foundation of the state, the opportunity to develop a better understanding of the facilitators and inhibitors of reform should not be lost.

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