

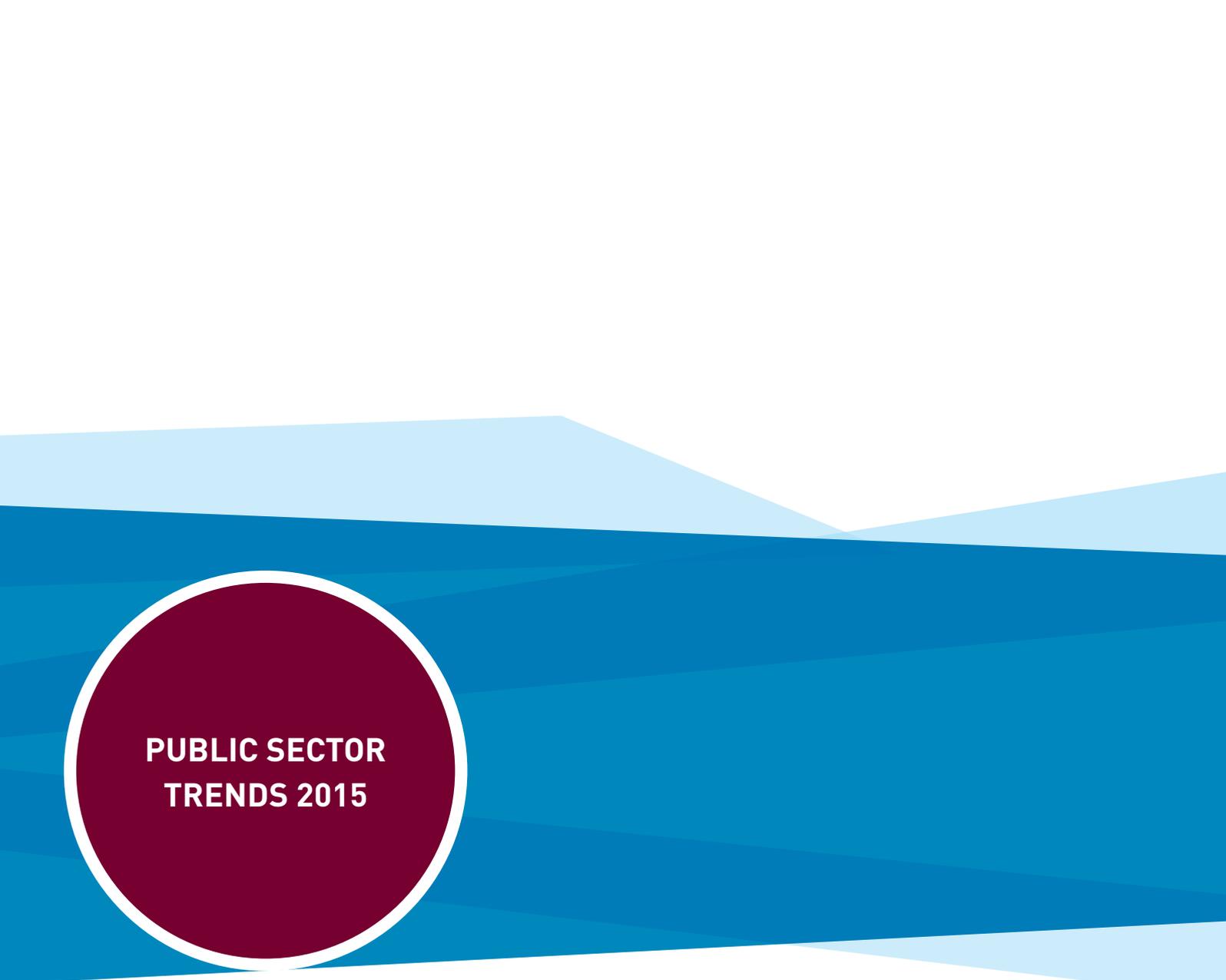
PUBLIC SECTOR TRENDS 2015



STATE OF THE PUBLIC SERVICE SERIES | DECEMBER 2015

RICHARD BOYLE

RESEARCH PAPER | NO 17



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Appendix 1 Indicators used to make up the IPA Public Administration Quality indicator

Dr. Richard Boyle is Head of Research, Publishing and Corporate Relations with the Institute of Public Administration. He has written extensively on public service reform and on the evaluation of public services.

Ariane Alex provided assistance in researching data sources for some of the charts used in the report



FOREWORD

This report examines trends in public sector development and is the sixth in our annual series. The intention is to help inform the debate on Ireland's public sector and public administration, and its role in Irish society.

Here we try to bring some evidence to bear on the important debate on the future shape and size of the public sector. Using data gathered from a number of sources, information on the size and cost of the public sector, the quality of public administration, efficiency and performance, and levels of trust and confidence is presented in a simple but rigorous manner.

In the *State of the Public Service* research series, we seek to provide evidence-informed research and commentary on key aspects of contemporary Irish public administration. The authors of these reports bring their considerable expertise and practical knowledge to the topics selected so as to provide evidence, insights and recommendations to support future development. Our aim is that these reports will not only inform, but also challenge current thinking about how the Irish public service performs. It is intended that these short research reports will be of relevance and use not only to public servants, but also to policy makers and the wider public.

Dr Marian O'Sullivan
Director General
Institute of Public Administration

MAIN FINDINGS

The size and cost of the public sector

- Since 2011 government expenditure as a percentage of GDP had fallen considerably. At 39 per cent of GDP in 2014, Ireland's public spending is significantly below the European average.
- Average government spending per person was €15,600 in 2014. This is below 2007 levels. Government expenditure per person is the ninth highest in Europe.
- Government spending in Ireland is the most centralised in Europe, with just over 90 per cent of expenditure undertaken by central government and under 10 per cent by local government.
- The number of people employed in the public service rose slightly in 2015 to 294,000, but is still well below the level of employment in 2008.
- Two out of every three people employed in the public service work in either health or education.
- Public service employment as a share of the labour force has been at approximately 15 per cent for the last three years. This is towards the lower end of European countries.
- Spending on public service pay and pensions grew slightly this year after several years of falling. Spending was at €16.8bn in 2015. But spending on pay and pensions continues to fall as a percentage of GDP.
- Government spending on public service compensation as a percentage of GDP is close to the European average.
- As numbers employed in the public sector in Ireland are lower than the European average, and given that compensation is at the European average, this suggests higher pay and pension rates than average across Europe.
- Average weekly earnings in the public sector have fallen overall by just under 4 per cent between 2010 and 2014, with some variations.

The quality and efficiency of public administration

- Surveys of business executives show that the quality of Ireland's public administration is seen as above the European average, and as having improved since 2010. Ireland came 4th of the EU28 on this indicator in 2014.
- Ireland's score on an indicator ranking the upholding of traditional public service values such as independence from political interference, freedom from bribery and corruption, and reliability and administrative fairness shows Ireland ranked 6th of the EU28 in 2015, and well above the European average.
- The World Bank produces an annual composite indicator of government effectiveness. In 2013 Ireland ranked 11th of the EU28 against this indicator.
- The World Bank also produces a regulatory quality indicator. Ireland was the 7th ranked European country on this indicator in 2013.
- Irish public services are seen as the least bureaucratic in Europe according to business executives surveyed for the IMD World Competitiveness Yearbook.
- The same opinion surveys, though, show that there is a perception that the composition of government spending is wasteful. Ireland has improved on this indicator in recent years, however, and is now above the European average.
- Ireland was ranked 4th out of the EU28 in 2015 against an indicator measuring executives' perceptions that government decisions are effectively implemented.
- Significantly more of the general public and of senior civil servants agree that the civil/public service has improved over the past five years than disagree.
- Most members of the public feel that the civil service is efficient. Recent users of the civil service are much more likely to view the civil service as efficient (66 per cent) than non-users (49 per cent).
- Ireland continues to do relatively well amongst European countries against World Bank indicators that assess the impact of public administration on the ability of companies to do business.
- Timeliness is an important indicator of quality and efficiency. Ireland performs exceptionally well with regard to the processing of personal tax returns. In surveys of trial length of civil trials, Ireland comes in the middle range of European performance.

- Individual use of the internet to obtain information on government services in Ireland is lower than in much of Europe. In 2014 less than half of individuals surveyed used the internet to get information from public authorities.
- Business uptake of e-government services, on the other hand, is amongst the highest in Europe. In 2014 95 per cent of businesses surveyed had returned a filled form online.
- Ireland has the highest business take-up of electronic procurement in Europe. 41 per cent of businesses use e-procurement systems to access tender documents and specifications.
- Ireland spends less on public procurement (9 per cent of GDP in 2013) than other European countries. Ireland also spends less on outsourcing (roughly 7 per cent of GDP in 2014).
- Open data initiatives have some way to go to be as comprehensive as many other countries in Europe.
- Ireland's hospitals display comparatively high levels of efficiency compared to other European countries with regard to length of stay in hospital.
- Case fatality rates for heart attack victims decreased by almost a third between 2006 and 2011.

Trust and confidence in public administration

- Levels of trust in government and in parliament remain relatively low, and below the European average. But both have improved recently (just under a third say they have trust both in government and in parliament in 2015).
- Trust in regional and local authorities in Ireland is low (42 per cent say they tend to trust regional and local authorities in spring 2015) but improving.
- the level of trust in public servants is much higher than the level of trust in the government or parliament.
- Satisfaction with public services varies. Satisfaction with the civil service is quite high. Satisfaction with the education system is amongst the highest in Europe. Satisfaction with the quality of health care is below the European average.
- The number of complaints received in Ombudsman offices increased in 2014 after having decreased slightly in previous years.

Sectoral performance

Education

- The 2012 OECD PISA survey shows that Ireland has a higher ranking than the European average in maths, sciences and reading. From 2009, when the previous PISA survey was conducted, Ireland's score and ranking has improved.
- Ireland delivers a reasonable level of educational efficiency when comparing reading and maths performance to spending per student across Europe.
- The opinion of executives that Ireland's education system meets the needs of a competitive economy remains above the European average.

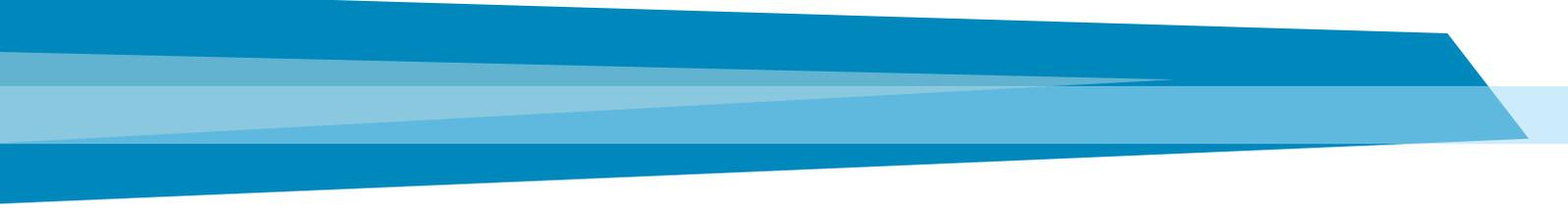
Health

- Ireland performs well compared to most European countries with regard to both life expectancy at birth and healthy life expectancy at birth.
- Ireland has a level of life expectancy roughly as might be expected given the level of expenditure, suggesting cost-effectiveness is neither particularly good nor particularly bad.
- Against a 'basket' of outcomes assessed by the Euro Health Consumer Index, Ireland performs around the EU28 average.

Conclusions

The public sector has undergone major challenges and amendments since the economic crisis of the late 2000s. This had resulted in changes such as fewer staff at a time of growing population and service demands. In this context, in many ways the figures presented here show a reasonably positive picture of the state of the public service in Ireland in 2015.

This is not to say that there are no problems and challenges facing the public sector. Efficiency and cost-effectiveness can still be improved in many areas. Trust and confidence in aspects of public services remains low. Time lag effects may lead to quality issues emerging in subsequent years. In few areas is Ireland at the leading edge of Europe with regard to its public administration



The number of public service employees is beginning to rise, as is the pay and pension bill. As the immediate impacts of the recession and the austerity related programmes end, the public sector is now moving into a new phase of reform and development. As new staff are employed and services developed, it is important that the quest for efficiency and savings is maintained, and that the efficiency gains achieved in the last few years are not dissipated.

The data presented in the annual *Public Sector Trends* series will continue to provide evidence of the effects of reform and how well our public services are working.

1. INTRODUCTION

There are no clear or agreed definitions for comparative ranking of public administrations. But most people would agree that a number of elements need to be included in any assessment:

- *The size and cost of the public sector.* While size and cost alone are not the sole or even main determinants of good public administration, nevertheless in terms of value for money in the delivery of public services, keeping check on the size and cost of the public sector and public service is an important consideration.
- *The quality and efficiency of public administration.* Public administration includes policy making, policy legislation and management of the public sector. Such dimensions of public administration can often only be measured by subjective indicators of quality which give a sense of how good the public administration is. There is also an onus on public administration to show that services are being provided efficiently.
- *Sectoral performance.* The delivery of social and economic outcomes in an efficient manner is central to an effective public administration.
- *Trust and confidence in public administration.* The general public ultimately must have trust and confidence in the public administration of a country if it is to be effective.

In this study we examine indicators for each of these four elements of public administration. Where possible and appropriate, data is included for other European countries, in order to enable comparisons to be made. Also, where data are available, we have provided trend data going back over the last decade. The intention is to provide a snapshot of trends in public administration performance in Ireland, to highlight where we are doing well, what challenges are presented and where improvements need to be made.

In a number of charts, as well as showing Ireland's rating relative to the European Union (EU) averages, the top ranked and bottom ranked country as at the time of the most recent data gathering are included for comparative purposes.

In its style and content, the report draws on a number of efforts to benchmark and compare public sector efficiency and performance. These include a European Central Bank (ECB) international comparison of public sector efficiency¹,

a study by the Netherlands Social and Cultural Planning Office (SCP) of comparative public sector performance², the World Bank governance indicators project³, the OECD Government at a Glance project⁴, and an IPA study comparing public administrations⁵.

A word of caution about data limitations

The data presented here needs to be interpreted with great care. First, there is the issue of whether the indicators used to represent public administration provision and quality really captures what public service is about. Indicators, by their nature, only give a partial picture. Second, much of the international comparative data in this report is qualitative data derived from opinion surveys. This survey data largely comprises small-scale samples of opinion from academics, managers and experts in the business community. The survey data is thus limited both in terms of its overall reliability and the fact that it represents the views of limited sections of the community. Third, the point scores arrived at on some indicators (on a scale from 1–10 for the IMD and WEF data and between –2.5 and +2.5 for the World Bank governance indicators) should not be interpreted too strictly, as there are margins of error associated with these estimates. Fourth, changes over short periods of time should be viewed cautiously. Many of the indicators assessed represent 'snapshots' at one particular point in time. Small shifts in annual ranking are not particularly meaningful.

In all, when interpreting the findings set out in this paper, these limitations should be borne in mind. In particular, small variations in scores should be interpreted cautiously. These may be no more than random variations to be expected given the data being used. What is of interest is to identify broad patterns and trends emerging from the data.

¹ Afonso et al (2003)

² Social Cultural and Planning Office (2004)

³ See <http://info.worldbank.org/governance/wgi/index.asp>

⁴ See <http://www.oecd.org/governance/govataglace.htm>

⁵ Boyle (2007)

2. THE SIZE AND COST OF THE PUBLIC SECTOR

There are a range of indicators that show the size and cost of the public sector and public service⁶. Government expenditure as a share of GDP/GNI⁷, level of public expenditure per head of population and public service employment trends all give a sense of size. The cost of the public sector is shown by data on the Exchequer pay and pensions bill.

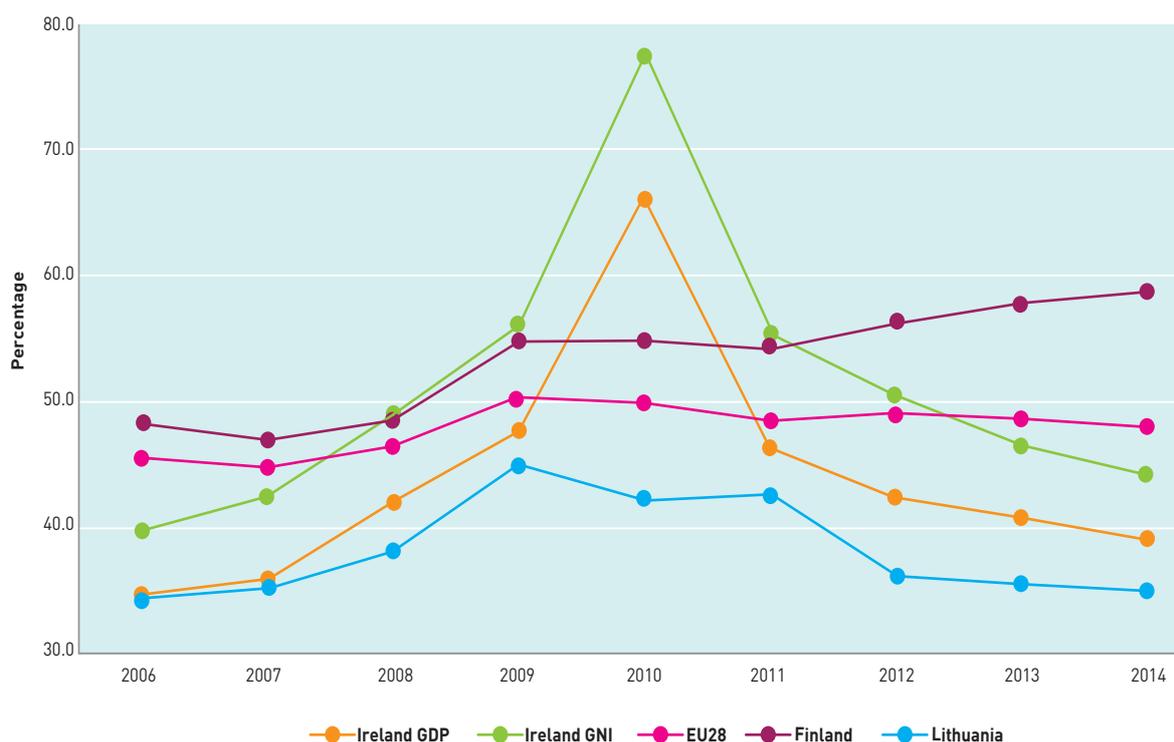
⁶ In this study, the public service is defined as the public sector minus the commercial state-sponsored bodies.

⁷ Gross National Income (GNI) is equal to Gross National Product (GNP) plus EU subsidies less EU taxes. The relationship between GDP and GNI in Ireland is unusual among EU countries, with Luxembourg the only other country where the difference between the two measures is large. The gap reflects the magnitude of repatriated profits from Ireland that inflates the GDP figure.

Government expenditure as a share of the economy in Ireland is below the EU28 average

FIGURE 1 GENERAL GOVERNMENT EXPENDITURE AS SHARE OF GDP/GNI

Source: Eurostat and CSO.



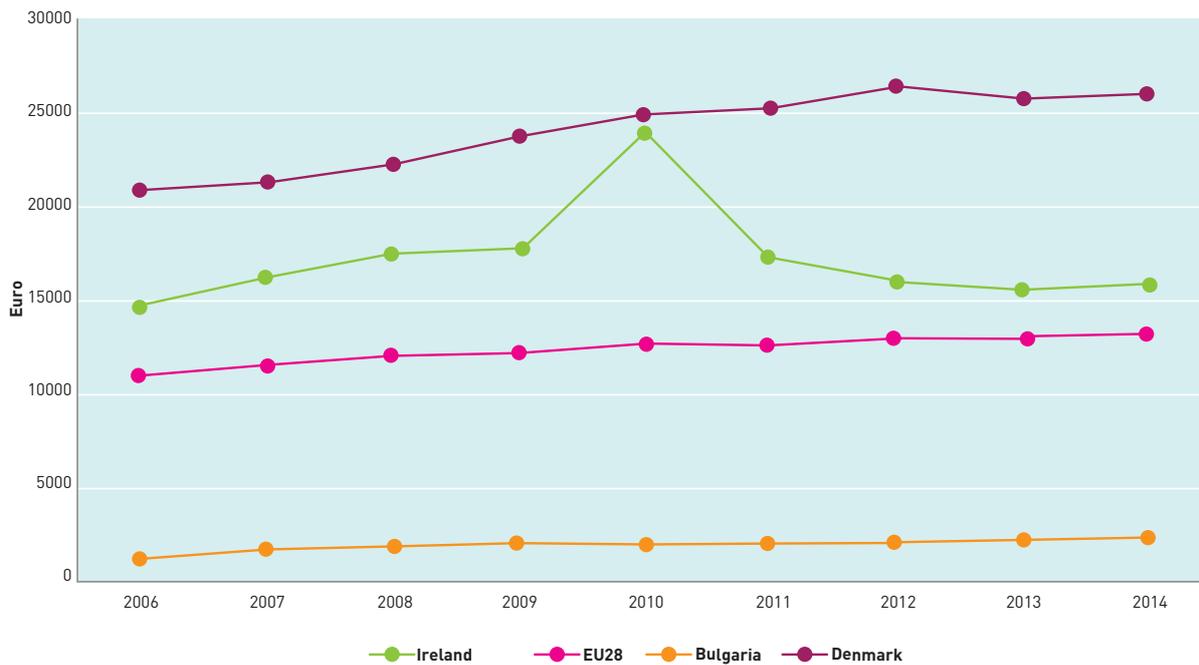
- A commonly used indicator of public spending in the economy is expenditure as a percentage of GDP (gross domestic product). In the early to mid-2000s, using this indicator, Ireland had a very small share of public spending compared to most EU countries.
- However, from 2008 to 2010, as GDP shrank as a result of the recession, Ireland's government expenditure as a percentage of GDP increased rapidly. The particularly large increase in 2010 is mostly explained by the impact on government expenditure of specific government support to banks during the financial crisis, in the form of capital injections.
- Since 2011, as spending reductions introduced by the government came into effect, expenditure as a percentage of GDP had fallen considerably. In 2014, at 39 per cent of GDP, Ireland's public spending is significantly below the European average.
- An alternative indicator to assess the comparative size of Ireland's public spending is to use GNI (gross national income) rather than GDP, as GNI does not include repatriated profits from Ireland which inflate the GDP figure⁸. Using this GNI indicator, the size of the public sector was above the EU average since 2007 until 2013, when it dropped below the average. In 2014 government expenditure as a percentage of GNI was 44 per cent, compared to the European average of 48 per cent.

⁸ See for example Foley (2009), pp.75-76. Ireland and Luxembourg are the two EU countries where there is a substantial difference between GDP and GNI. In most other countries the two figures are broadly similar.

Government expenditure per head of population, having grown significantly faster than the EU average, fell back in 2011 and is stable at present

FIGURE 2 GENERAL GOVERNMENT EXPENDITURE PER HEAD OF POPULATION

Source: Eurostat



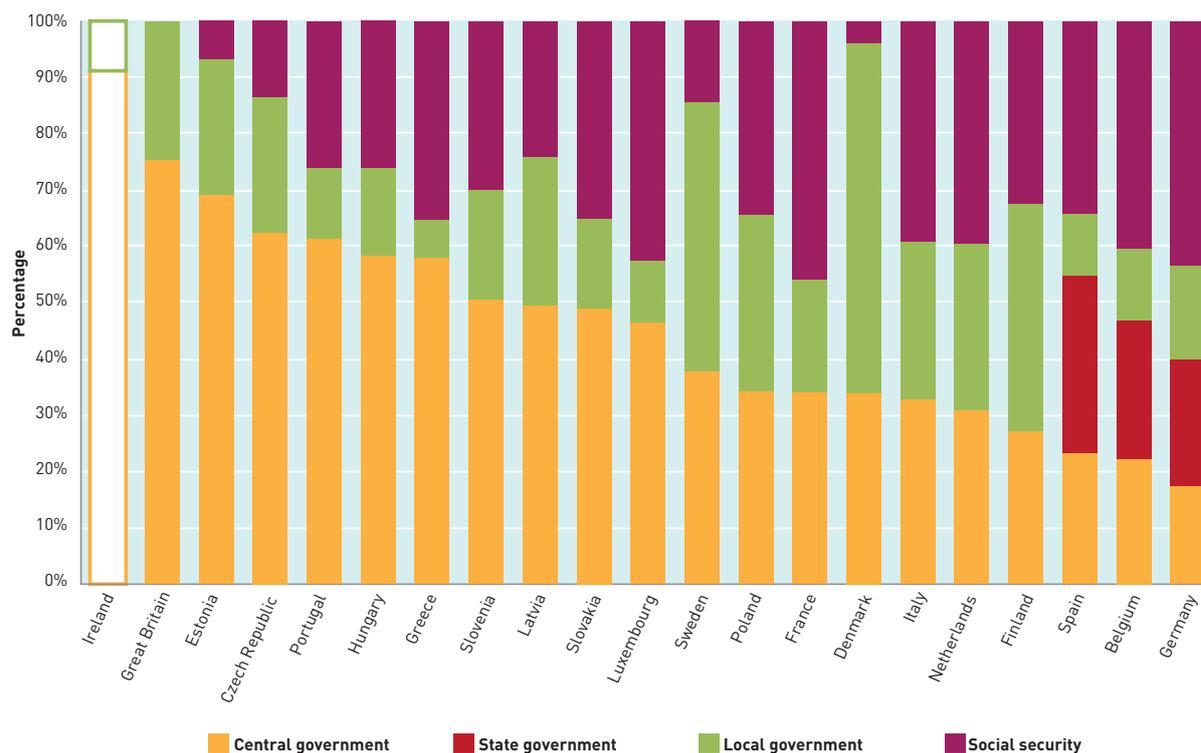
- An alternative way of looking at the relative size of public spending is to examine government expenditure per head of population.
- Expenditure per head of population grew faster in Ireland than the EU average on this indicator up to 2010. The effect of government support for the banks is clearly visible on the impact on the figures for 2010. From 2011, general government expenditure per head fell significantly, and in 2014 is at just over €15,600 per head, below 2007 levels.
- Government expenditure per person in Ireland in 2014 was the ninth highest in Europe. Denmark, shown on the chart, is one of the highest spenders on this indicator, while Bulgaria has the lowest level of government expenditure per head of population in the EU⁹.

⁹ Luxembourg has by far the highest level of general government expenditure per head of population, at €37,157 in 2014, but is atypical. Denmark is more representative of countries that have a high level of government spending per head of population.

Irish government expenditure is very centralised

FIGURE 3 DISTRIBUTION OF GENERAL GOVERNMENT EXPENDITURE ACROSS LEVELS OF GOVERNMENT 2014

Source: OECD Government at a Glance 2015

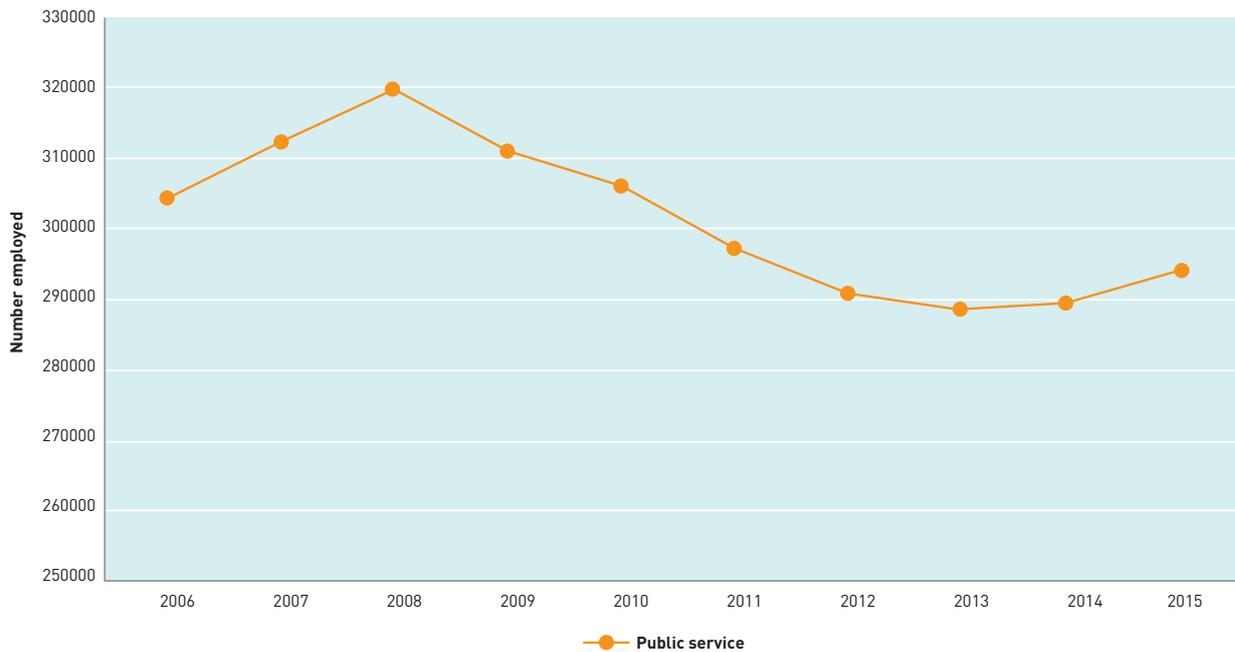


- The tasks of government are shared between different levels of government. The nature of this share-out varies markedly between countries.
- Ireland has the highest share of general government expenditure allocated at national level in the OECD in 2014, with just over 90 per cent of expenditure undertaken by central government.
- Centralisation has increased in recent years: central government's share of expenditure was around 82 per cent in 1987.
- At the other extreme, in Denmark only a third of general government expenditure is the responsibility of central government, with local government being responsible for just over 60 per cent.

Numbers employed in the public service are slowly rising after a period of steady decline

FIGURE 4 NUMBERS EMPLOYED IN THE PUBLIC SERVICE

Source: Department of Public Expenditure and Reform Databank¹⁰



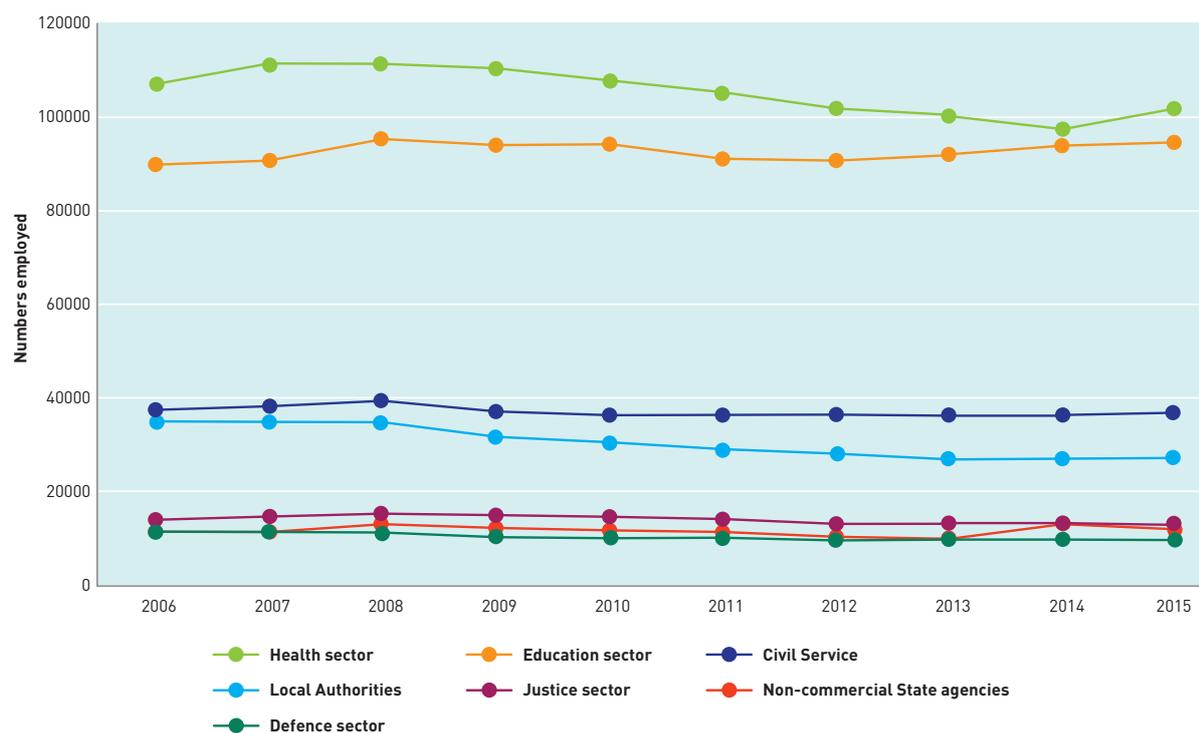
- From its peak in 2008, the total number of people employed in the public service dropped from 320,000 in 2008 to 288,000 in 2013, a drop of 10 per cent.
- The number of people employed in the public service rose in 2014 and 2015, but is still well below the level of employment in 2008.

¹⁰ Figures are for end of year, apart from 2015 which is for Q2

The health and education sectors account for the vast majority of public service jobs. Local authorities have been hardest hit by cutbacks in numbers

FIGURE 5 PUBLIC SERVICE EMPLOYMENT BY SECTOR

Source: Department of Public Expenditure and Reform Databank¹¹



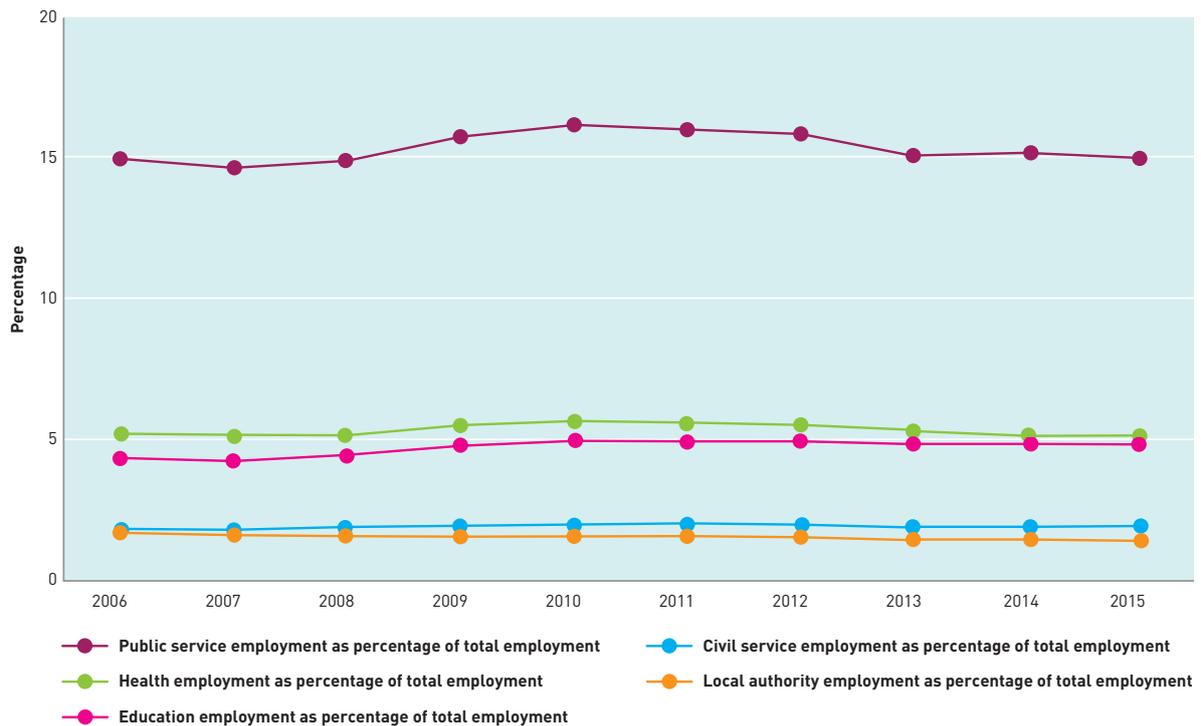
- Two out of every three people employed in the public service work in either health or education. In 2015, there were approximately 101,000 people employed in the health sector and 94,000 people employed in the education sector. Since 2008, numbers employed in the health sector had been falling constantly until this year, while numbers employed in the education sector have remained relatively stable.
- While numbers have fallen in all sectors since 2008, some have been affected significantly more than others. The biggest drop proportionally has been in local authorities (22 per cent). The smallest drop proportionally has been in the education sector (1 per cent).

¹¹ Figures are for end of year, apart from 2015 which is for Q2

While numbers employed in the public service have risen and fallen, as a proportion of the total workforce they have stayed relatively constant

FIGURE 6 PUBLIC SERVICE EMPLOYMENT AS PERCENTAGE OF TOTAL EMPLOYMENT

Source: Department of Public Expenditure and Reform Databank¹², CSO



- While public service employment grew slightly as a proportion of the labour force in 2009 and 2010, since 2010 its share of the labour force has dropped back again, and has been at approximately 15 per cent in the last three years.
- Over the past decade public service employment has generally remained around 15 to 16 per cent of total employment, and in 2015 is at 15 per cent of the labour force.
- Just over 5 per cent of all those in employment in the economy (public and private) are employed in the health sector, and just under 5 per cent in education. Two per cent of those in employment are civil servants, and 1.4 per cent are in local authorities.

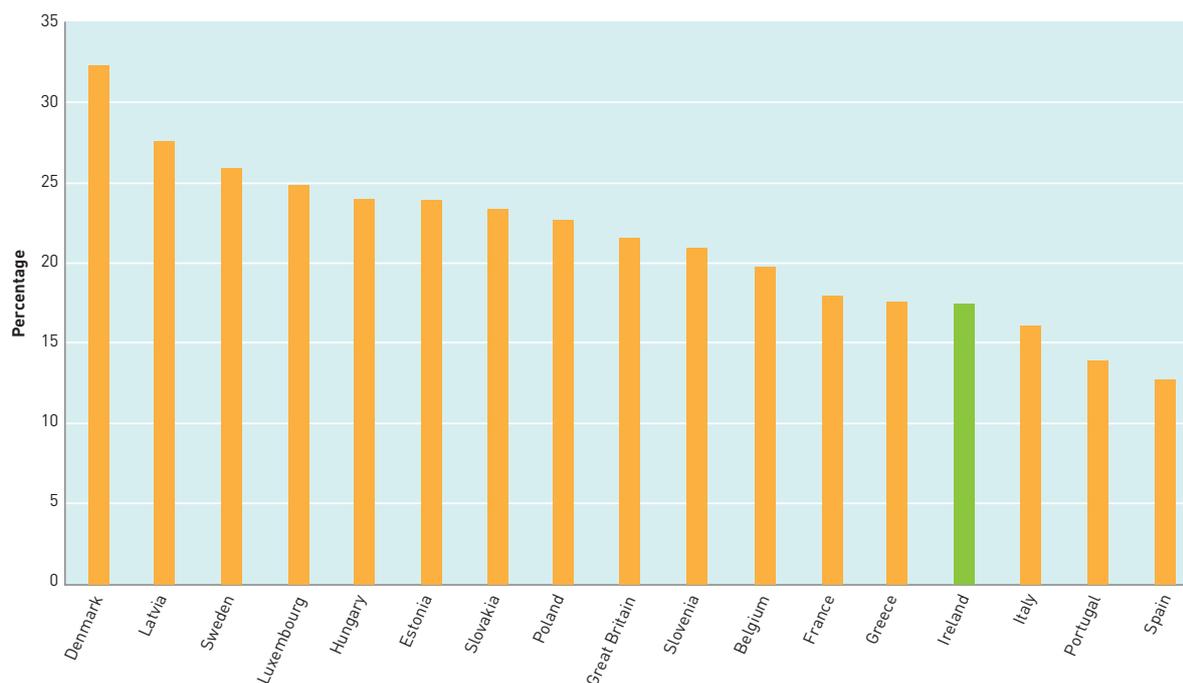
¹² Figures are for end of year, apart from 2015 which is for Q2

¹³ Much of the public service data provided refers to full-time equivalents rather than actual numbers of people. So public service employment as a percentage of total employment is in reality larger than that reported. The size of the difference is unknown, though Foley (2009, p.86) estimated it at around 1 per cent in 2007.

Employment in government as a percentage of the labour force is towards the lower end of European practice

FIGURE 7 PUBLIC SERVICE EMPLOYMENT AS A PERCENTAGE OF THE LABOUR FORCE 2013

Source: OECD Government at a Glance 2015

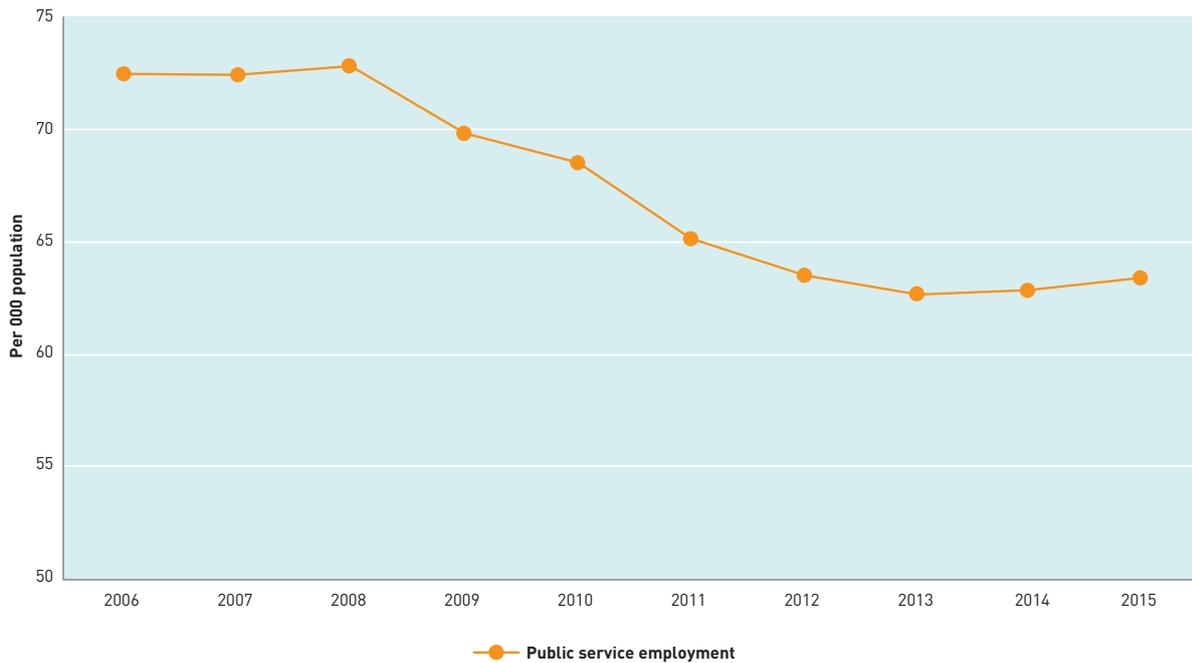


- The size of government employment varies significantly amongst European countries, from 32 per cent of the labour force in Denmark to 13 per cent in Spain in 2013.
- In Ireland in 2013 employment in general government services accounted for 17.4 per cent of the labour force, towards the lower end of countries surveyed.

After a number of years of decline public service employment relative to the total population slightly increased in 2015

FIGURE 8 PUBLIC SERVICE EMPLOYMENT PER 000 POPULATION

Source: Department of Public Expenditure and Reform Databank¹⁴, CSO.



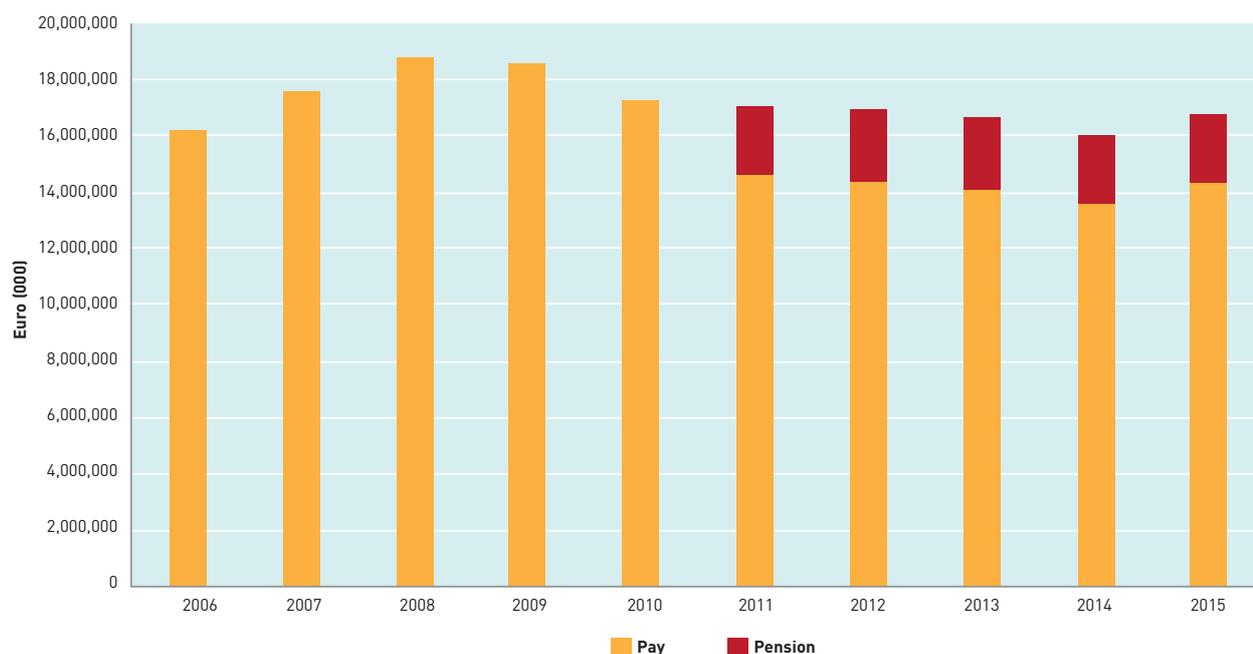
- While public service employment levels have been dropping, the population has continued to increase.
- Public service employment relative to the population was relatively stable at between 70 and 73 public sector employees per 000 population up to 2008, but dropped rapidly from 2008 until 2013 when it was at 62.8 public service employees per 000 population.
- The number of public service employees per 000 population rose slightly to 63.4 in 2015.

14 Figures are for end of year, apart from 2015 which is for Q2

Expenditure on public service pay and pensions grew slightly this year after several years of falling

FIGURE 9 PUBLIC SERVICE PAY AND PENSIONS

Source: Department of Public Expenditure and Reform Databank. Separate data on pensions only available from 2011.

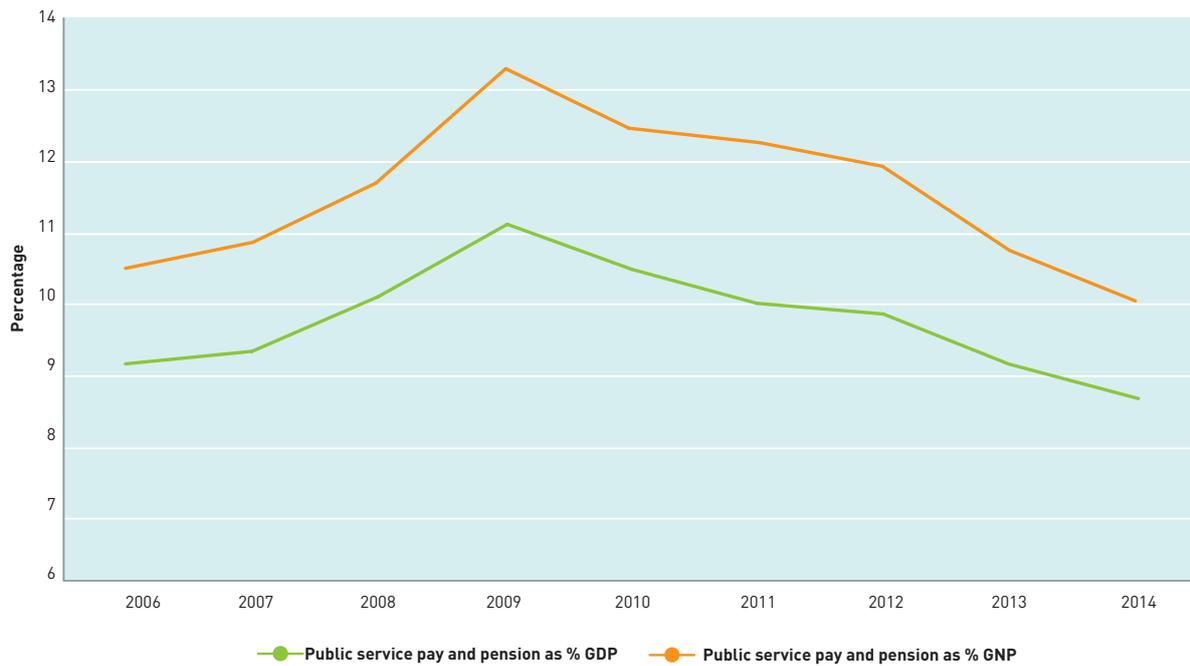


- The public service pay and pension bill reached a peak of €18.7bn in 2008.
- From 2008 to 2014, as the cutbacks in numbers and pay introduced by the Government have taken effect, expenditure on public service pay and pensions has decreased from its high of €18.7bn to €16.2bn in 2014.
- Spending on public service pay and pensions increased slightly in 2015 to €16.8bn, the first rise since 2008.
- Pensions account for approximately €2.5bn (15 per cent) of the total pay and pension bill in 2015.

Public service pay and pensions as a percentage of GDP/GNP rose rapidly from 2007 to 2009 but has fallen back since then and continues to fall

FIGURE 10 PUBLIC SERVICE PAY AND PENSION AS A PERCENTAGE OF GDP/GNP

Source: Department of Public Expenditure and Reform Databank, CSO



- In 2008 and 2009, as the recession hit, the percentage of GDP and GNP taken up by public service pay and pensions rose rapidly. In 2009, the Exchequer pay and pensions bill accounted for 11 per cent of GDP and 13.3 per cent of GNP.
- The cutback in numbers and pay rates introduced in 2009 has had an impact, as has economic growth in recent times. There has been a fall back in the percentage of GDP and GNP taken up by public service pay and pensions. In 2014 public service pay and pensions stood at 8.6 per cent of GDP and 10 per cent of GNI.

Government compensation of employees as a percentage of GDP is near the European average

FIGURE 11 GENERAL GOVERNMENT COMPENSATION OF EMPLOYEES AS A PERCENTAGE OF GDP

Source: Eurostat

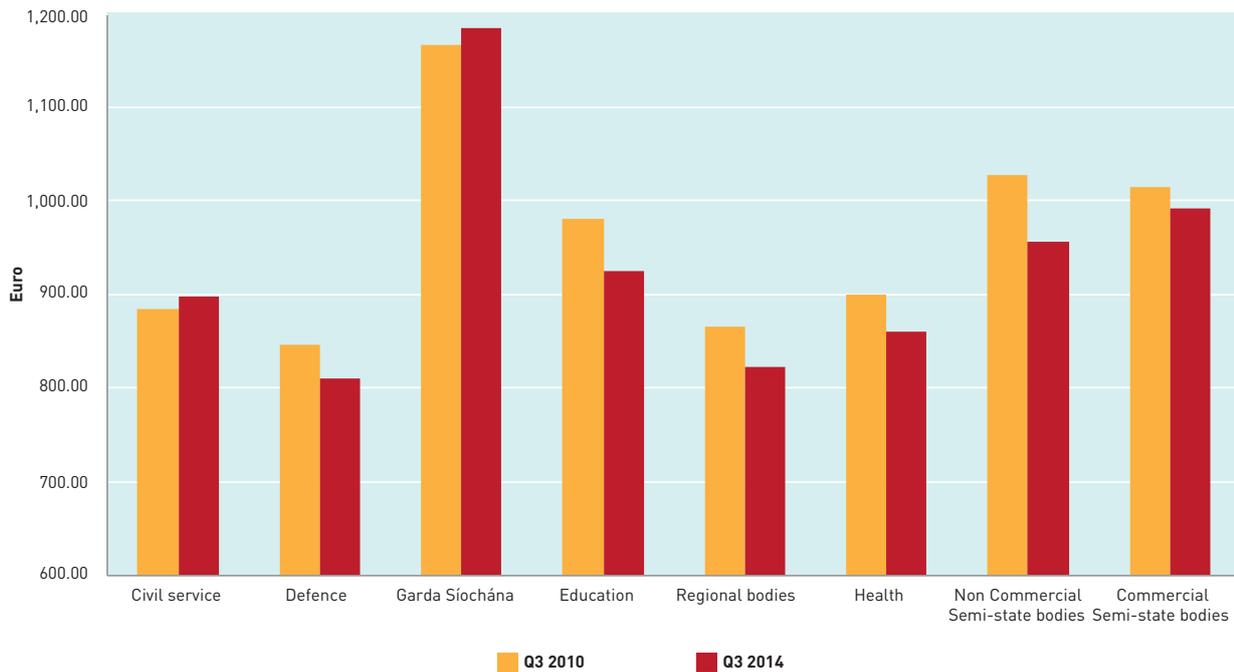


- As a share of GDP, general government compensation of employees was at 10 per cent of GDP in 2014. This is very close to the European average.
- Compensation had increased up to 2009 in Ireland as a share of GDP, and was increasing faster than the European average, but has dropped back since then.
- As numbers employed in the public sector in Ireland are lower than the European average, given that compensation is at the European average, this suggests higher pay and pension rates than average across Europe.
- There is a wide variety in the share of GDP taken up by general government compensation, from 17 per cent in Denmark to 7 per cent in the Czech Republic in 2014.

Average weekly earnings in the public sector have fallen overall since 2010 with some variations

FIGURE 12 PUBLIC SECTOR AVERAGE WEEKLY EARNINGS

Source: CSO. Figures are for Q3 each year. 2014 figures are a preliminary estimate.



- These are gross earnings figures before deductions for PRSI, tax and other levies. The CSO note that this is particularly relevant to the public sector since March 2009 when the pension levy was introduced.
- Average weekly earnings overall across the public sector have fallen by just under 4 per cent from 2010 to 2014. The biggest falls have been in education (-5.7 per cent) and regional bodies (-4.9 per cent) sub-sectors. By contrast, there have been small increases in average weekly earnings in the Garda Síochána (+1.6 per cent) and civil service (+1.4 per cent).

3. THE QUALITY AND EFFICIENCY OF PUBLIC ADMINISTRATION

An indicator of the quality of public administration, based on work undertaken by the Social and Cultural Planning Office (2004) in the Netherlands and taken further by Boyle (2007) is used to assess the quality of public administration. Sixteen indicators derived from both the International Institute for Management Development (IMD) and World Economic Forum (WEF) executive opinion surveys are combined to make up an aggregate public administration quality indicator (see Appendix 1 for details). It is complemented by two subsets of this indicator, one of which shows trends in perception about the application of traditional public service values in public administration, the other showing perceptions of the type of competitive and regulatory regime fostered by public administration.

These quality indicators are supplemented by World Bank indicators of government effectiveness and regulatory quality, developed as part of the World Bank's brief to promote good governance.

With regard to efficiency, information from executive opinion surveys shows perceptions of business people regarding the efficiency of public services. The World Bank Doing Business indicator set provides some information on the efficiency of service provided to business by public administration.

The quality of Irish public administration is seen as notably above the European average

FIGURE 13 QUALITY OF PUBLIC ADMINISTRATION SCORE

Source: IPA analysis based on IMD and WEF data



- This quality indicator measures executives opinions of the quality of public administration as assessed by a range of indicators covering issues such as effective implementation of government decisions and transparency of decision making (see Appendix 1 for full list).
- Ireland's score on the quality of public administration index dropped slightly in 2015, after increasing for a number of years. Ireland came 4th of the EU28 on this indicator in 2015, behind Finland, Sweden and Luxembourg.

Irish maintenance of traditional public service values is seen as significantly better than the European average

FIGURE 14 TRADITIONAL PUBLIC SERVICE VALUES INDICATOR

Source: IPA analysis based on IMD World Competitiveness Yearbook and WEF Global Competitiveness Report



- A sub-set of the quality of public administration indicators can be used to assess what might be termed the 'traditional' public service values such as independence from political interference, freedom from bribery and corruption, transparency, reliability and administrative fairness and equity.
- Ireland's ranking on this traditional public service values indicator has generally been well above the EU28 average. Ireland ranked 6th of the EU28 on this indicator in 2015.
- The Nordic countries of Finland and Denmark score highest on this indicator. Bulgaria and the Slovak Republic have the lowest scores.

Ireland's public administration is seen as one of the best in Europe in encouraging competition and providing a supportive regulatory environment

FIGURE 15 COMPETITIVENESS AND REGULATION INDICATOR (CRI)

Source: IPA analysis based on IMD World Competitiveness Yearbook and WEF Global Competitiveness Report



- A sub-set of the quality of public administration indicators can be used to assess issues of competitiveness and regulation, reflecting the growing importance in recent years of the regulatory role of public administration. There is an expectation that as part of a quality service, public servants will help ensure a legal and regulatory framework that encourages competition. And that they will scrutinise regulation intensity to ensure it does not become too great a burden on enterprises.
- Ireland's ranking on this competitiveness and regulation indicator is above the European average. In 2015, Ireland ranked second behind Luxembourg.
- Developing a public administration that encourages competition and where regulation is not too great a burden on enterprises is an important goal. But events in the banking sphere indicate the need for strong regulation. It must be remembered that this ranking is based on executive opinion surveys, where there would generally be an interest in less regulation.

In World Bank assessments, Ireland's government effectiveness score is above the European average

FIGURE 16 WORLD BANK GOVERNMENT EFFECTIVENESS INDICATOR

Source: World Bank Worldwide Governance Indicators



- Since 1996 the World Bank has been using a set of governance indicators as part of its work on promoting good governance. The indicators are drawn from 35 separate data sources constructed by 32 different organisations.
- The Government Effectiveness indicator aims to measure the quality of public services, the capacity of the civil service and its independence from political pressures, and the quality of policy formulation. On this indicator, Ireland ranked well above the EU28 average up to 2007.
- However, Ireland's score fell from 2005 to 2009, and Ireland's government effectiveness indicator dropped to just above the EU28 average in 2009. It stabilised in 2010, increased in 2011 and 2012, and dropped back slightly in 2013. In 2013 Ireland ranked 11th of the EU28. Finland is the top European scorer on this indicator and Romania the lowest ranked of the EU28.

In World Bank assessments, Ireland's regulatory quality indicator remains well above the European average

FIGURE 17 WORLD BANK REGULATORY QUALITY INDICATOR

Source: World Bank Worldwide Governance Indicators



- The Regulatory Quality indicator aims to measure the ability of the government to provide sound policies and regulations that enable and promote private sector development. On this indicator Ireland ranks as well above the European average score.
- In 2008, Ireland ranked first of all EU countries on this indicator. However, the impact of the regulatory problems identified in the financial sector in 2009 clearly has had an impact on the indicator, and Ireland was the 7th ranked European country on this indicator in 2013, with Finland having the highest ranking.

Irish public services are seen as the least bureaucratic in Europe by business executives

FIGURE 18 BUREAUCRACY HINDERS BUSINESS ACTIVITY

Source: IMD World Competitiveness Yearbook



- Respondents to the executive opinion survey carried out by IMD for their World Competitiveness Yearbook indicate that compared to all other European countries in the EU, bureaucracy in Ireland is seen as less of a hindrance to business activity.
- The Irish score has increased notably since 2010, though showed a slight drop in 2015.

While there is a perception of wastefulness of public spending, things are seen as having improved, and Ireland is now seen as above the European average

FIGURE 19 THE COMPOSITION OF PUBLIC SPENDING IS WASTEFUL

Source: WEF Global Competitiveness Report

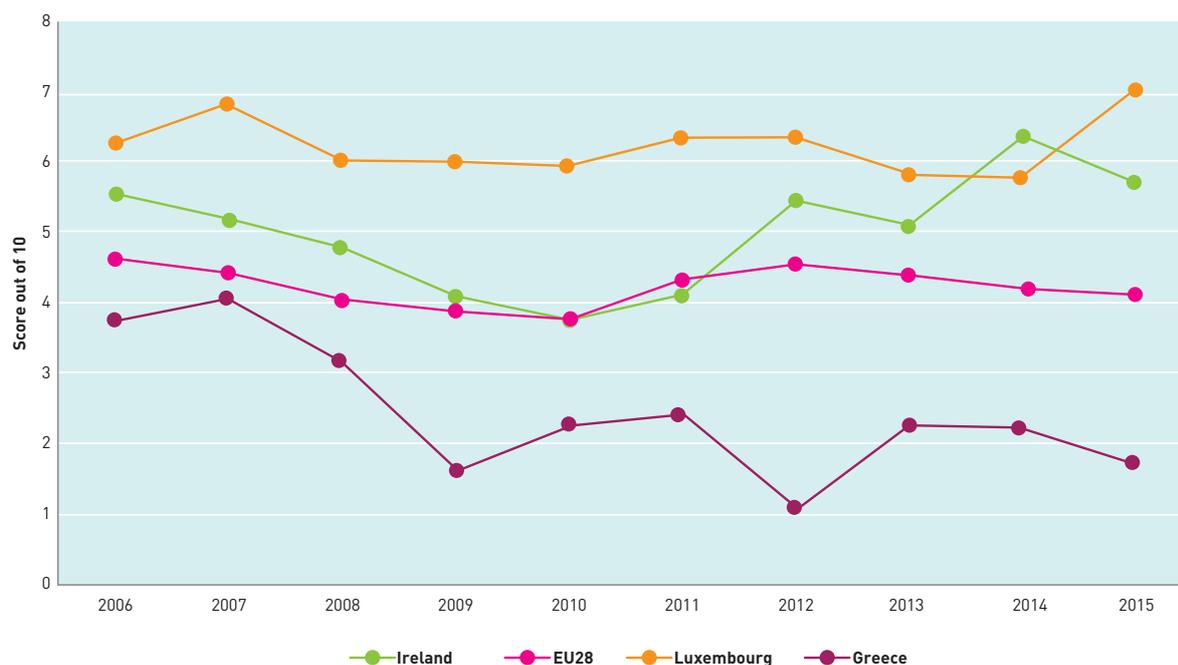


- Responses to the WEF Global Competitiveness Report executive opinion survey suggest that there is a perception that Ireland is more wasteful in its public spending than many other European countries.
- There was a worsening of the perception about the wastefulness of public spending in Ireland from 2008 to 2010, with an improvement in 2011 which has continued through to 2015.
- This now places Ireland back above the EU28 average on this indicator, with Ireland ranking 8th of the EU28 on this indicator.
- Finland is seen as having the least wasteful public spending in Europe. By contrast, Italy scores worst on this indicator.

Perceptions about the effective implementation of government decisions have risen considerably since 2010 but fell back this year

FIGURE 20 GOVERNMENT DECISIONS ARE EFFECTIVELY IMPLEMENTED

Source: IMD World Competitiveness Yearbook

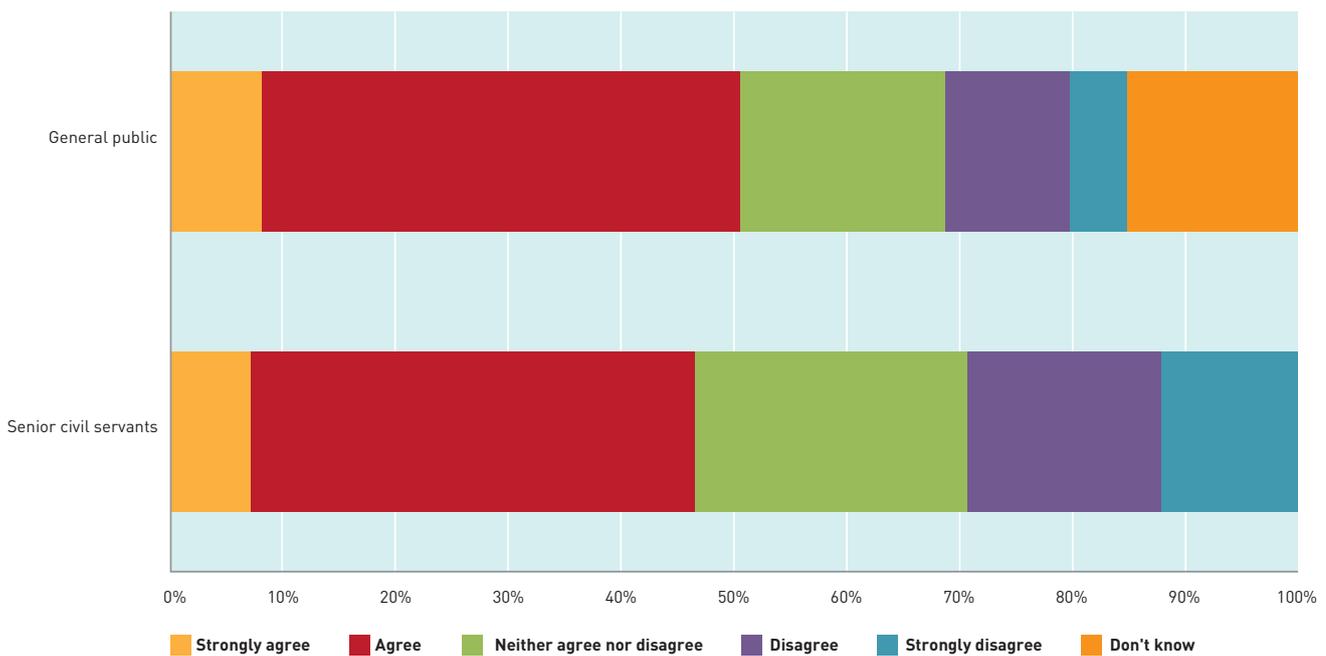


- Responses to the executive opinion survey carried out by IMD for their World Competitiveness Yearbook indicate that the perception that government decisions are effectively implemented in Ireland has improved considerably since 2010, after getting worse for a number of years before that. But it did fall back this year.
- In the mid-2000s, Ireland's ranking on this indicator was well above the European average. In 2010 and 2011 the ranking fell below the EU28 average. It is now well above the EU28 average again, with Ireland ranking 4th on this indicator in 2015. Luxembourg scores best on this indicator, followed by Denmark and Germany.

Significantly more of the general public and of senior civil servants agree that the civil/public service has improved over the past five years than disagree

FIGURE 21 THE CIVIL SERVICE/PUBLIC SERVICE HAS IMPROVED OVER THE PAST FIVE YEARS

Source: Ipsos MRBI/Ipsos MORI Veracity Index as published in Irish Civil Service Customer Satisfaction Survey 2015 and EU COCOPS survey of senior public servants



- In surveys of the general public and senior civil servants¹⁵, most agree that the civil and public service has improved over the past five years¹⁶.
- The general public are slightly more likely to say that the civil service has improved over the past five years than are senior civil servants. 50 per cent of the general public surveyed say that the civil service has improved, as compared to 46 per cent of senior civil servants.
- 29 per cent of senior civil servants disagree that the public service has improved, compared to 16 per cent of the general public who disagree that the civil service has improved.

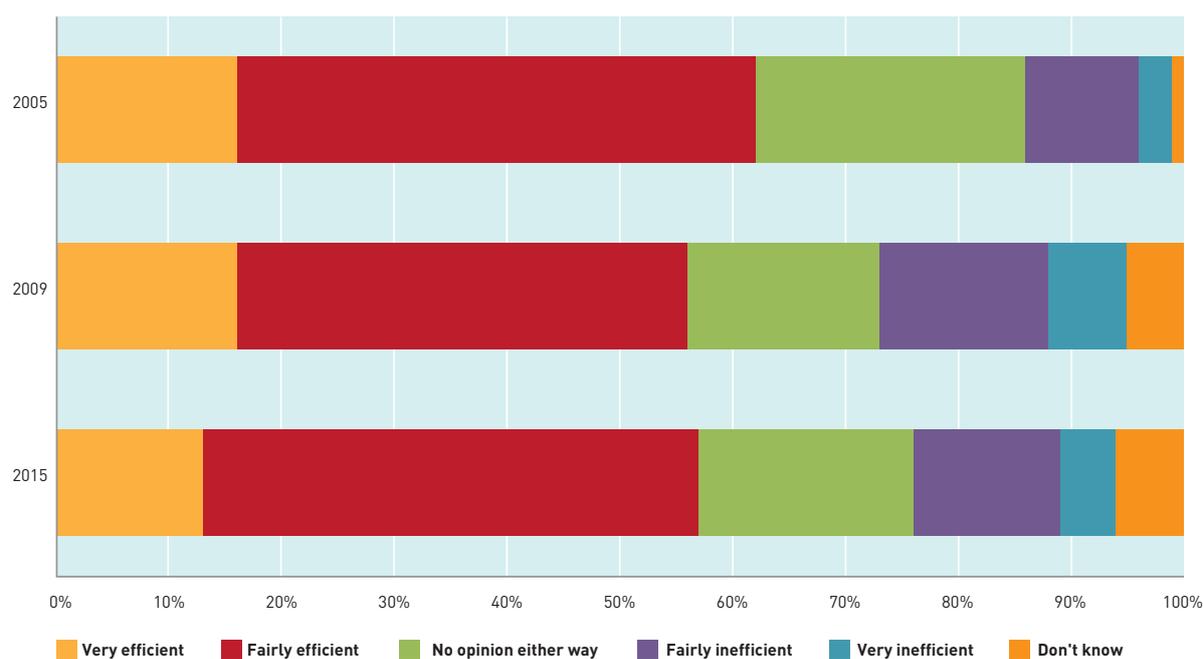
¹⁵ Secretary general, assistant secretary general and principal officer. See Institute of Public Administration, 2014 for more details.

¹⁶ The Ipsos MRBI/Ipsos MORI survey asked the general public for their views on the civil service. The COCOPS survey asked for views on the public administration.

Public impressions of civil service efficiency are generally favourable

FIGURE 22 IMPRESSION OF CIVIL SERVICE EFFICIENCY

Source: Ipsos MRBI/Ipsos MORI Veracity Index as published in Irish Civil Service Customer Satisfaction Survey 2015

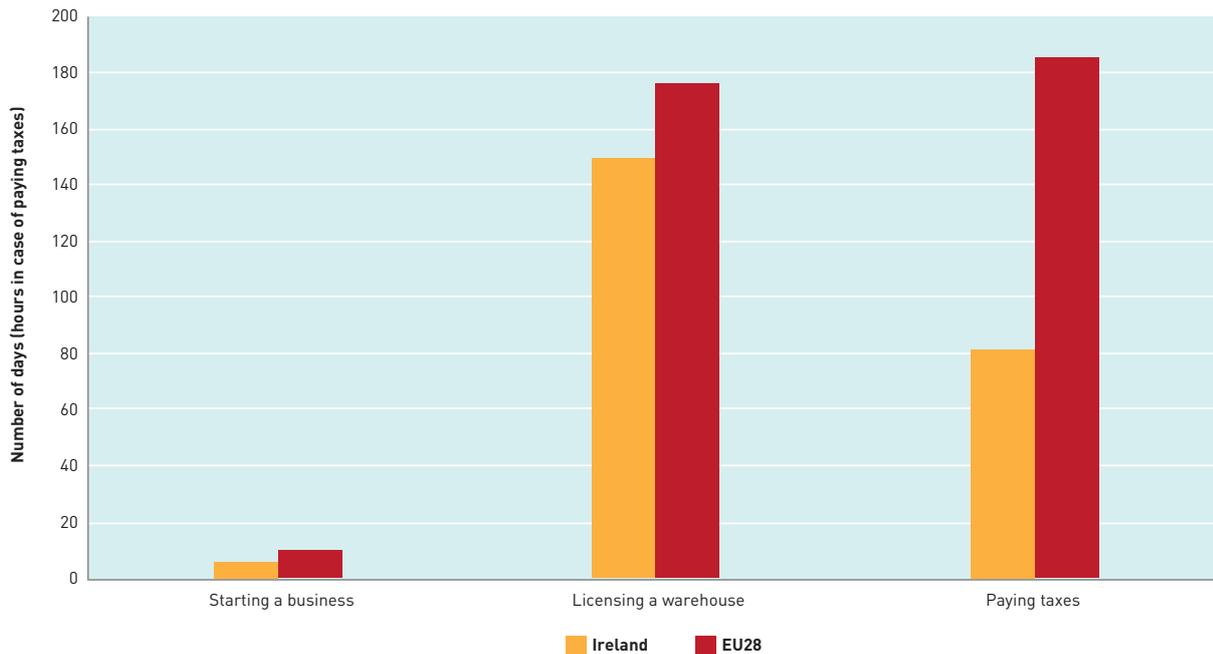


- Most members of the public feel that the civil service is efficient. In 2015, 57 per cent viewed the civil service as either very or fairly efficient. The impression of efficiency has remained relatively constant over the survey periods (2005, 2009 and 2015).
- Almost 1 in 5 in 2015 feels that the civil service is either very or fairly inefficient.
- Recent users of the civil service are much more likely to view the civil service as efficient (66 per cent) than non-users (49 per cent).

Ireland's public administration continues to provide a relatively efficient level of service to business

FIGURE 23 WORLD BANK DOING BUSINESS INDICATORS 2015

Source: World Bank *Doing Business indicators*

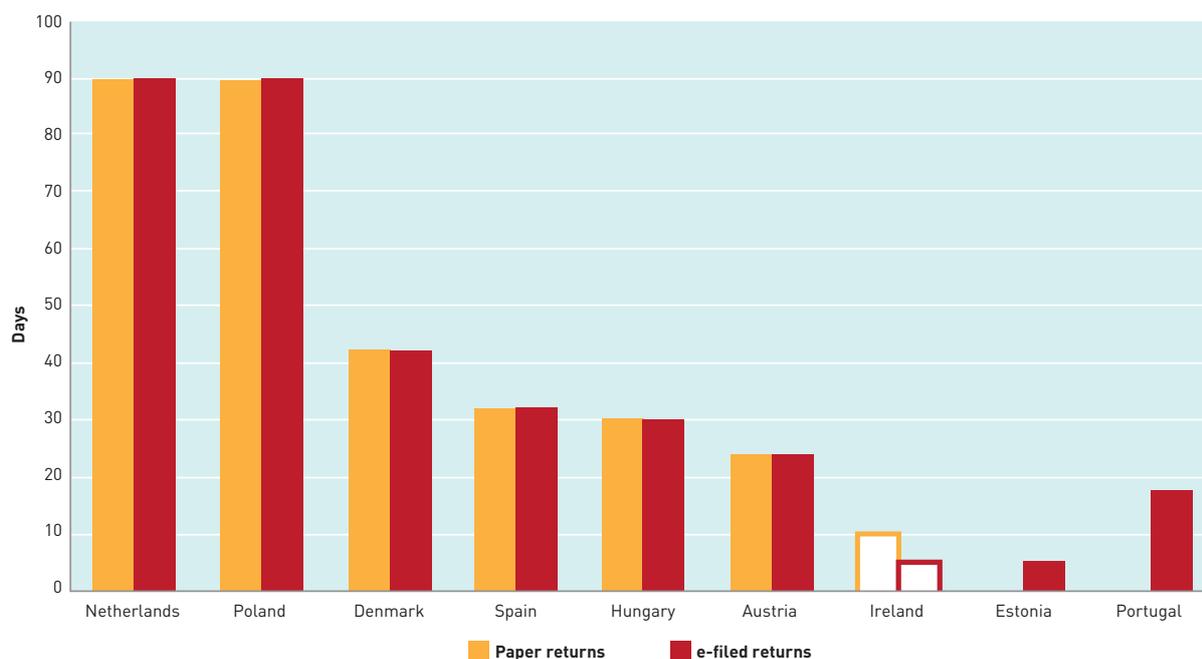


- A 'bottom-up' approach to assessing efficiency of public administration is taken by the World Bank in some of their Doing Business indicator set, with performance assessed from a service user perspective.
- The number of days estimated that it takes an entrepreneur to start a business in Ireland remained at 6 days in 2015, down from 10 days in 2013 and 13 days for the previous five years. The EU28 average is 10 days, down from 12 days in 2014. In Denmark it takes 3 days, and 30 days in Poland.
- The number of days to complete all procedures required for a business in the construction industry to build a standardised warehouse was estimated at 149.5 days in 2015. This remains lower than the EU28 average of 176 days. The best performers are Finland and Denmark with an estimated 64 days each.
- The number of hours it takes a medium-sized company to pay tax in a given year is estimated as significantly lower in Ireland, at 82 hours, than it is for the EU28 (186 hours) average. Ireland ranks third in the EU behind Luxembourg and Estonia on this indicator, down from second in 2014.

Ireland performs exceptionally well with regard to the timeliness of processing tax returns

FIGURE 24 PROCESSING TIME OF PERSONAL TAX RETURNS WHERE A TAX REFUND IS EXPECTED (2011)

Source: OECD Government at a Glance 2013

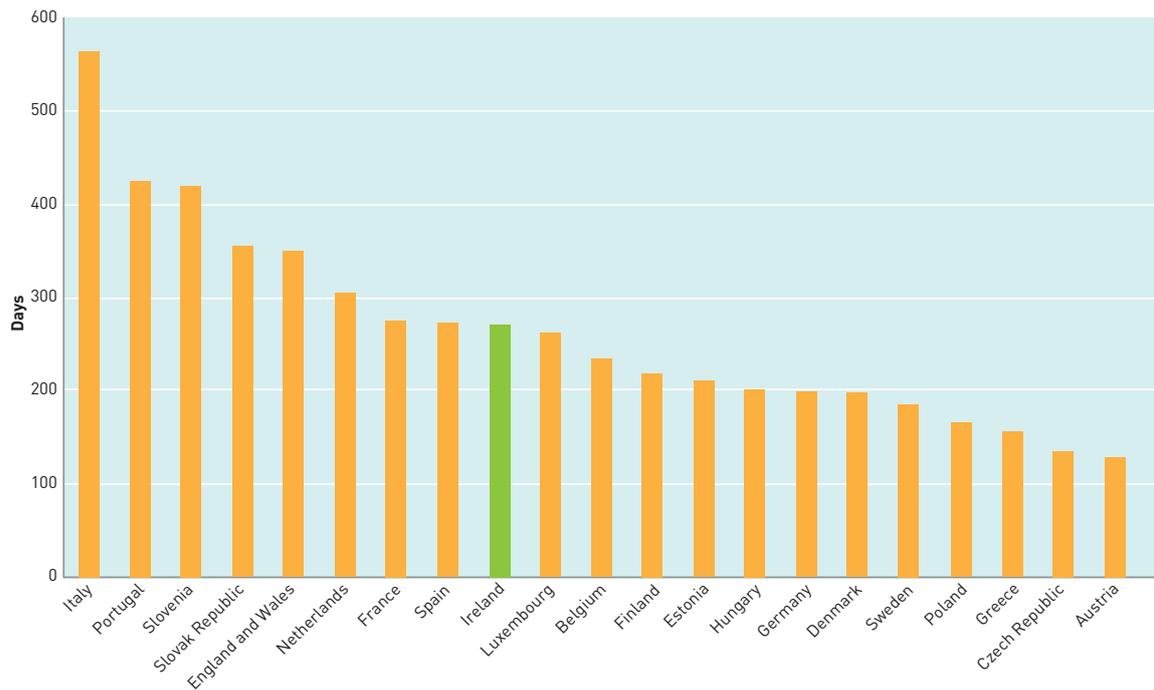


- Timeliness of service is one indicator of efficiency and quality, and is one often used in tax administration.
- Among the countries where a time standard was set for processing of personal tax returns, Ireland performs particularly well, with regard to both paper and e-filed returns. Returns are processed between two and nine times faster than in most other EU countries participating in the OECD survey.
- In most countries processing time was the same for citizens whether returns were filed electronically or submitted as paper returns. However, in Ireland those who filed returns electronically saw their tax returns processed twice as fast as citizens filing tax returns in paper form.

Trial length in the justice system is around the European average

FIGURE 25 TRIAL LENGTH OF FIRST-INSTANCE CASES (2012)

Source: OECD Government at a Glance 2013

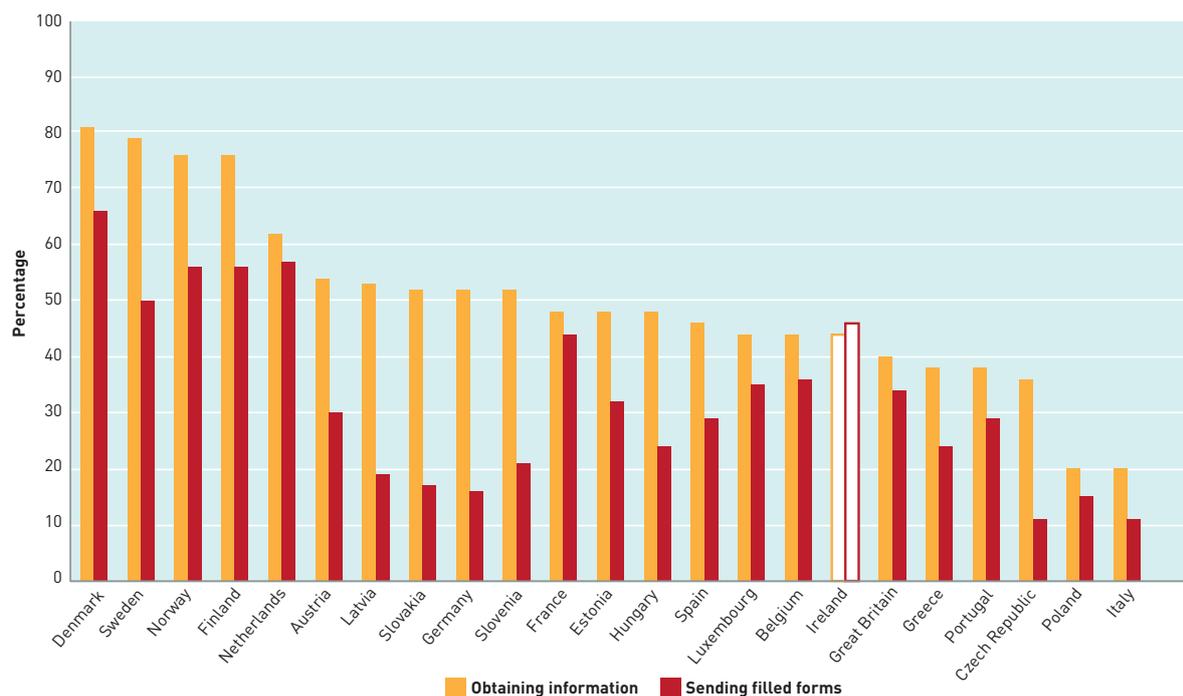


- Timeliness can be very important in determining the quality of justice systems. Delays can also create added costs.
- Trial length is one commonly used indicator of timeliness in the justice sector. Across the EU28 member countries for which data are available, average disposition time of first instance civil cases ranged from 564 days in Italy down to 129 days in Austria.
- Ireland came in the middle range of performance on this indicator, with a trial length of 270 days.

Individual use of the internet to obtain information on government services in Ireland is lower than in much of Europe

FIGURE 26 INDIVIDUALS USING THE INTERNET TO INTERACT WITH PUBLIC AUTHORITIES

Source: OECD Government at a Glance 2015

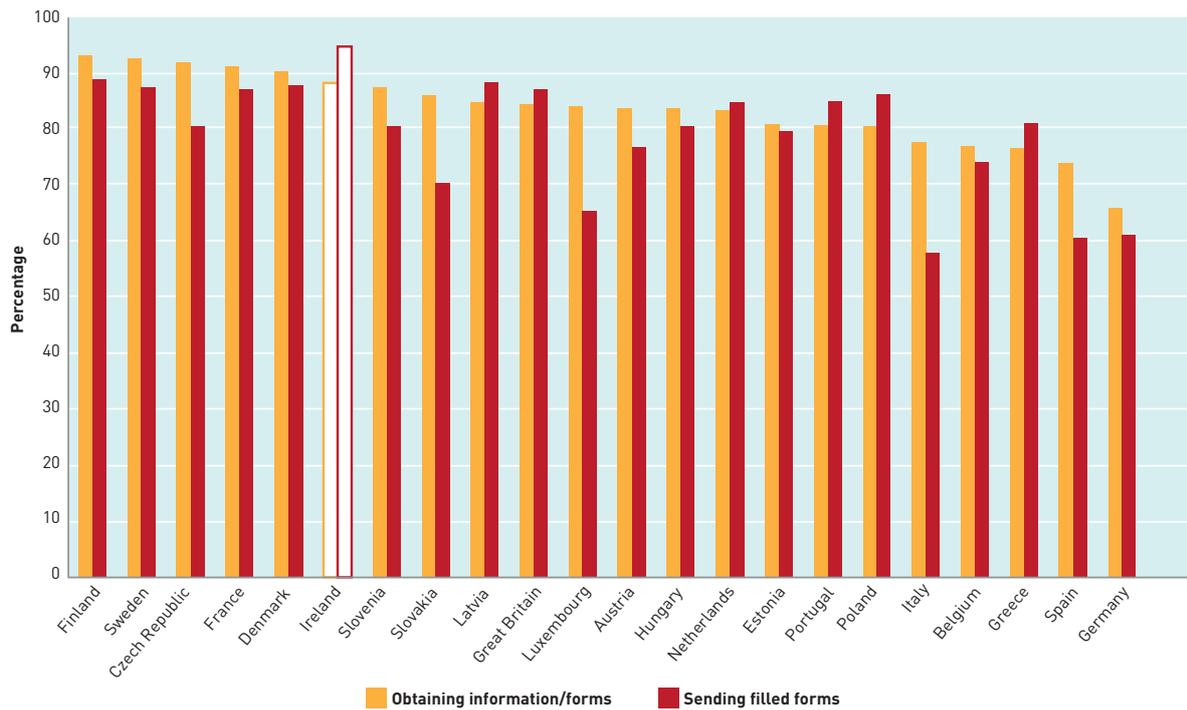


- Government portals that provide a wide range of information and services like the opportunity to fill out and submit administrative forms electronically are changing the way individuals interact with government.
- In Ireland in 2014 44 per cent of individuals used the internet to obtain information from public authorities (towards the lower end of European experience) and 46 per cent have filed administrative forms electronically (one of the higher take-up rates in Europe).
- The Nordic countries report the highest uptake of e-government services.

Business uptake of e-government services is higher than in most of Europe

FIGURE 27 BUSINESSES USING THE INTERNET TO INTERACT WITH PUBLIC AUTHORITIES 2013

Source: OECD Government at a Glance 2015

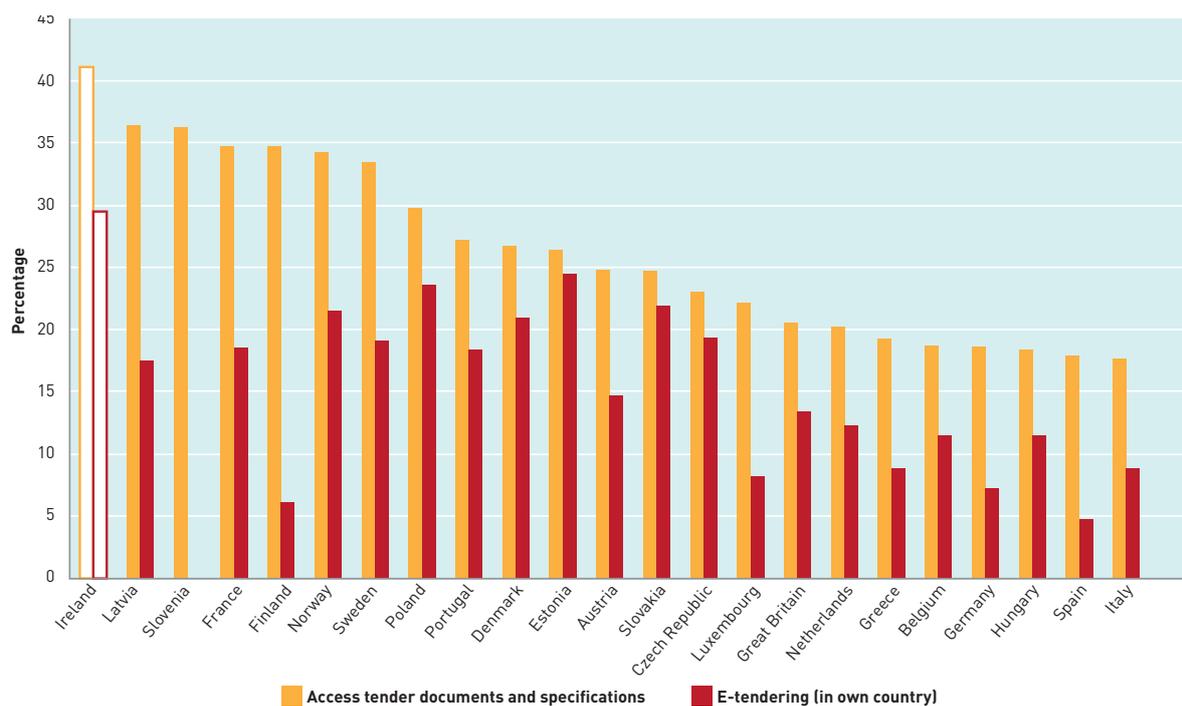


- Government portals that provide a wide range of information and services like the opportunity to fill out and submit administrative forms electronically have changed the way businesses interact with government.
- In Ireland in 2014 88 per cent of businesses used the internet to obtain information/forms from public bodies and 95 per cent of businesses have returned a filled form online. This latter figure of 95 per cent is the highest level of all European countries surveyed.

Ireland has the highest business take-up of electronic procurement in Europe

FIGURE 28 BUSINESS USING ELECTRONIC PROCUREMENT SYSTEMS 2013

Source: OECD Government at a Glance 2015

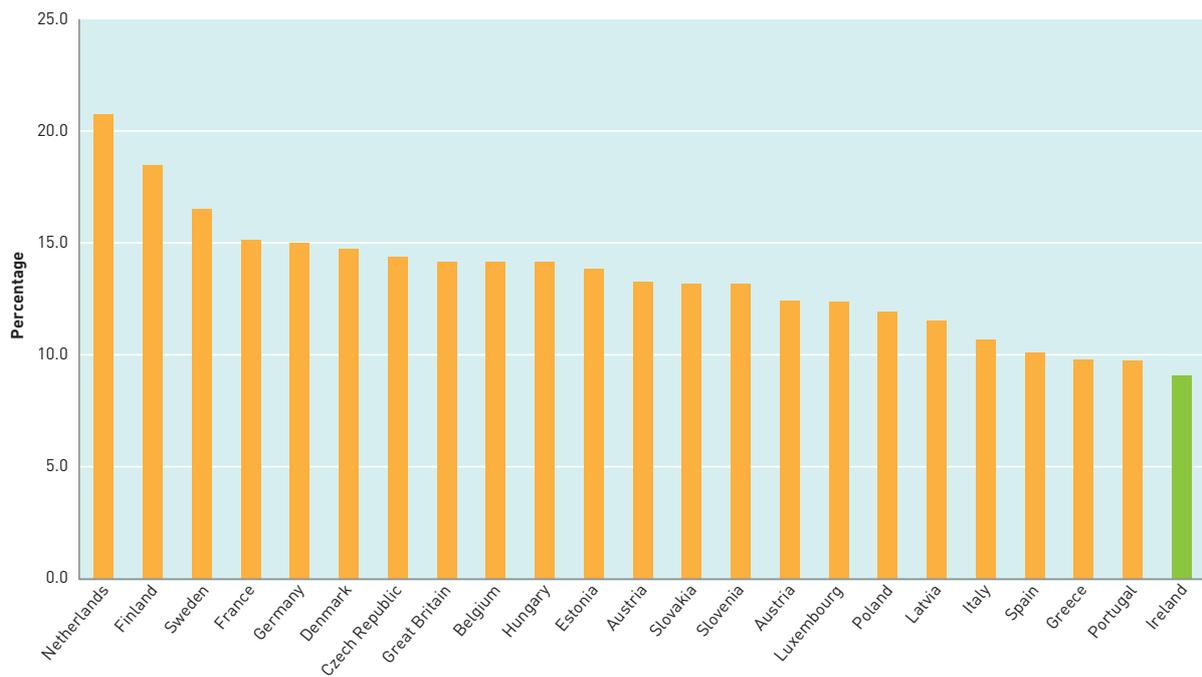


- A growing number of businesses use e-procurement systems. E-procurement facilitates access to public tenders and increases competition. It can also reduce costs to government by reducing administrative burdens, shortening procurement contract cycles and raising compliance levels.
- Amongst countries surveyed, the use of e-tendering systems was highest in Ireland.
- In Ireland, 41 per cent of businesses use e-procurement systems to access tender documents and specifications. 30 per cent of businesses use e-tendering systems.

Ireland spends less on public procurement than other European countries

FIGURE 29 GENERAL GOVERNMENT PROCUREMENT AS A SHARE OF TOTAL GOVERNMENT EXPENDITURE 2013

Source: OECD Government at a Glance 2015

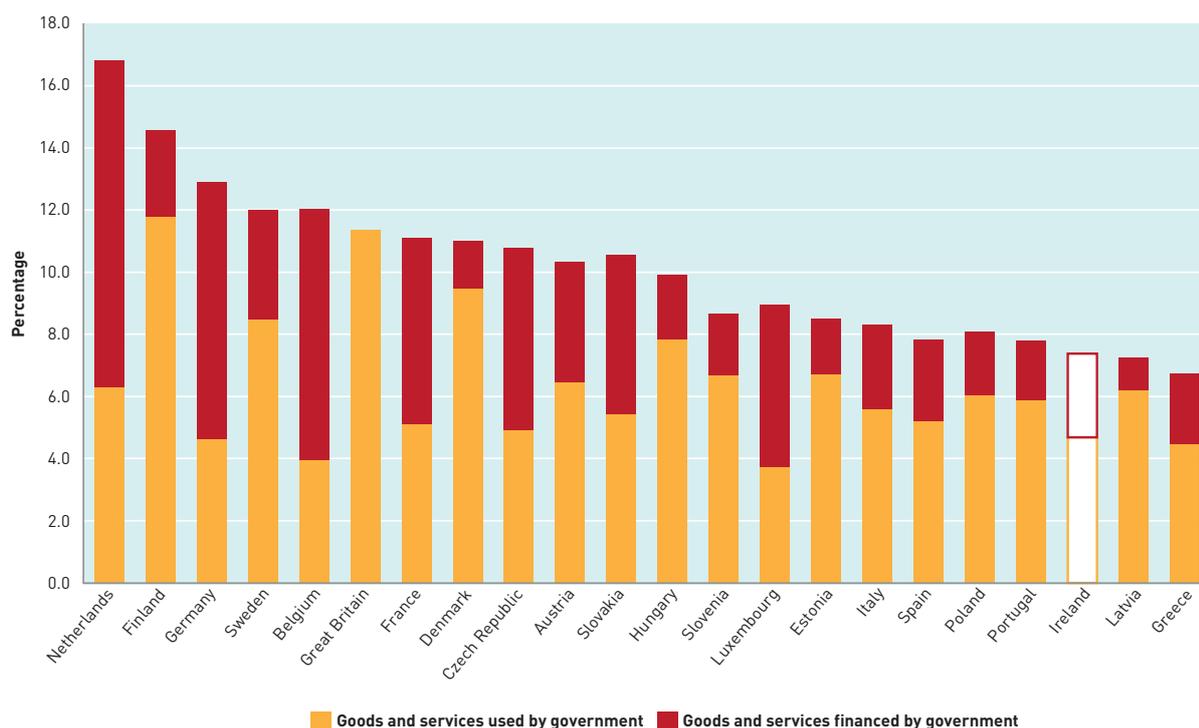


- Public procurement refers to the purchase by governments and state-owned enterprises of goods, services and works and represents a significant amount of government expenditure.
- Ireland has the lowest level of spend on public procurement as a percentage of GDP of the countries surveyed (9 per cent of GDP in 2013). Ireland also spends less on public procurement as a share of total government expenditure than most European countries (22 per cent in 2013).

Ireland spends less on outsourcing as a share of GDP than most European countries

FIGURE 30 EXPENDITURE ON GENERAL GOVERNMENT OUTSOURCING AS A PERCENTAGE OF GDP 2014

Source: OECD Government at a Glance 2015

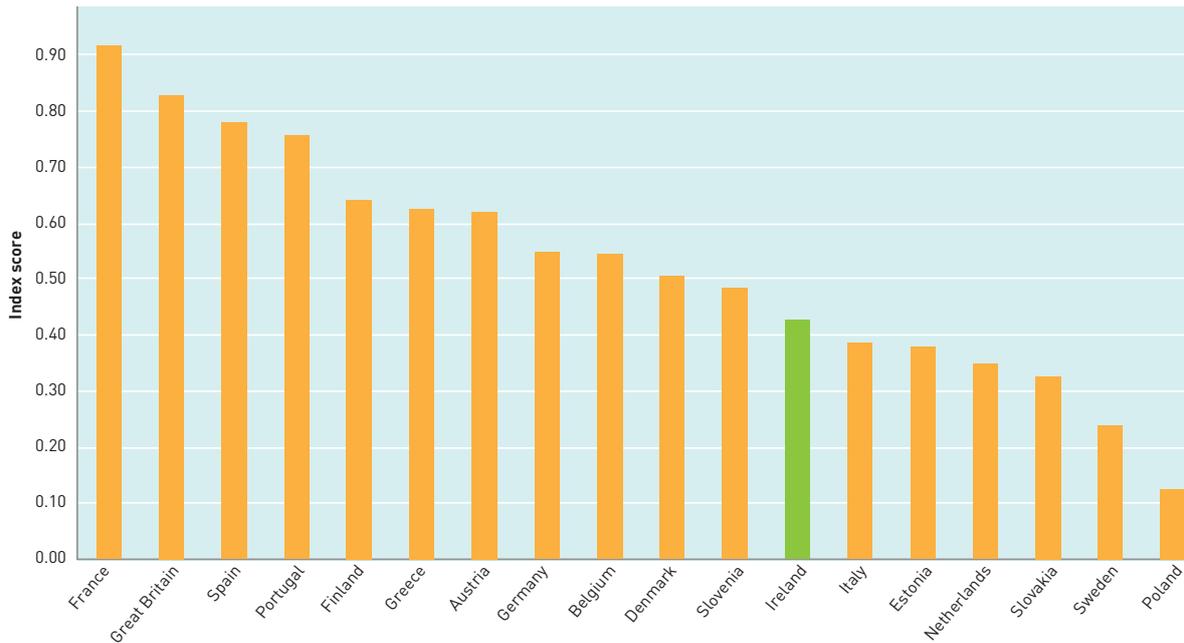


- Governments use a mix of their own employees, capital and outside contractors to produce goods and services. Outsourcing can take place in two ways. Governments can either purchase goods and services to be used as inputs, or they can pay a non-profit or private entity to provide the goods and services directly to the end user.
- In 2014 Ireland outsourcing represented just over 7 per cent of GDP. This is towards the lower end of European practice. In the Netherlands, the equivalent figure is 17 per cent of GDP.
- Ireland dedicated the largest share of their expenditure on outsourcing to purchasing goods and services (4.7 per cent), and a smaller share (2.7 per cent) to outsourcing goods and services through direct third party provision.

Open data initiatives in Ireland score less well than many other European countries

FIGURE 31 OPEN, USEFUL, REUSABLE GOVERNMENT DATA INDEX 2014

Source: OECD Government at a Glance 2015



- By making the data collected and produced available, easily accessible and re-usable by citizens and businesses, governments can improve accountability and transparency, create new business opportunities and better inform both citizen engagement and their own decision-making.
- The OECD has created a pilot index on open government data to assess governments' efforts to implement open data in three dimensions: (1) data availability on the national portal; (2) data accessibility on the national portal; and (3) governments' support to innovative re-use and stakeholder engagement.
- On this OECD composite index, government open data efforts were less extensive than many other European countries.

4. SECTORAL PERFORMANCE

Ultimately, the provision of public administration is intended to achieve social outcomes in sectors such as health, education, law and order and transport. As such it is important that any review of public administration looks at sectoral outcomes. In this report, some high-level education and health indicators are included, given that these areas are the largest areas of public expenditure.

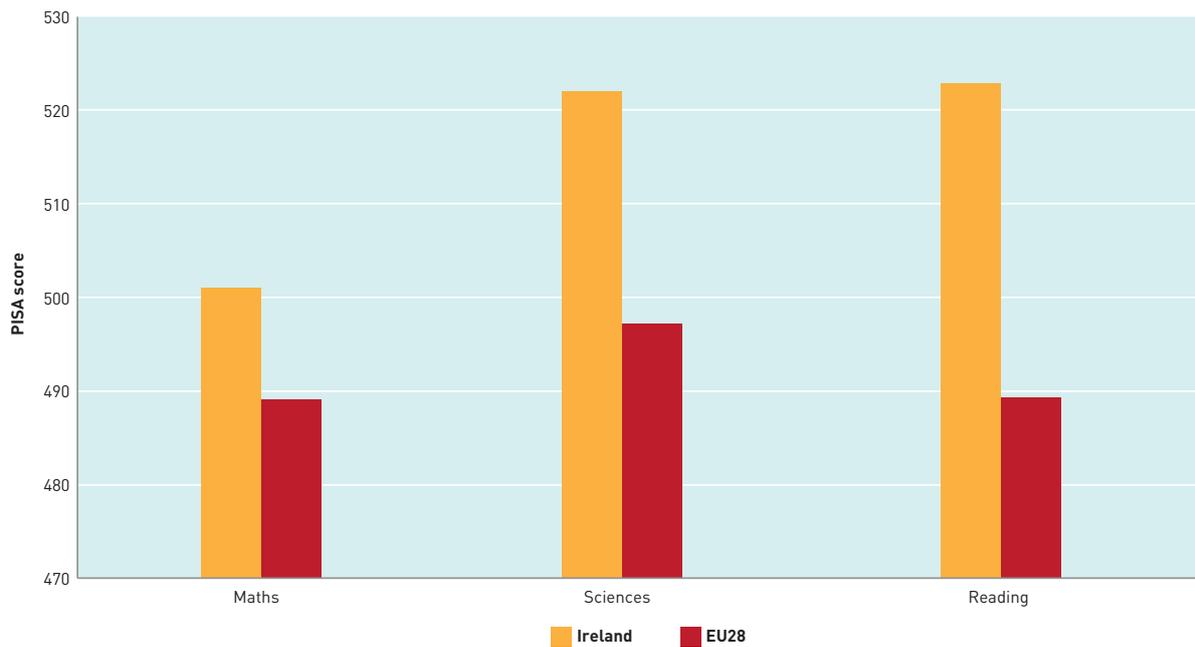
In the education system, high-level outcome indicators that assess performance in reading, maths and science give an overview of performance. Evidence is taken from the OECD Programme for International Student Assessment (PISA) survey. PISA is an internationally standardised assessment administered to 15-year olds in schools. Tests are typically administered to between 4,500 and 10,000 students in each country.

In the health sector, high-level outcome indicators in areas such as life expectancy and healthy life expectancy, and other indicators such as length of stay in hospitals, give a sense of performance at the macro level. These are commonly used indicators in international rankings of health and education systems.

Ireland's educational attainment scores compare well to the European average

FIGURE 32 PISA EDUCATIONAL ASSESSMENT SCORES 2012

Source: OECD PISA SURVEY

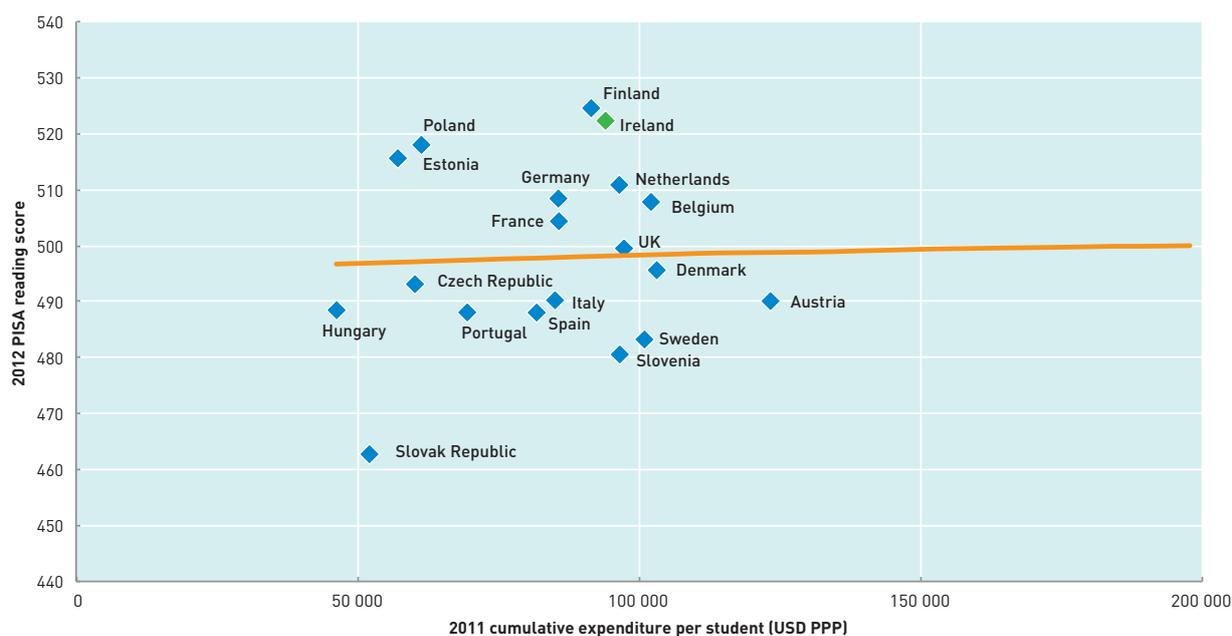


- The OECD Programme for International Student Assessment (PISA) survey is an internationally standardised assessment administered to 15-year olds in schools. Tests are typically administered to between 4,500 and 10,000 students in each country.
- The 2012 PISA survey shows that Ireland has a higher ranking than the European average in maths, sciences and reading. The Netherlands ranks highest in maths, and Finland is the highest ranked European country in sciences and reading.
- From 2009, when the previous PISA survey was conducted, Ireland's score and ranking has improved. The most notable improvement was in maths: Ireland was ranked 8th of the EU28 in maths in 2009, compared with 16th in 2006.

Ireland delivers an above average level of educational efficiency when comparing reading performance to spending per student across Europe

FIGURE 33 PISA READING SCORE AND SPENDING PER STUDENT

Source: OECD Education Statistics

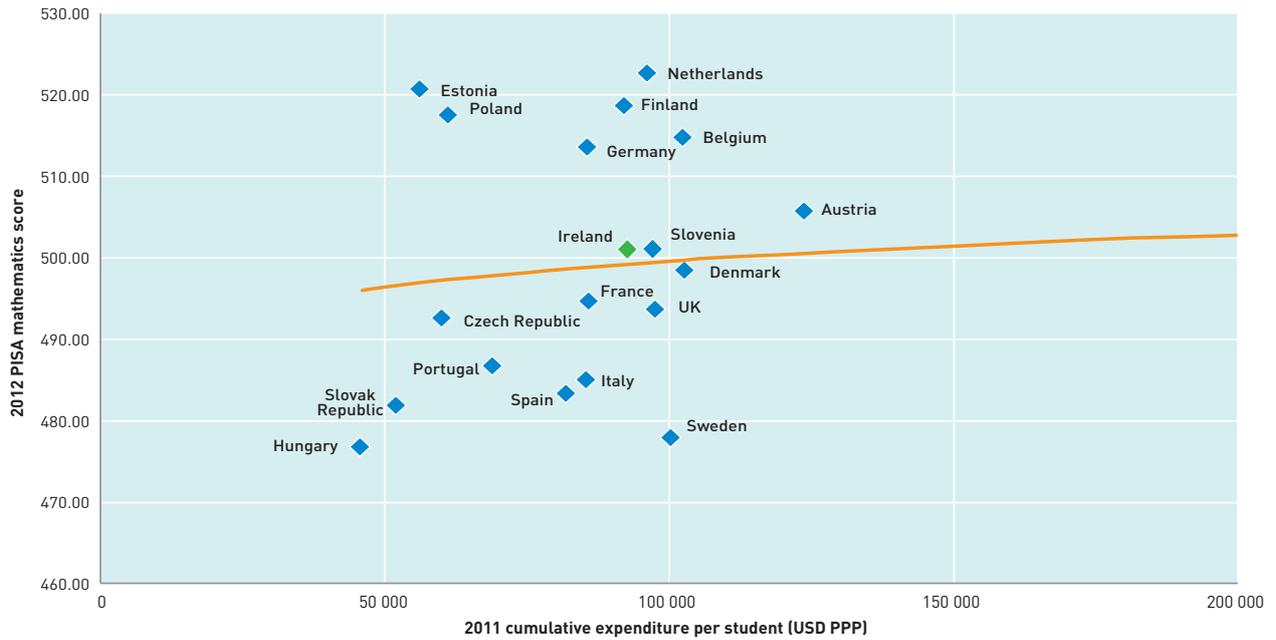


- The OECD (2013) note that educational attainments of individuals, as measured by the PISA (Programme for International Student Assessment) score can be seen as an indicator of output of human capital production. When compared to the national cumulative expenditure per student (the educational input), the results can offer an insight into which systems are able to deliver more efficient services.
- Finland achieves a high performance score for reading but only spends around the European average. Austria on the other hand spends above average but gets a relatively poor reading score.
- Ireland is close to Finland with spending close to the European average but with a high performance score, showing a good level of efficiency.

Ireland delivers an average level of efficiency when comparing maths performance to spending per student across Europe

FIGURE 34 PISA MATHS SCORE AND SPENDING PER STUDENT

Source: OECD Education Statistics

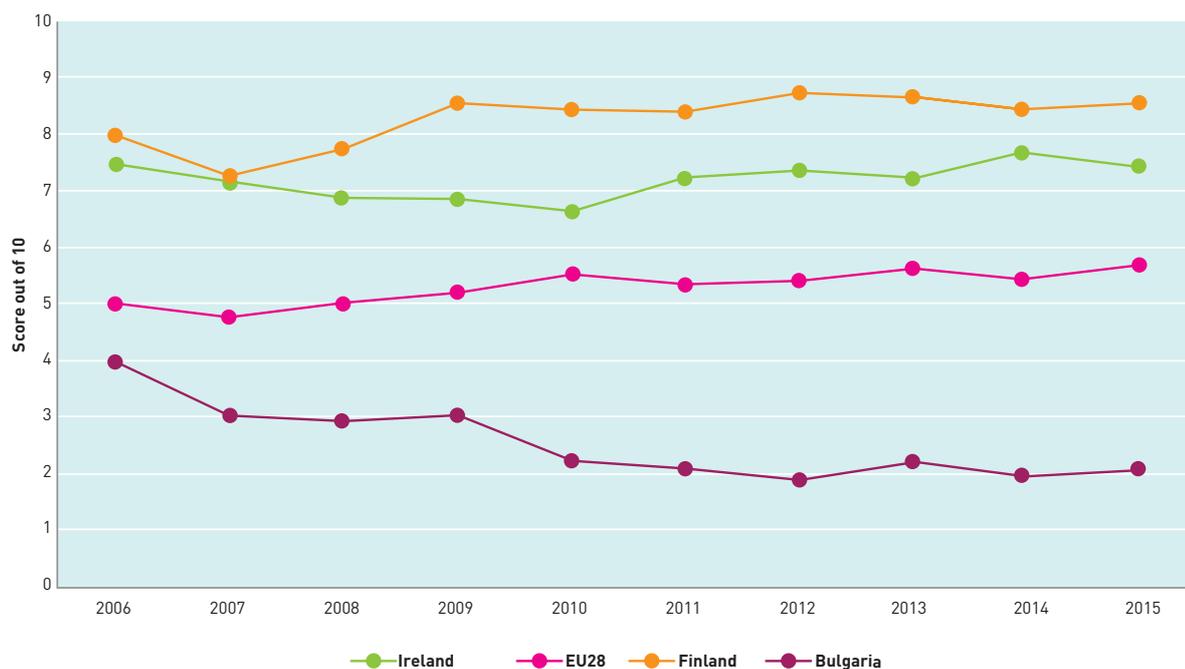


- Finland, the Netherlands, Estonia and Poland have particularly good maths scores compared to spending, suggesting the delivery of efficient services.
- Ireland spends around the European average and get results that are similarly around the average, that is, performance is in line with what might be expected given the resources put in, showing an average level of efficiency.

Ireland's competitive advantage in the perception of its education system by executives remains above the European average

FIGURE 35 THE EDUCATION SYSTEM MEETS THE NEEDS OF A COMPETITIVE ECONOMY

Source: IMD World Competitiveness Yearbook

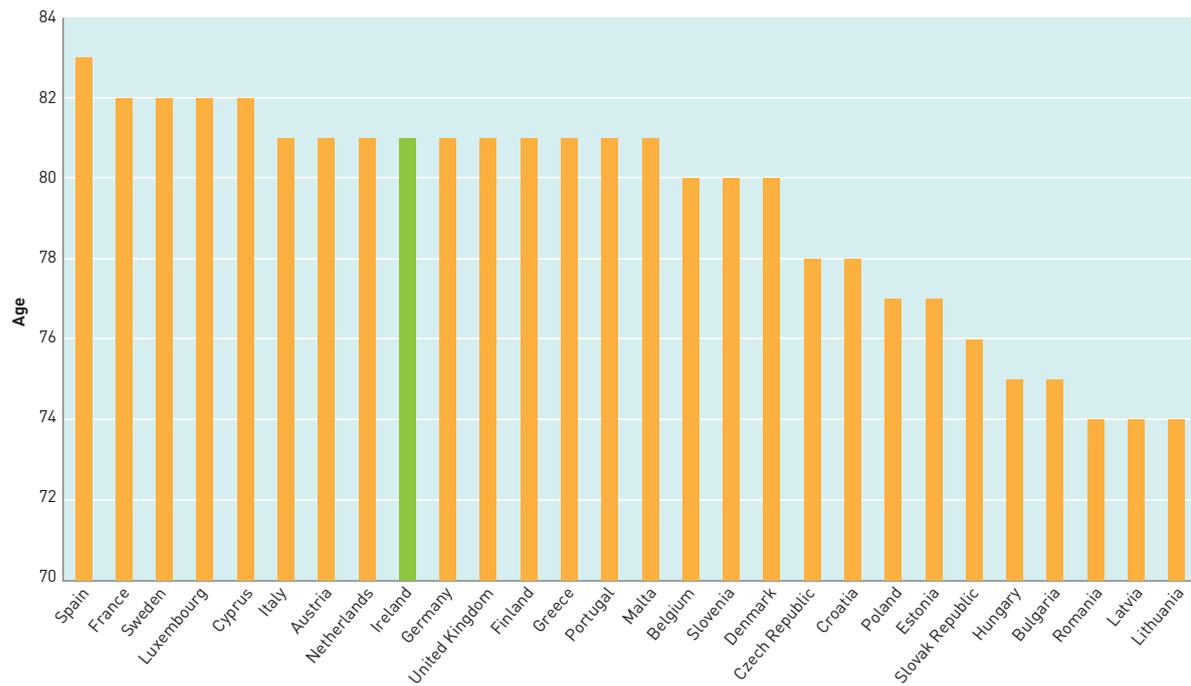


- Executive opinion about the role of the educational system in meeting the needs of a competitive economy is one (though only one) important qualitative indicator of how well the education system is functioning.
- From 2005 to 2010 the Irish education system has been seen by those executives completing the survey as better than the European average in meeting the needs of a competitive economy. However, the gap was closing.
- From 2010, the opinion of executives that Ireland's education system meets the needs of a competitive economy has improved overall, though dropped back a little this year. Ireland ranked sixth European country on this indicator in 2015, down from second in 2014.

Life expectancy at birth is towards the higher end in European terms

FIGURE 36 LIFE EXPECTANCY AT BIRTH 2013

Source: WHO

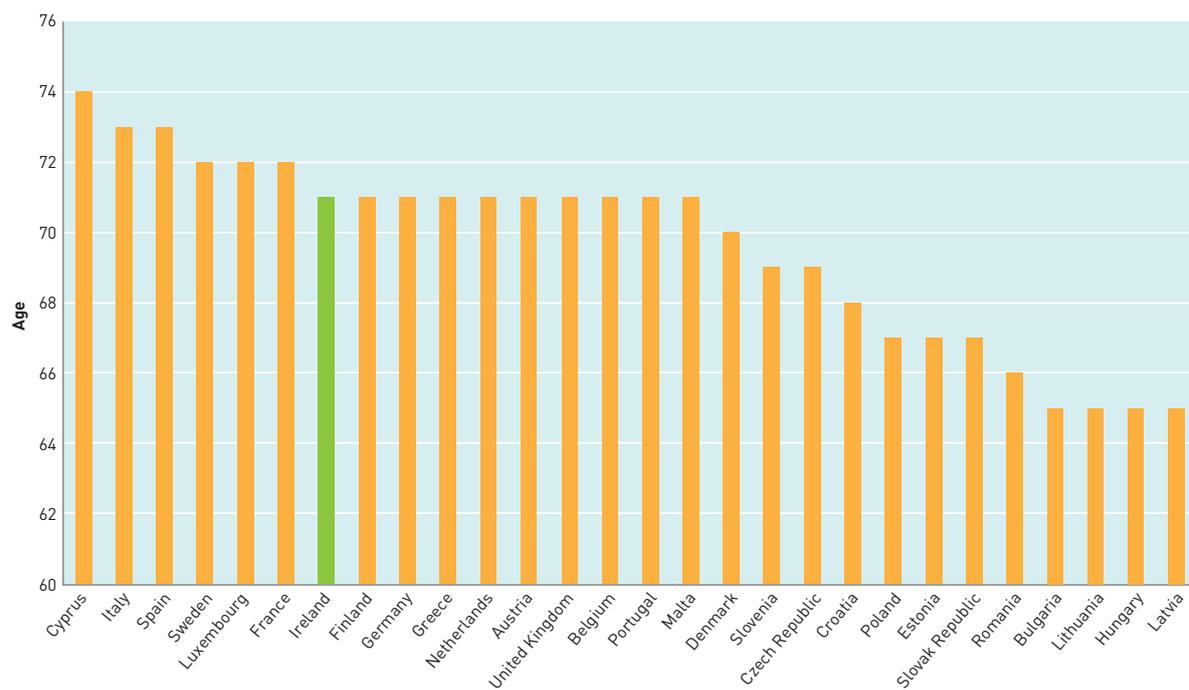


- Life expectancy at birth in Ireland in 2012 was 81 years. The range in EU countries is from 83 years in Italy, down to 74 years in Romania, Latvia and Lithuania.
- Ireland ranked joint sixth of the EU 28.

In terms of healthy life expectancy at birth Ireland ranks reasonably well in Europe

FIGURE 37 HEALTHY LIFE EXPECTANCY AT BIRTH 2013

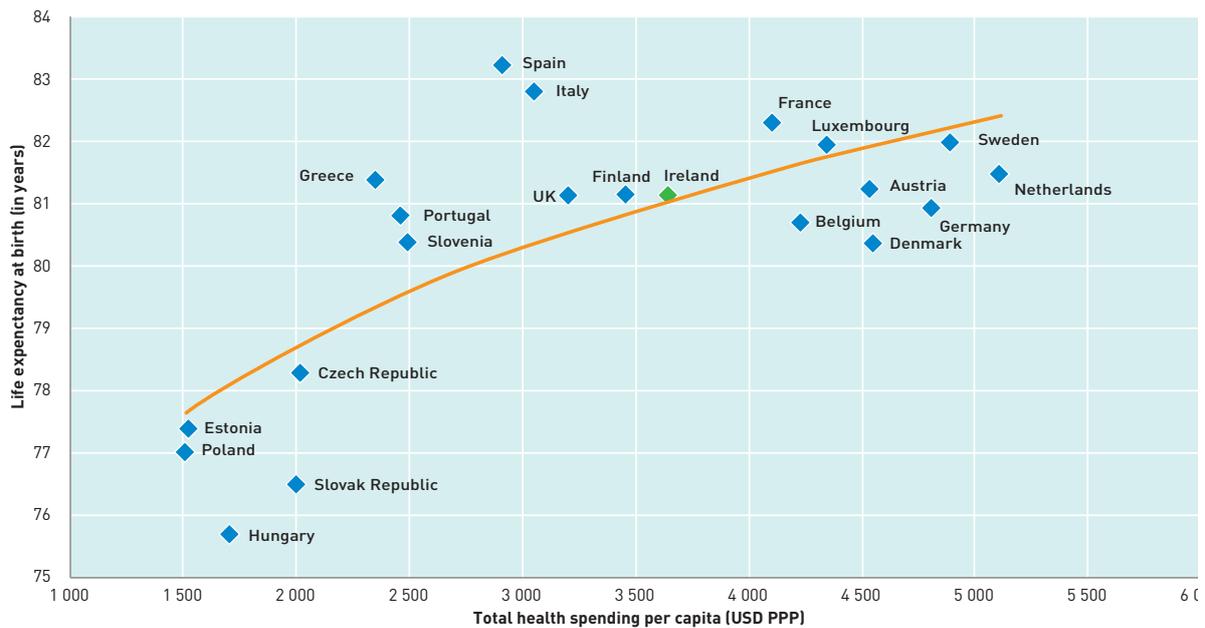
Source: WHO



- Healthy life expectancy represents the average number of years that a person can expect to live in 'full health' by taking into account years lived in less than full health due to disease and/or injury.
- Ireland scores joint seventh best in Europe in 2013 in terms of healthy life expectancy at birth, at 71 years.

Cost-effectiveness of health expenditure is at a reasonable level

FIGURE 38 LIFE EXPECTANCY AT BIRTH AND TOTAL EXPENDITURE ON HEALTH CARE PER CAPITA (2013 OR NEAREST YEAR)
Source: OECD Health Statistics 2014

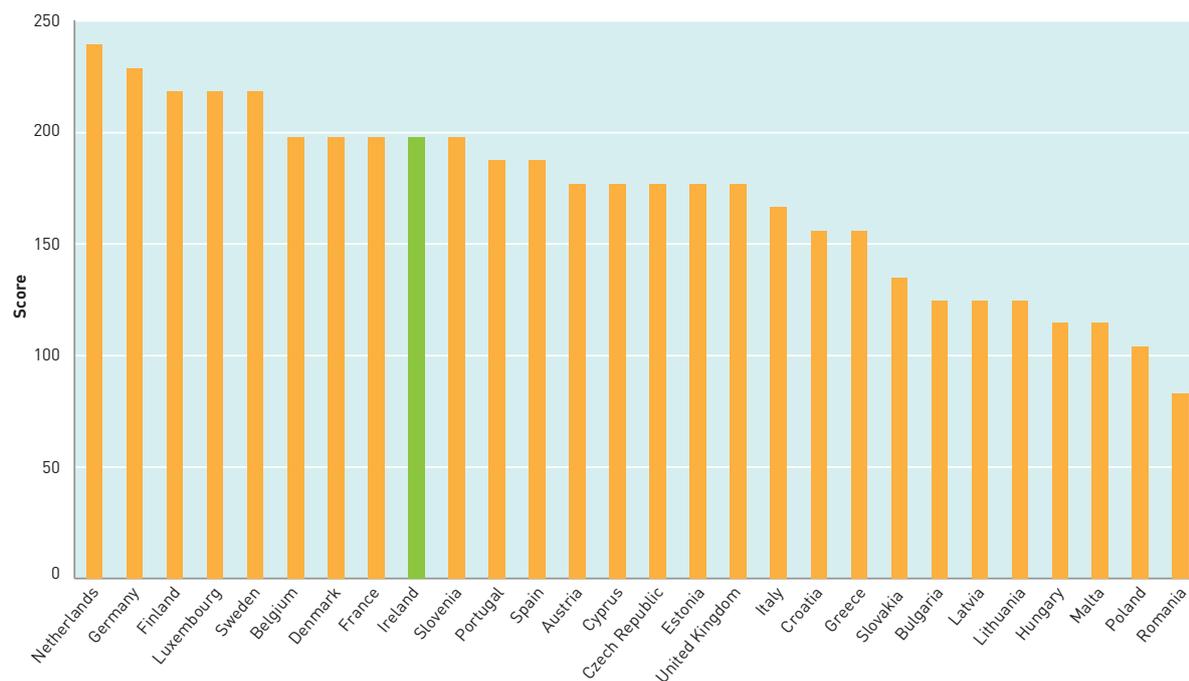


- In order to assess the cost-effectiveness of health services, OECD data allows comparison of improvements in life expectancy to total health expenditure per capita in countries. They note, however, that conclusions should be drawn with care, as many other factors beyond total health spending have a major impact on life expectancy and total health expenditure comprises both public and private expenditures.
- Overall, there is a positive relationship between total health expenditure per capita and life expectancy. Italy and Spain stand out as having relatively high life expectancy relative to their expenditure.
- Ireland has a level of life expectancy roughly as might be expected given the level of expenditure, suggesting cost-effectiveness is neither particularly good nor particularly bad.

Ireland ranks slightly above the EU28 average in achieving consumer health outcomes

FIGURE 39 EUROPEAN CONSUMER HEALTH OUTCOMES INDEX 2014

Source: Euro Health Consumer Index 2014



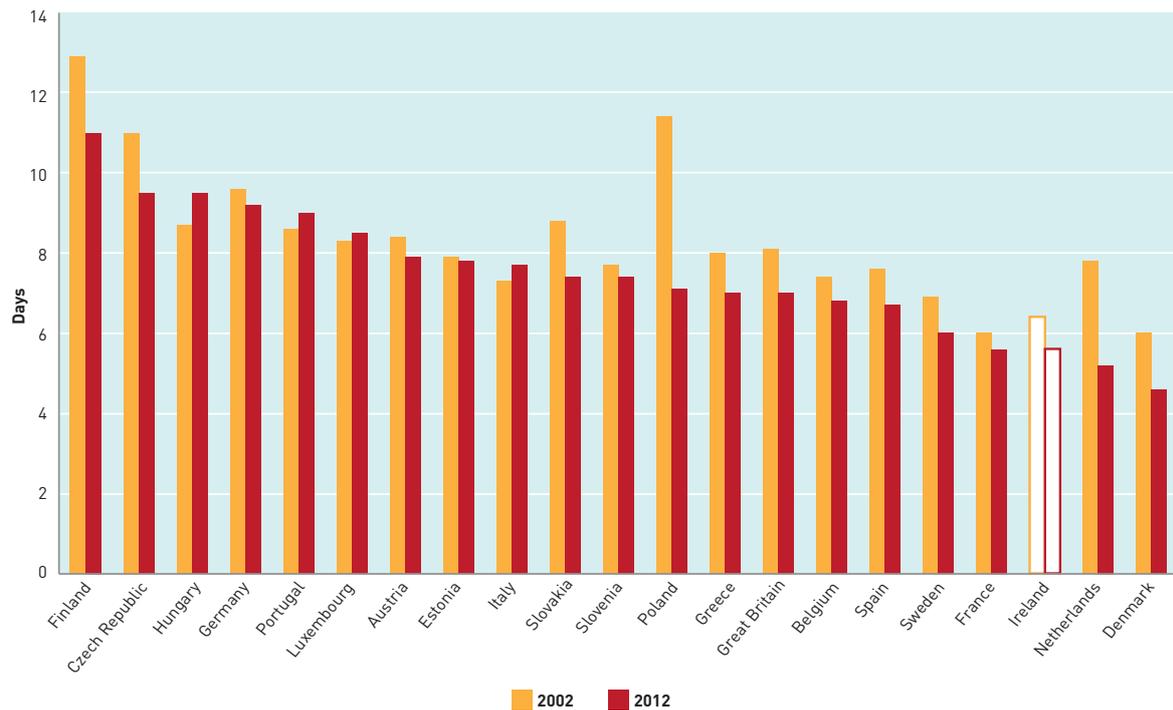
- The Euro Health Consumer Index 2014 (Health Consumer Powerhouse, 2015) includes a composite 'basket' measure of a sub-set of indicators focused on health outcomes¹⁷. The higher the score on this index, the better the outcomes.
- Ireland ranks around the EU28 average on this health outcomes index. The Netherlands, Germany and Finland achieve the top three rankings.

¹⁷ The outcomes measured in 2014 are: decrease of cvd deaths; decrease of stroke deaths; infant deaths; cancer survival; preventable years of life lost; MRSA infections; abortion rates; and depression.

Ireland's hospitals display comparatively high levels of efficiency with regard to length of stay

FIGURE 40 AVERAGE LENGTH OF STAY IN HOSPITAL FOR ALL CONDITIONS

Source: OECD Government at a Glance 2015

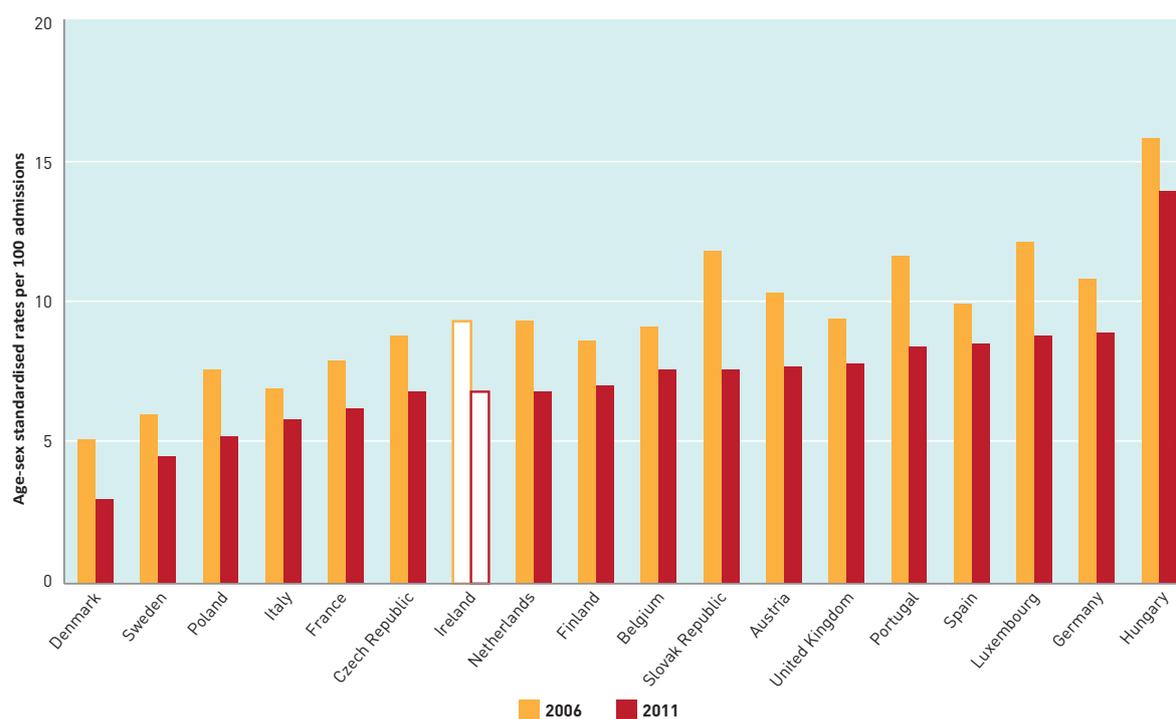


- Average length of stay in hospitals is a commonly used indicator of efficiency in the health system. All other things being equal, a shorter stay is associated with reduced costs. However, shorter stays do tend to be more service intensive and more costly per day. And too short a length of stay may cause adverse health effects.
- On a comparative basis, Ireland shows a low level of length of stay in hospitals (5.6 days in 2012), suggesting a relatively high level of efficiency.
- In most countries, including Ireland, length of stay has reduced from 2002.

Case fatality rates for heart attack victims decreased by almost a third between 2006 and 2011

FIGURE 41 HOSPITAL ADMISSION BASED CASE-FATALITY RATES IN ADULTS OVER 45 ADMITTED WITH A HEART ATTACK

Source: OECD Government at a Glance 2015



- Case-fatality rates for people admitted to hospital following an acute myocardial infarction (heart attack) have significantly decreased between 2006 and 2011.
- Case-fatality rates in Ireland fell by almost 30 per cent between 2006 and 2011. Ireland is close to the European average.

5. TRUST AND CONFIDENCE IN PUBLIC ADMINISTRATION

Twice a year Eurobarometer measures the level of public confidence in the national government and the national parliament. National government is not defined, and the extent to which it covers both political and administrative elements of government is unclear. But it is likely to primarily reflect levels of trust in the political parties in power at the time of the survey. Periodic surveys of trust in regional and local authorities by Eurobarometer are also examined, as are levels of satisfaction and confidence with police, education, health care and the justice system. Complaints to Ombudsman's offices are tracked as an indicator of confidence in public services.

Trust in government is growing slightly but remains below the European average

FIGURE 42 LEVEL OF TRUST IN GOVERNMENT

Source: Eurobarometer

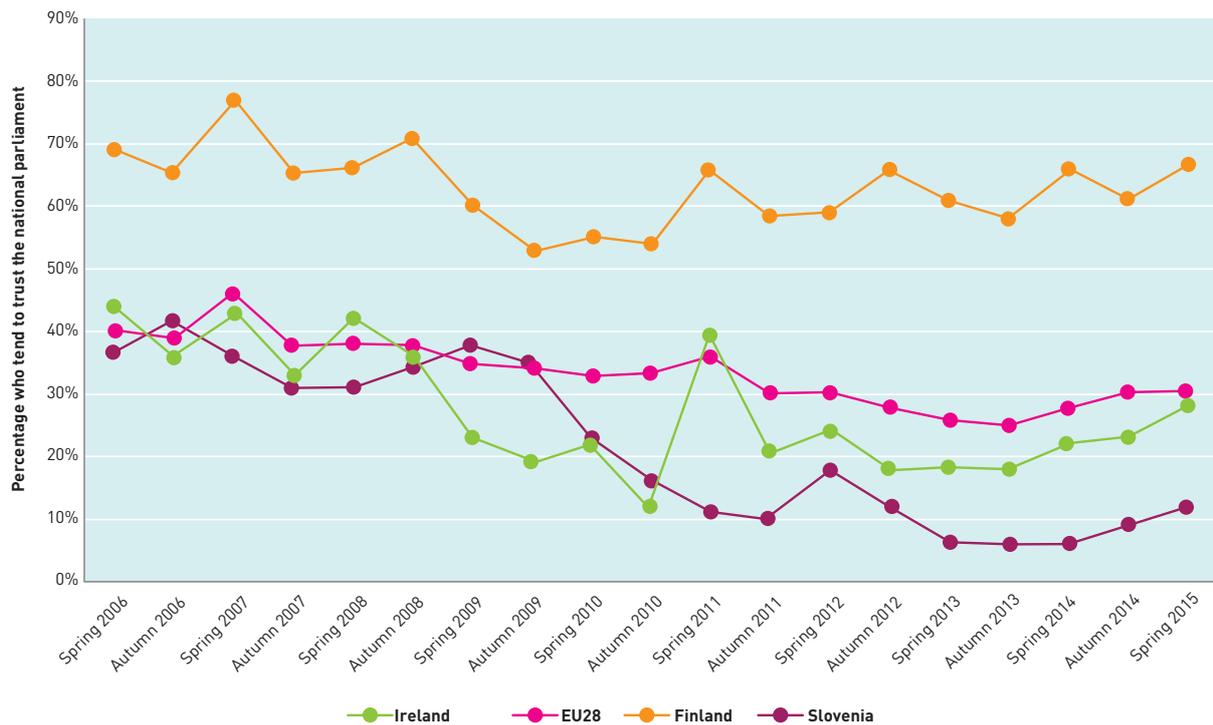


- The level of public trust in government in Ireland tended to be around the EU average from 2001 to 2008.
- However, there was a dramatic fall in the level of trust in government in Ireland from 2008 to 2010. Trust in government in the rest of Europe also fell, but only slightly. In autumn 2010, Ireland expressed the lowest level of trust in government of any of the EU27 (10 per cent).
- In spring 2011, the level of public trust increased significantly to 42 per cent expressing trust in the Irish government, reflecting the election of a new government. This fell back to 22 per cent by autumn 2011.
- Trust in government has slowly increased since 2013, and 28 per cent of those surveyed in 2015 said they tended to trust the government.

Trust in parliament remains low and below the European average but is improving slowly

FIGURE 43 LEVEL OF TRUST IN NATIONAL PARLIAMENT

Source: Eurobarometer

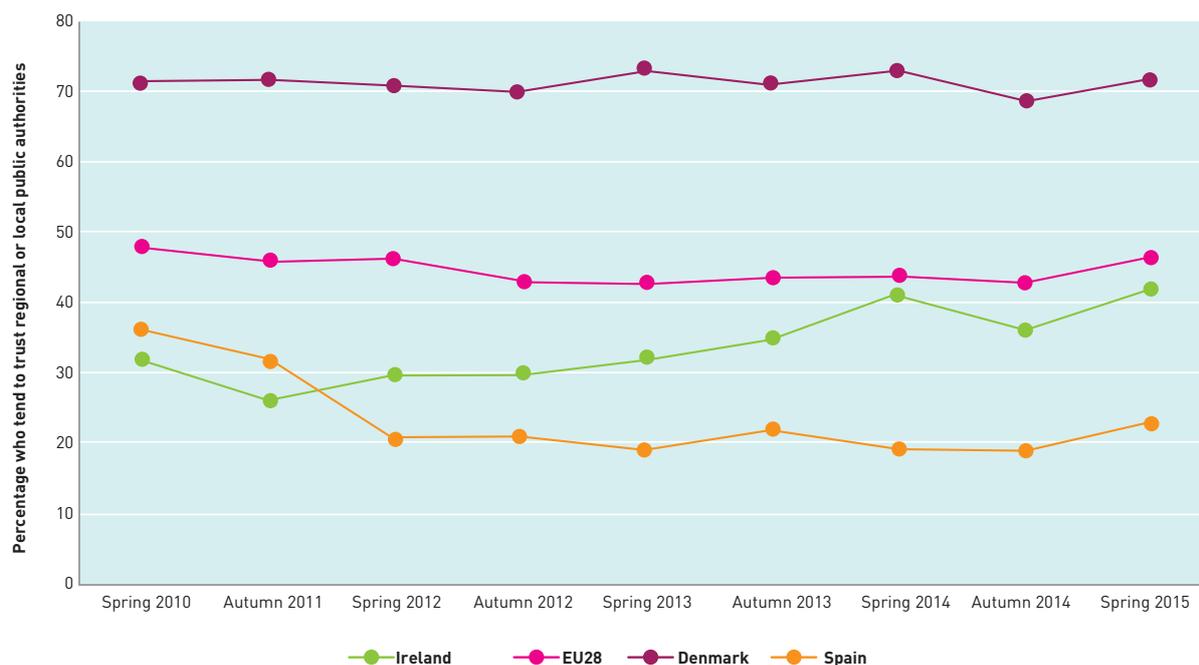


- The level of trust in national parliament has, on average, fallen in Ireland up to 2012.
- Irish trust in parliament was around the EU average until 2008.
- From 2008 to 2010, as with trust in government, trust in parliament dropped rapidly both in absolute terms and compared to the European average.
- In spring 2011, the positive perception brought about by the election of a new government led to the proportion of respondents who expressed trust in the Irish parliament being back above the EU average, at 39 per cent. The level of trust subsequently fell again.
- Trust in parliament has gradually increased since 2012 and stood at 28 per cent in 2015, still below the European average.
- The Nordic countries of Sweden, Denmark and Finland display the highest levels of trust in their national parliaments.

Trust in regional and local authorities remains below the European average but continues to improve overall

FIGURE 44 LEVEL OF TRUST IN REGIONAL OR LOCAL PUBLIC AUTHORITIES

Source: Eurobarometer

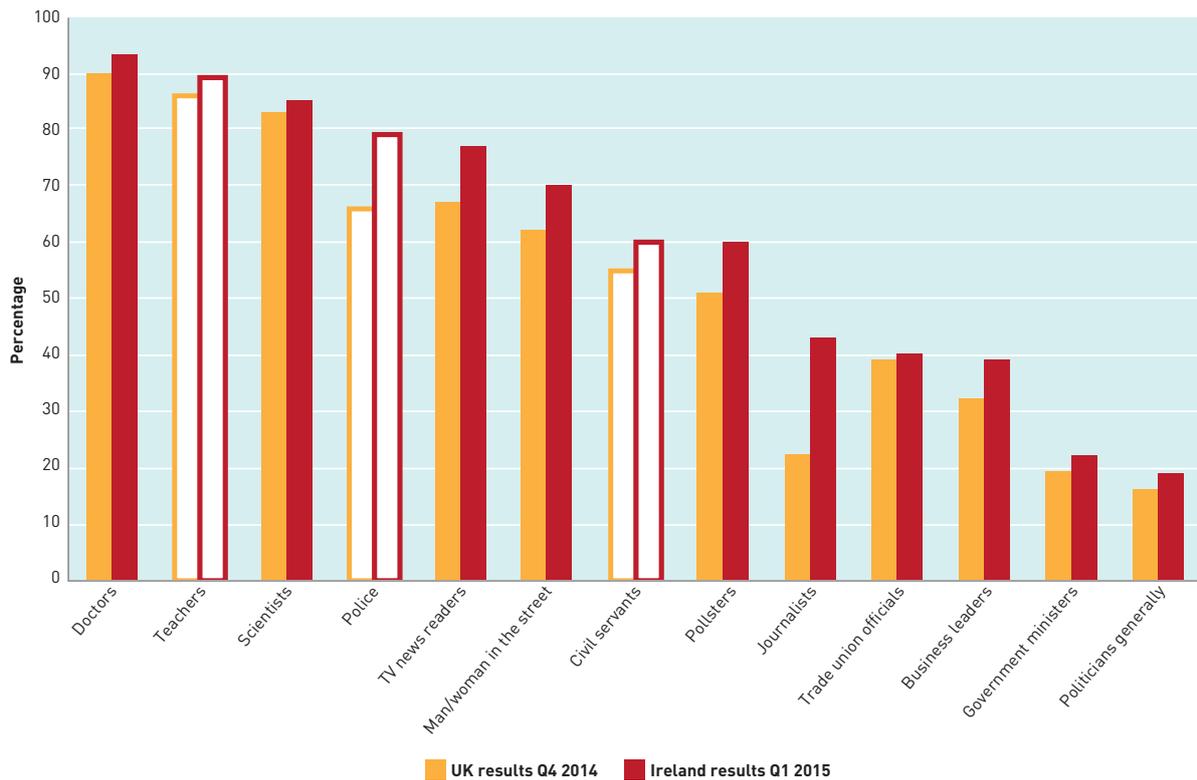


- The level of trust in regional and local authorities in Ireland was at 26 per cent in 2011, down from 40 per cent in 2008. It has increase since then, and stood at 42 per cent tending to trust regional and local authorities in spring 2015.
- After exhibiting one of the lower levels of trust in the EU in 2011, the level of trust expressed is now back closer to the EU28 average.

Trust in public servants to tell the truth is reasonably high

FIGURE 45 LEVEL OF TRUST TO TELL THE TRUTH

Source: Ipsos MRBI/Ipsos MORI Veracity Index as published in Irish Civil Service Customer Satisfaction Survey 2015

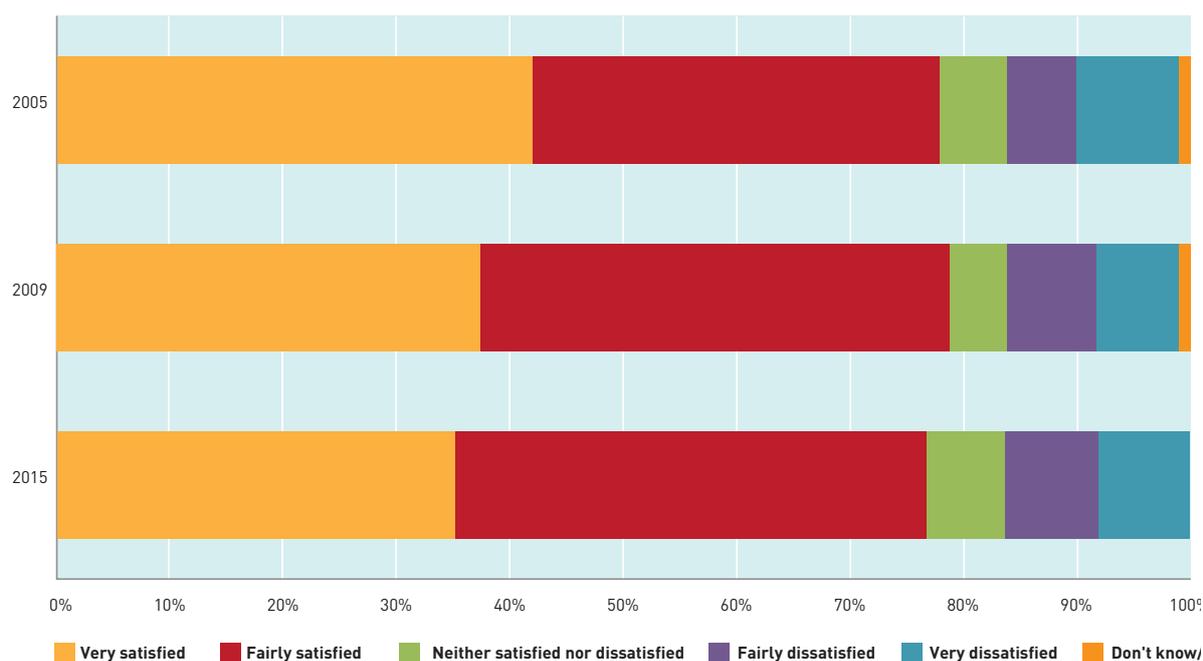


- In general, the level of trust in public servants is much higher than the level of trust in the government or parliament.
- There is almost 90 per cent trust in teachers to tell the truth. This drops to 80 per cent for the police and 60 per cent for civil servants.
- Levels of trust in Ireland are higher than in the UK.

The majority of the public are satisfied with the service received from the civil service

FIGURE 46 LEVEL OF SATISFACTION WITH SERVICE RECEIVED FROM THE CIVIL SERVICE

Source: Ipsos MRBI/Ipsos MORI Veracity Index as published in Irish Civil Service Customer Satisfaction Survey 2015

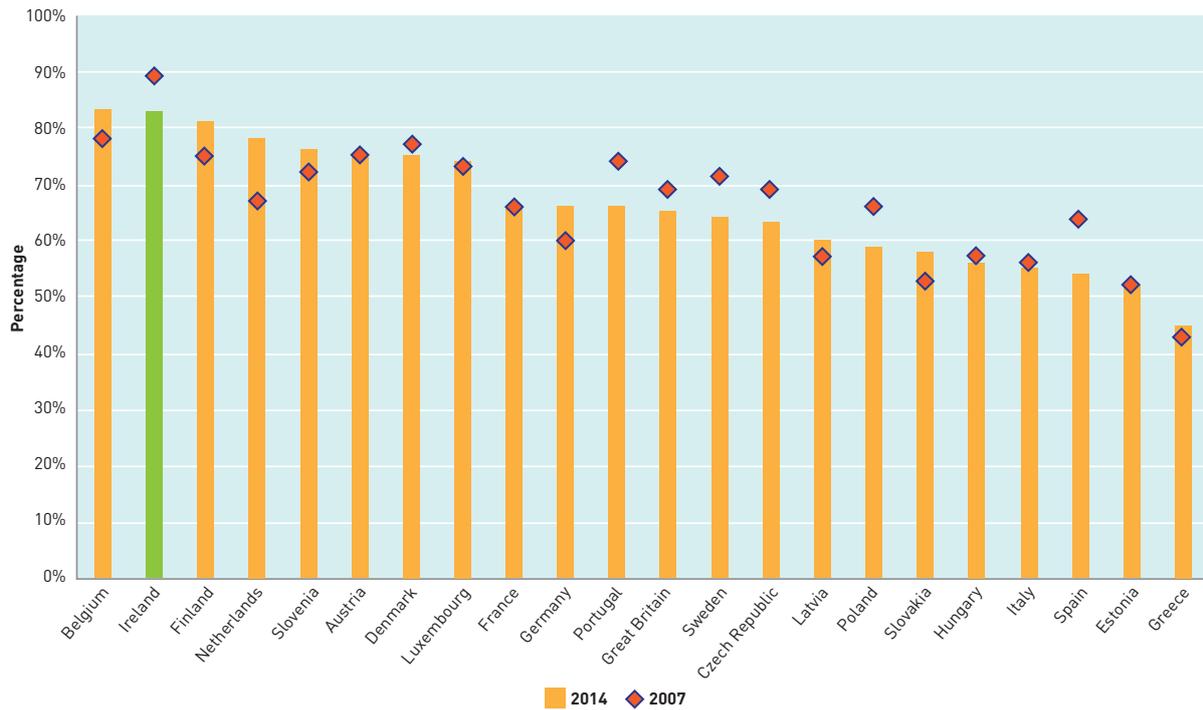


- Most members of the public are satisfied with the service received from the civil service. Three-quarters of those surveyed were either very or fairly satisfied in 2015. The level of satisfaction has remained relatively constant over the three surveys (2005, 2009 and 2015).
- 16 per cent of the general public were either very or fairly dissatisfied with the level of service provided to them by the civil service in 2015. Again this level of dissatisfaction has remained relatively steady over time.
- The main reasons given for dissatisfaction were that the process was too slow and waiting time on the phone/holding time/automated service.

Irish residents display a very high level of satisfaction with the educational system

FIGURE 47 CITIZEN SATISFACTION WITH THE EDUCATION SYSTEM

Source: OECD Government at a Glance 2015, based on Gallup World Poll data

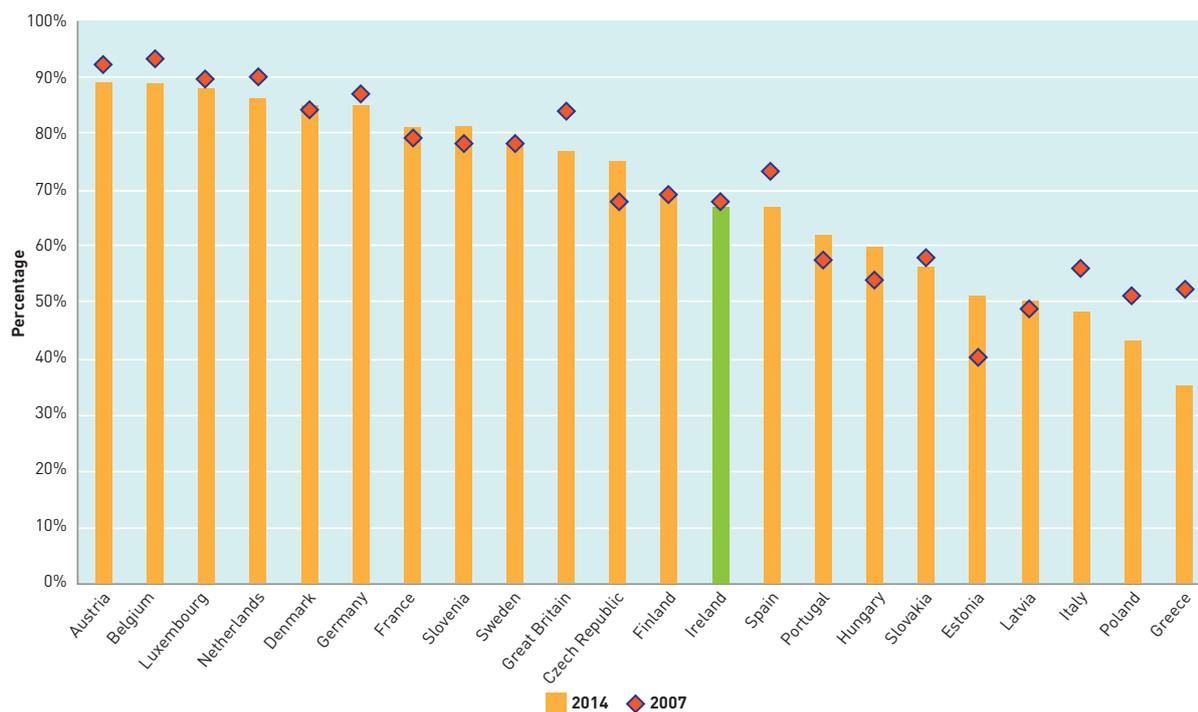


- Data for satisfaction with the education system and schools refers to the percentage of 'satisfied' answers to the question: In the city or area where you live, are you satisfied or dissatisfied with the educational system or the schools?
- The level of satisfaction in Ireland, at 83 per cent in 2014, is the second highest of all the European countries surveyed. However, satisfaction levels have dropped from 2007, when they were at 89 per cent.

There is a relatively low level of satisfaction with health care compared to many European countries

FIGURE 48 CITIZEN SATISFACTION WITH THE HEALTHCARE SYSTEM

Source: OECD Government at a Glance 2015, based on Gallup World Poll data

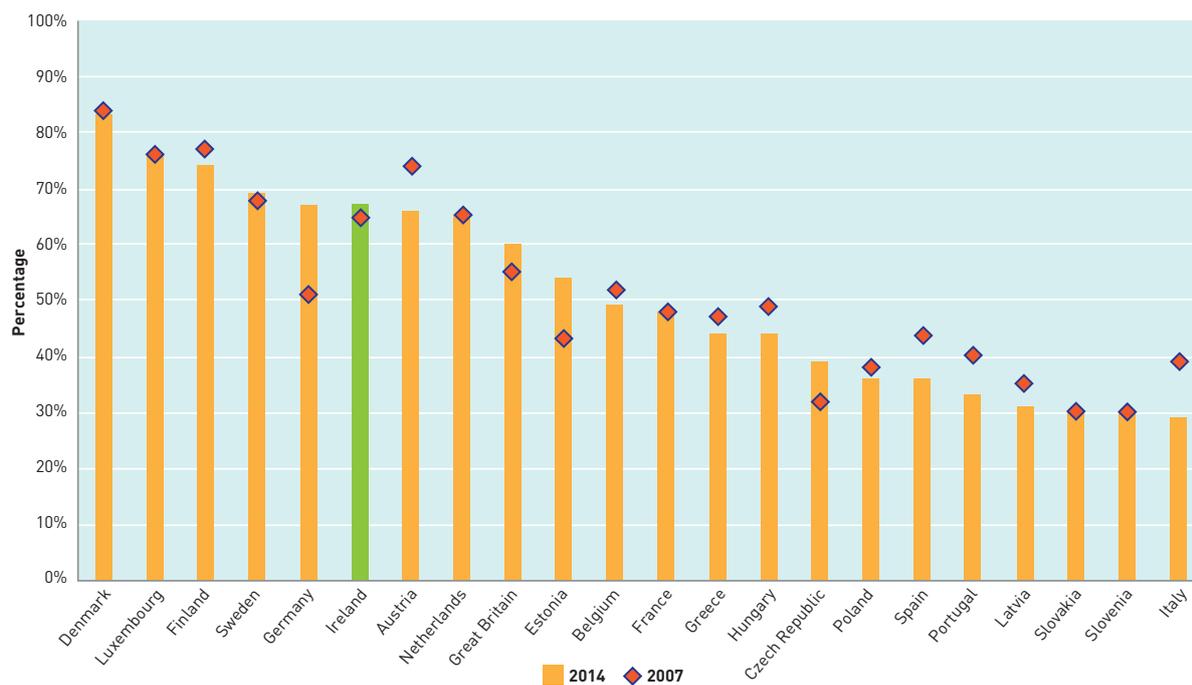


- Data for satisfaction with the availability of quality health care refers to the percentage of 'satisfied' answers to the question: In the city or area where you live, are you satisfied or dissatisfied with the availability of quality health care?
- Satisfaction with health care in Ireland is slightly below the European average, at 67 per cent in 2014.

Confidence in the judicial system and courts service is quite high compared to other countries

FIGURE 49 CITIZEN'S CONFIDENCE WITH THE JUDICIAL SYSTEM

Source: OECD Government at a Glance 2015, based on Gallup World Poll data

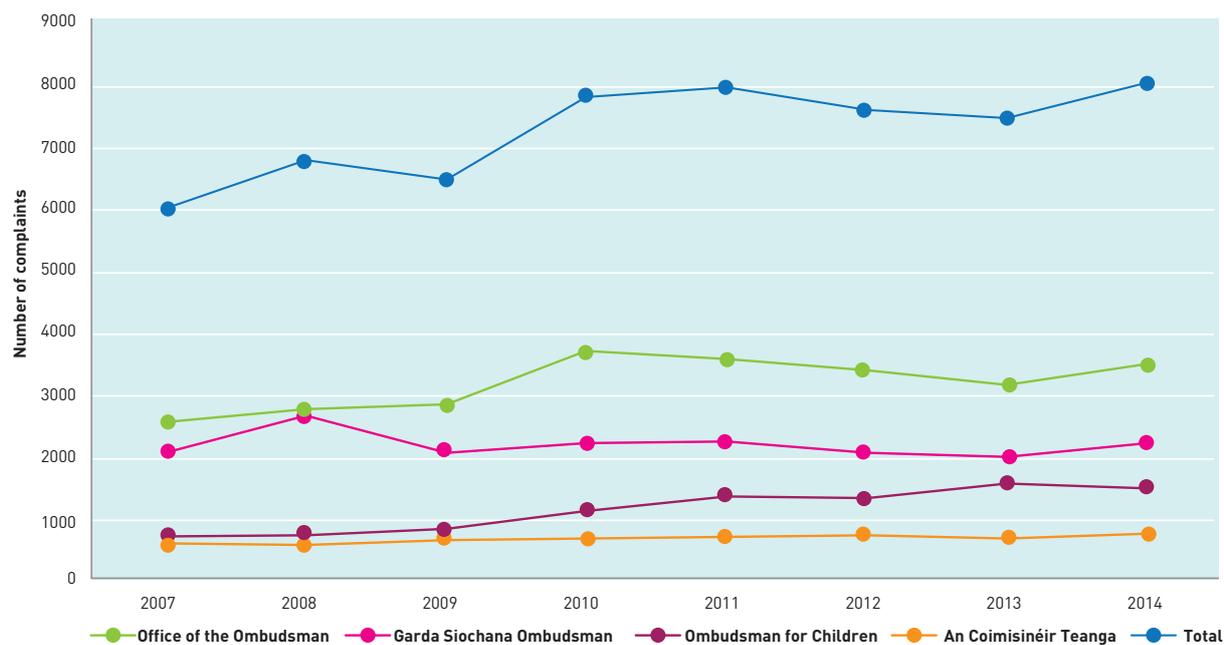


- Data for confidence in the judicial system refers to the percentage of 'yes' answers to the question: In this country do you have confidence in each of the following, or not? How about the judicial system and courts?
- Confidence levels in the judicial system and the courts in Ireland are quite high in European terms, at 67 per cent.

Complaints to Ombudsman offices increased in 2014

FIGURE 50 COMPLAINTS TO OMBUDSMAN OFFICES

Source: various Ombudsman Office annual reports.



- The number of complaints received increased in 2014 to just over 8,000 in total
- Just over 3,500 complaints within their remit were received by the Office of the Ombudsman, an increase of 11 per cent

6. CONCLUSION

The public sector has undergone major challenges and change since the economic crisis of the late 2000s. This had resulted in changes such as fewer staff at a time of growing population and service demands. In this context, in many ways the figures presented here show a reasonably positive picture of the state of the public service in Ireland in 2015.

This is not to say that there are no problems and challenges facing the public sector. Efficiency and cost-effectiveness can still be improved in many areas. Trust and confidence in aspects of public services remains low. Time lag effects may lead to quality issues emerging in subsequent years. In few areas is Ireland at the leading edge of Europe with regard to its public administration

The numbers of public service employees is beginning to rise, as is the pay and pension bill. As the immediate impacts of the recession and the austerity related programmes end, the public sector is now moving into a new phase of reform and development. As new staff are employed and services developed, it is important that the quest for efficiency and savings is maintained, and that the efficiency gains achieved in the last few years are not dissipated.

The data presented in the annual *Public Sector Trends* series will continue to provide evidence of the effects of reform and how well our public services are working. Knowing where we rank in Europe can point out areas where we need to improve, and identify countries we might learn from. Many of the indicators used here are based on people's perceptions of the public service and are clearly influenced by general economic, political and cultural conditions rather than necessarily any actual change in service. Nevertheless, such indicators are important in that perceptions influence how people see Ireland as a place to live, do business and invest.

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APPENDIX 1

INDICATORS USED TO MAKE UP THE IPA PUBLIC ADMINISTRATION QUALITY INDICATOR¹

	Data Source and Indicator	Description
Traditional Public Service Values Indicator (TPSVI)	Government Decisions (IMD)	Government decisions are effectively implemented
	Justice Processes (IMD)	Justice is fairly administered
	Judicial Independence (WEF)	The judiciary is independent from political influences of members of government, citizens or firms
	Diversion of Public Funds (WEF)	Diversion of public funds to companies, individuals or groups due to corruption
	Bribery and Corruption (IMD)	Existence of bribery and corruption
	Favouritism in Decisions of Government Officials (WEF)	When deciding upon policies and contracts, government officials are neutral
	Transparency (IMD)	Government policy is transparent
	Wastefulness of Government Spending (WEF)	The composition of public spending is wasteful
	Reliability of Police Services (WEF)	Police services can be relied upon to enforce law and order

	Data Source and Indicator	Description
Competitiveness and Regulation Indicator (CRI)	Legal and Regulatory Framework (IMD)	The legal and regulatory framework encourages the competitiveness of enterprises
	Public Sector Contracts (IMD)	Public sector contracts are sufficiently open to foreign bidders
	Ease of Doing Business (IMD)	The ease of doing business is supported by regulations
	Intellectual Property Rights (IMD)	Intellectual property rights are adequately enforced
	Public and Private Sector Ventures (IMD)	Public and private sector ventures are supporting technological developments
	Bureaucracy (IMD)	Bureaucracy hinders business activities
	Burden of Government Regulation (WEF)	Complying with administrative requirements (permits, regulations, reporting) issued by government is burdensome

¹ IMD refers to indicator from the IMD World Competitiveness Yearbook. WEF refers to indicator from the WEF Global Competitiveness Report

