

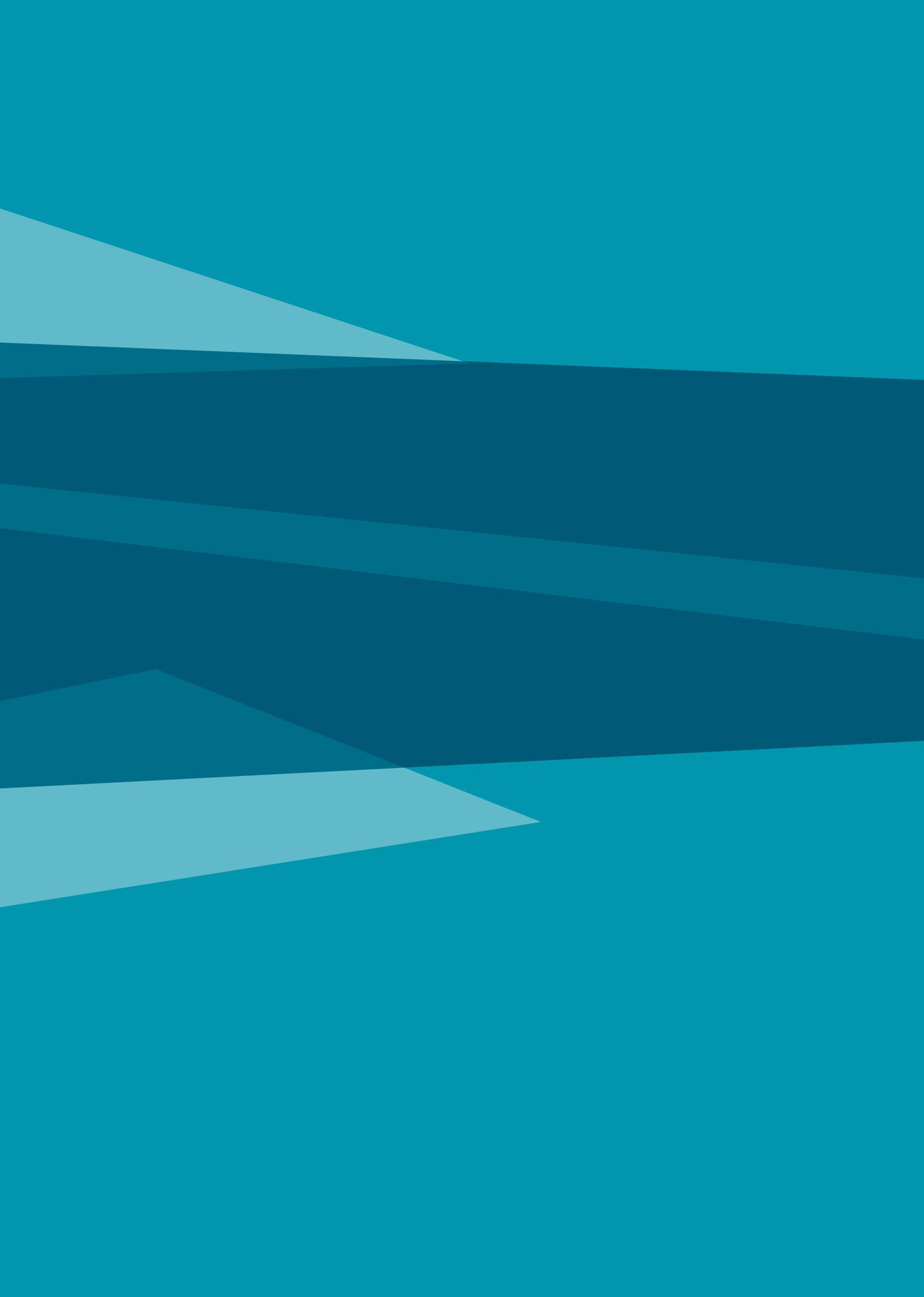
PUBLIC SECTOR TRENDS 2013

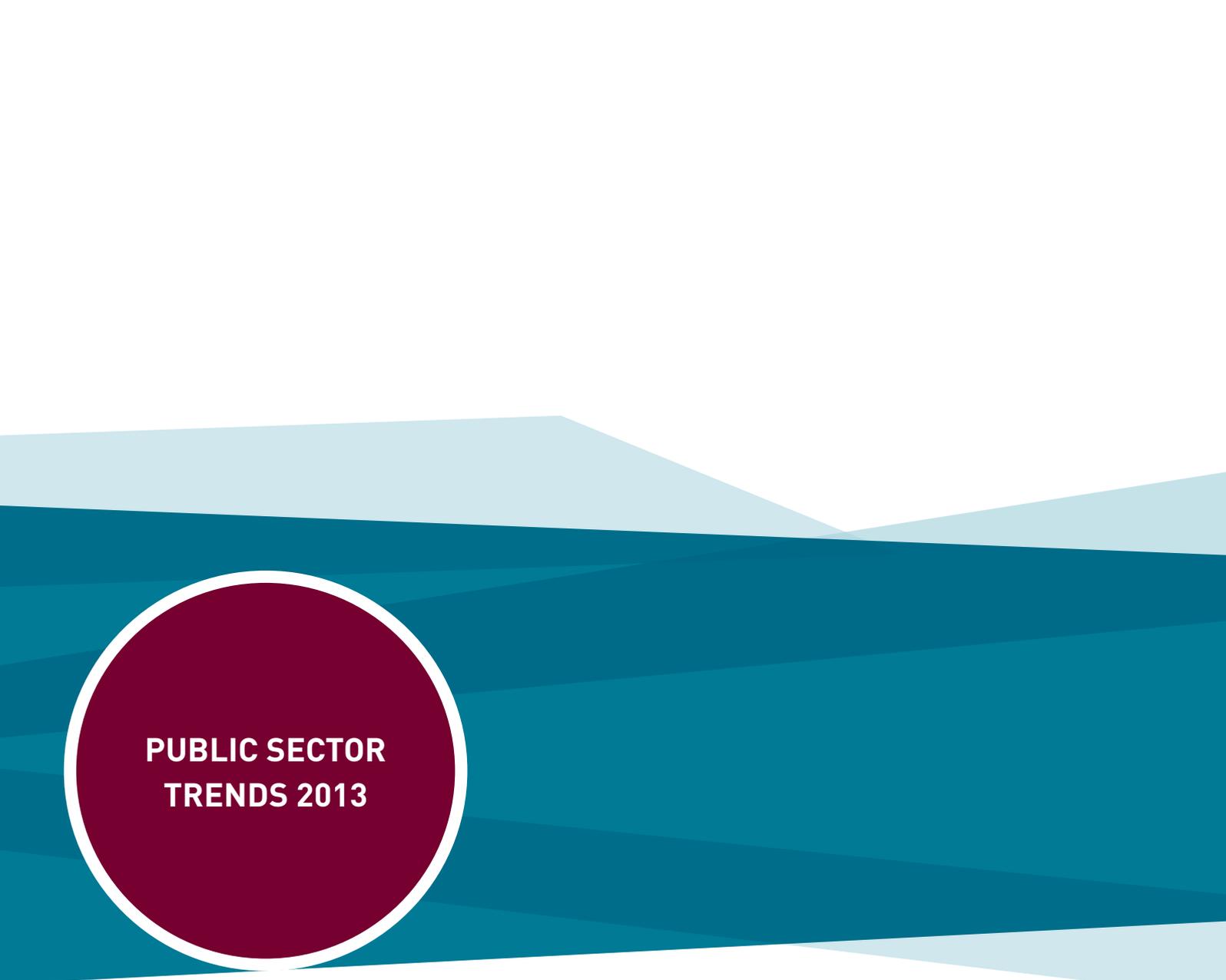


STATE OF THE PUBLIC SERVICE SERIES | JANUARY 2014

RICHARD BOYLE

RESEARCH PAPER | NO 11





**PUBLIC SECTOR
TRENDS 2013**

STATE OF THE PUBLIC SERVICE SERIES | JANUARY 2014

RICHARD BOYLE

RESEARCH PAPER | **NO 11**

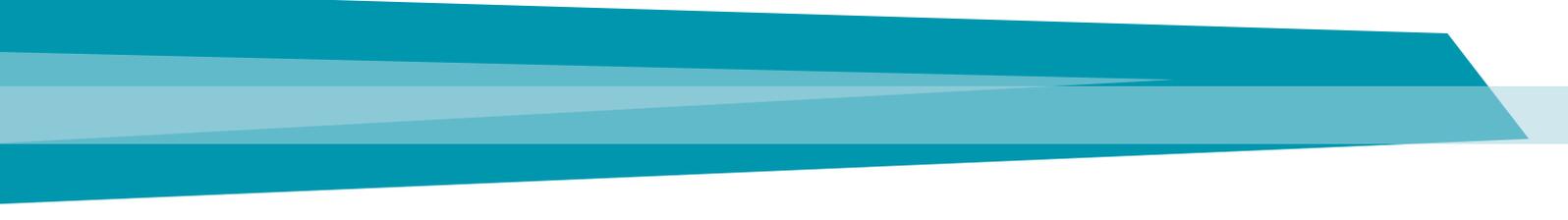


TABLE OF CONTENTS

| | |
|--|----|
| Foreword | 5 |
| Main findings | 6 |
| 1 Introduction | 9 |
| 2 The size and cost of the public sector | 10 |
| 3 The quality and efficiency of public administration | 21 |
| 4 Sectoral performance | 35 |
| 5 Trust and confidence in public administration | 50 |
| 6 Conclusion | 58 |

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.



FOREWORD

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.

This report examines trends in public sector development and is the fourth 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.

Brian Cawley
Director General
Institute of Public Administration

MAIN FINDINGS

The size and cost of the public sector

- Government expenditure as a percentage of GDP had fallen considerably since 2010, as spending reductions introduced by the government have had an effect. In 2012, at 42 per cent of GDP, Ireland's public spending is significantly below the European average, as it was in the early 2000s.
- Expenditure per head of population grew faster in Ireland than the EU average up to 2010. But since 2011, general government expenditure per head has fallen significantly, and in 2012 is at just under €15,000 per person, below 2007 levels. Government expenditure per person in Ireland was the ninth highest in Europe in 2012.
- There has been a significant drop in the numbers employed in the public service since 2008, with a drop of around 9 per cent. The number of people employed in the public service in 2013 is now down to close to 2005 levels of employment.
- Two out of every three people employed in the public service work in either health or education. In 2012, there were approximately 102,000 people employed in the health sector and 92,000 people employed in the education sector.
- While numbers have fallen in all sectors since 2008, some have been affected significantly more than others. The biggest drop proportionally has been in the non-commercial state agencies (21 per cent) and local authorities (18 per cent). The smallest drop proportionally has been in the education sector (4 per cent) and civil service (7 per cent).
- A combination of a shrinking public workforce and a growing population means that public service employees per 000 population has been dropping every year since 2008 and is at 63.2 public service employees per 000 population in 2013.
- As a share of total employment, people with jobs in the public service made up 16.4 per cent of the labour force in 2011. This is in the middle grouping of European countries.
- From 2008 to 2013, 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 €16.6bn in 2013.
- In the four years to Q3 2013 public sector average weekly

earnings have fallen by €47.88 (5 per cent) compared with a decrease of €2.41 (0.4 per cent) in private sector average weekly earnings in the same period. Average weekly earnings remain considerably higher in the public sector than in the private sector.

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 ranked 5th of the EU28 on this indicator in 2013.
- 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 has improved in each of the last three years.
- The World Bank produces an annual composite indicator of government effectiveness. In 2011 (the latest year for which data is available) Ireland ranked 11th of the EU28 against this indicator.
- The impact of the regulatory problems identified in the financial sector in 2009 has clearly impacted on a World Bank regulatory quality indicator, and Ireland was the 6th ranked European country on this indicator in 2011, down from 1st in 2008.
- Compared to most European countries, bureaucracy in Ireland is not seen as a particular hindrance to business activity. Only in Sweden, Finland, and Denmark is bureaucracy seen as less burdensome.
- The same opinion surveys, though, show that there is a perception that the composition of government spending is wasteful. There was a worsening of the perception about the wastefulness of public spending in Ireland from 2008 to 2010, but a slight pick-up in 2011 which has continued through to 2013. This now places Ireland back above the European average on this indicator, with Ireland ranking 12th of the EU28.
- Ireland was ranked 9th out of the EU28 in 2013 against an indicator measuring perceptions that government decisions are effectively implemented.
- Ireland's medium-term economic framework is less well developed than frameworks in many other European countries, but performance budgeting practices rank as above average.
- 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. The efficiency of the tax regime comes out particularly strongly. However, general performance across Europe is improving and Ireland's performance slightly dis-improved overall in 2012.

- Timeliness is an important indicator of quality and efficiency. Among the countries where a time standard is set for processing of personal tax returns, Ireland performs exceptionally well. In the justice sector, in surveys of trial length of first-instance civil trial cases, Ireland comes in the middle range of European performance.

Sectoral performance

Education

- Tests designed to assess the reading, mathematics and science achievement of fourth class pupils show Ireland having a high ranking in Europe with regard to reading, but lower rankings for maths (around the European average) and science (below the European average).
- An OECD study of adult skills shows Ireland perform poorly compared to most other European countries with regard to literacy and numeracy proficiency and problem solving.
- Ireland delivers an average level of educational efficiency when comparing reading performance to spending per student across Europe. However, a low level of efficiency is shown when comparing maths performance to spending.
- In 2011 and 2012, the opinion of executives that Ireland's education system meets the needs of a competitive economy improved, though it dropped back slightly in 2013. Ireland ranked 6th of the EU28 on this indicator in 2013, down from third in 2012.

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 EU15 average. As with most other European countries, Ireland improved its score on this health outcomes index between 2009 and 2012.
- Ireland's hospitals display comparatively high levels of efficiency compared to other European countries with regard to length of stay in hospital.

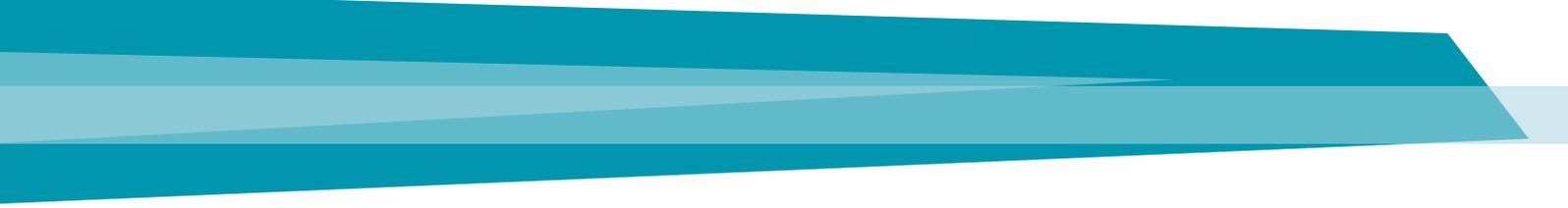
Trust and confidence in public administration

- There was a dramatic fall in the level of trust in government in Ireland from 2008 to 2010. Since then reported levels of trust have fluctuated somewhat, but remain low at 18 per cent saying they have trust in government in spring 2013. Trust in parliament displays a similar pattern and level of trust.
- Trust in regional and local authorities in Ireland is low compared to most European countries. However, in the last couple of years, while the level of trust in Ireland has been increasing, the European average level of trust has been decreasing.
- Citizens' level of satisfaction with public services varies significantly by sector. Satisfaction with the education system and schools is the highest in Europe, whereas satisfaction with the quality of health care is below the European average. Confidence in the justice system and courts is quite high, while confidence in the local police is around the average in Europe.

Conclusions

In terms of overall performance, the data presented in this paper suggests that the quality of Ireland's public administration is slightly above average for the European Union. There are some positive signs that some aspects of quality have improved in recent times. This is at a time of reducing numbers of public servants, a growing population placing increasing demands on services, and tight control of resources. To register some improvements in quality of public services compared to other European countries in the current circumstances is no small feat.

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 public services remains low overall. In very few areas is Ireland at the leading edge of Europe with regard to its public administration.



The government's public service reform programme is intended to further change the way the public sector works. Reform is about doing things differently with less. The old way of doing things cannot be sustained in many places and new ways of working are needed to cope. This means that cost-cutting measures cannot be taken in isolation, but need to be accompanied by structural and process reform of the public service. 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, all the more so in times of financial stringency, 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 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 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/govata glance.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 more than 10% of GDP. 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 continues to fall rapidly from its peak in 2010, and is back below the EU27 average

FIGURE 1 GENERAL GOVERNMENT EXPENDITURE AS SHARE OF GDP/GNI

Source: CSO; Eurostat⁸



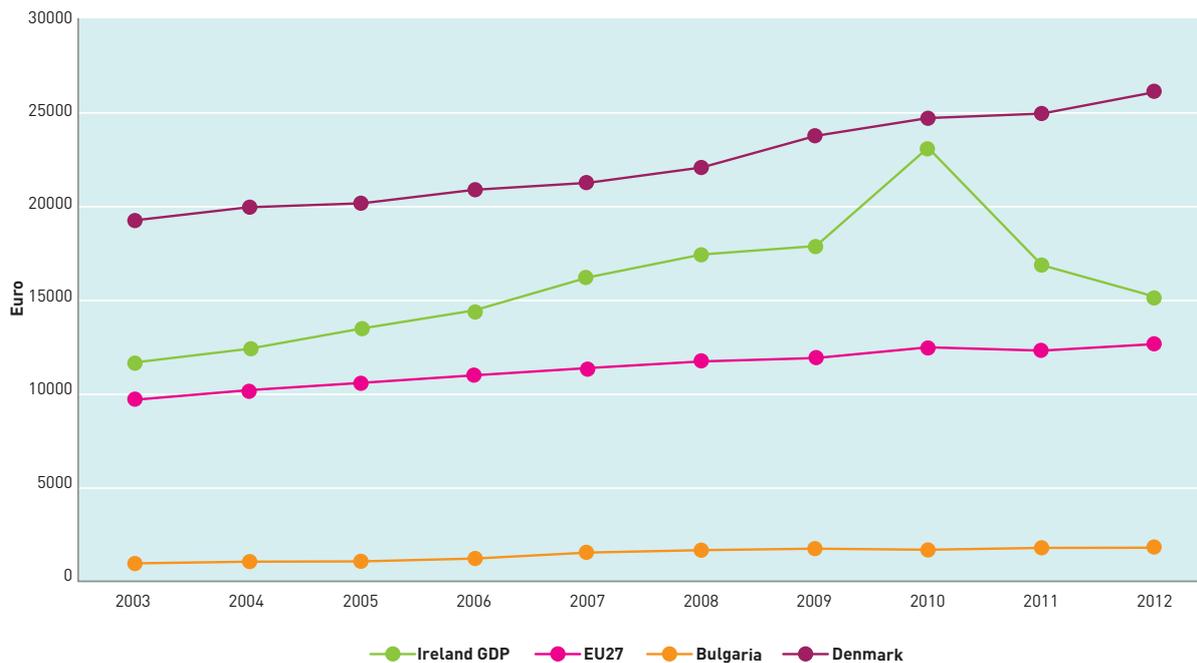
- A commonly used indicator of public spending in the economy is expenditure as a percentage of GDP (gross domestic product). In the early to mid-2000s, using this indicator, Ireland had a very small share of public spending compared to most EU countries.
- However, from 2008 to 2010, as GDP shrank as 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 2012, at 42 per cent of GDP, Ireland's public spending is again 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 figure⁹. Using this GNI indicator, the size of the public sector has been above the EU average since 2007. In 2012 government expenditure as a percentage of GNI was 51.4 per cent, now close to the European average of 49.3 per cent

⁸ Croatia figures not available from Eurostat, hence EU27 rather than EU28

⁹ 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 continued to fall in 2012

FIGURE 2 GENERAL GOVERNMENT EXPENDITURE PER HEAD OF POPULATION
Source: Eurostat¹⁰



- 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. In 2011 and 2012, general government expenditure per head fell significantly, and in 2012 is at just under €15,000 per head, below 2007 levels.
- Government expenditure per person in Ireland in 2012 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 EU¹¹.

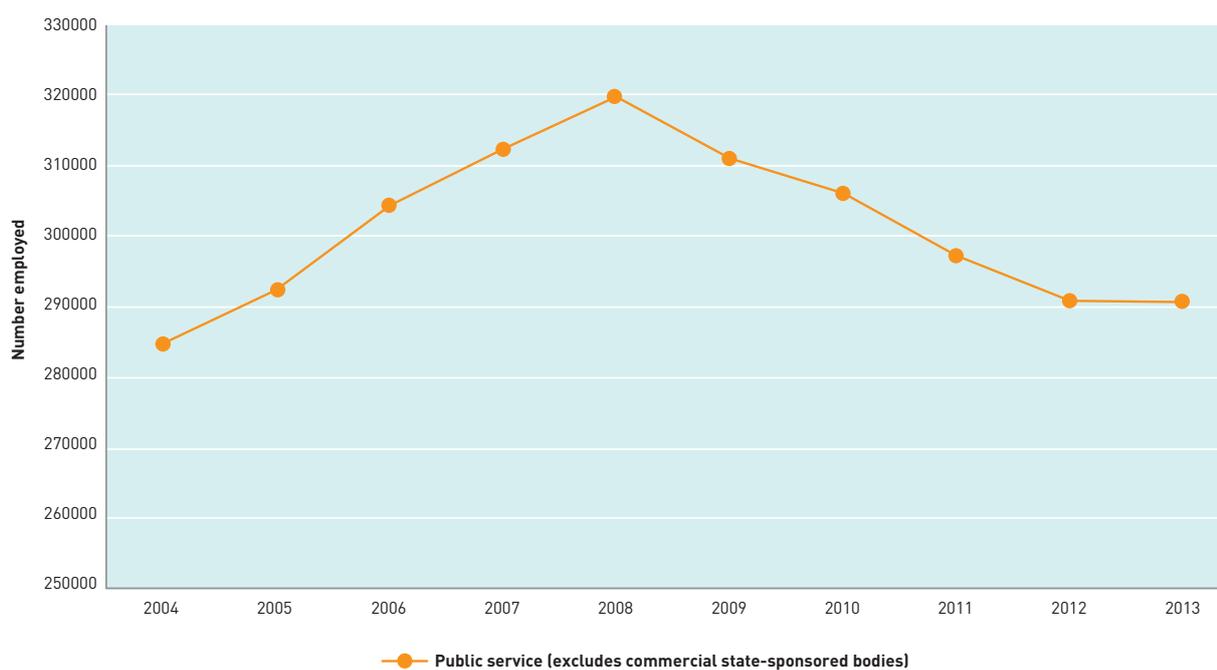
¹⁰ Croatia figures not available from Eurostat, hence EU27 rather than EU28

¹¹ Luxembourg has by far the highest level of general government expenditure per head of population, at €35,902 in 2012, but is atypical. Denmark is more representative of countries that have a high level of government spending per head of population.

Numbers employed in the public service continue to decline, though at a slower rate

FIGURE 3 NUMBERS EMPLOYED IN THE PUBLIC SERVICE

Source: Department of Public Expenditure and Reform Databank¹²



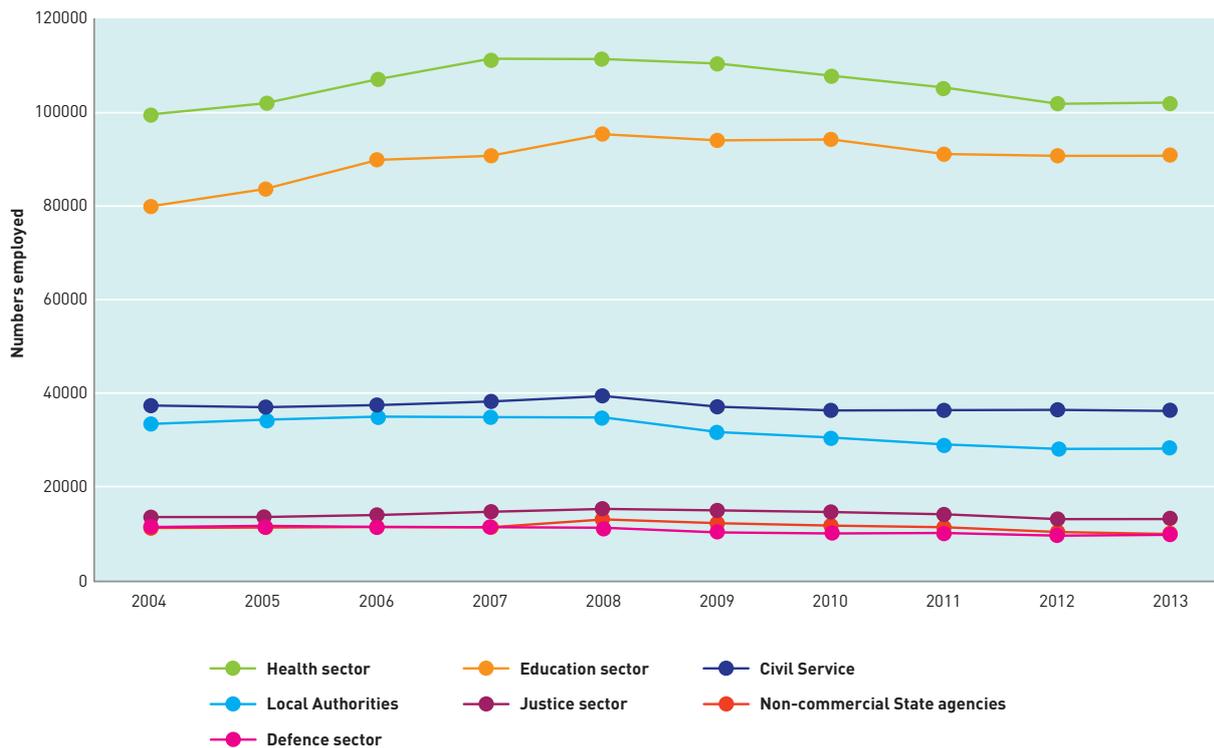
- From its peak in 2008, the total number of people employed in the public service has dropped from 320,000 in 2008 to 291,000 in 2013, a drop of 9 per cent.
- The number of people employed in the public service in 2013 is back down to close to 2005 levels of employment.

¹² Figures are for end of year, apart from 2013 which is for Q2

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

FIGURE 4 PUBLIC SERVICE EMPLOYMENT BY SECTOR

Source: Department of Public Expenditure and Reform Databank¹³



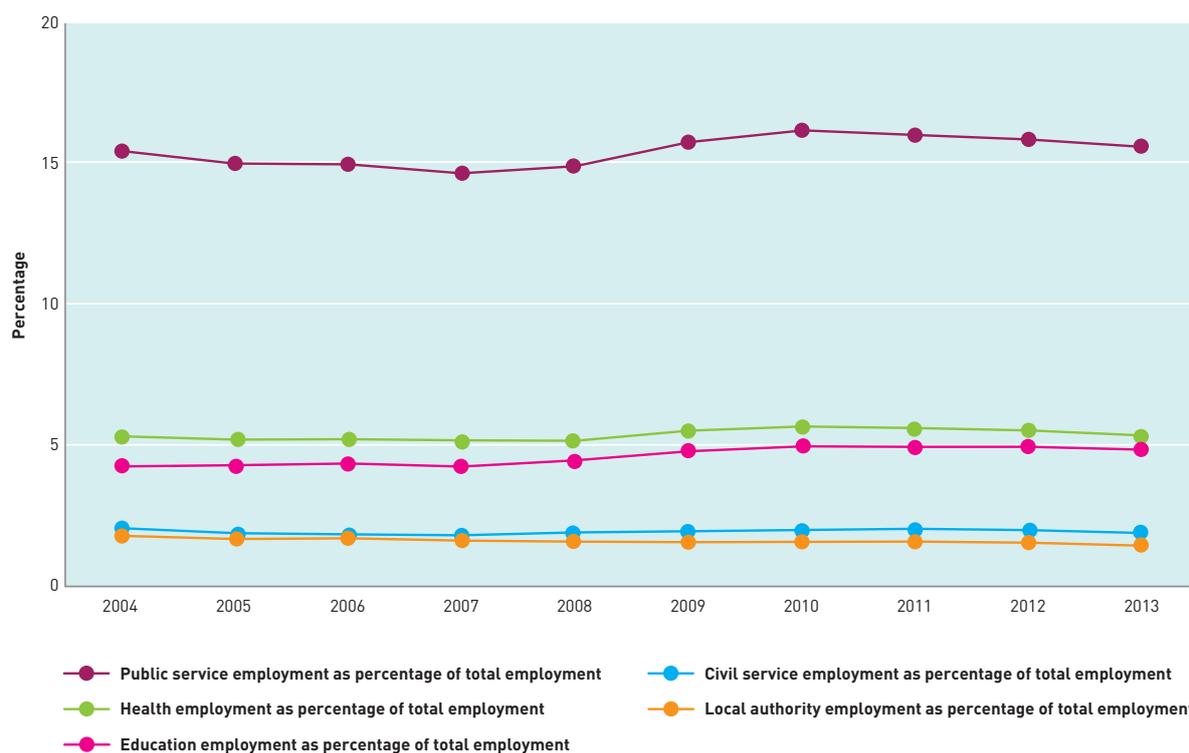
- Growth in public service numbers in the years before 2008 was primarily concentrated in the health and education sectors.
- Two out of every three people employed in the public service work in either health or education. In 2013, there were approximately 101,000 people employed in the health sector and 91,000 people employed in the education sector.
- While numbers have fallen in all sectors since 2008, some have been affected significantly more than others. The biggest drop proportionally has been in the non commercial state agencies (21 per cent) and local authorities (18 per cent). The smallest drop proportionally has been in the education sector (4 per cent) and civil service (7 per cent).

¹³ Figures are for end of year, apart from 2013 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 5 PUBLIC SERVICE EMPLOYMENT AS PERCENTAGE OF TOTAL EMPLOYMENT

Source: Department of Public Expenditure and Reform Databank¹⁴, CSO



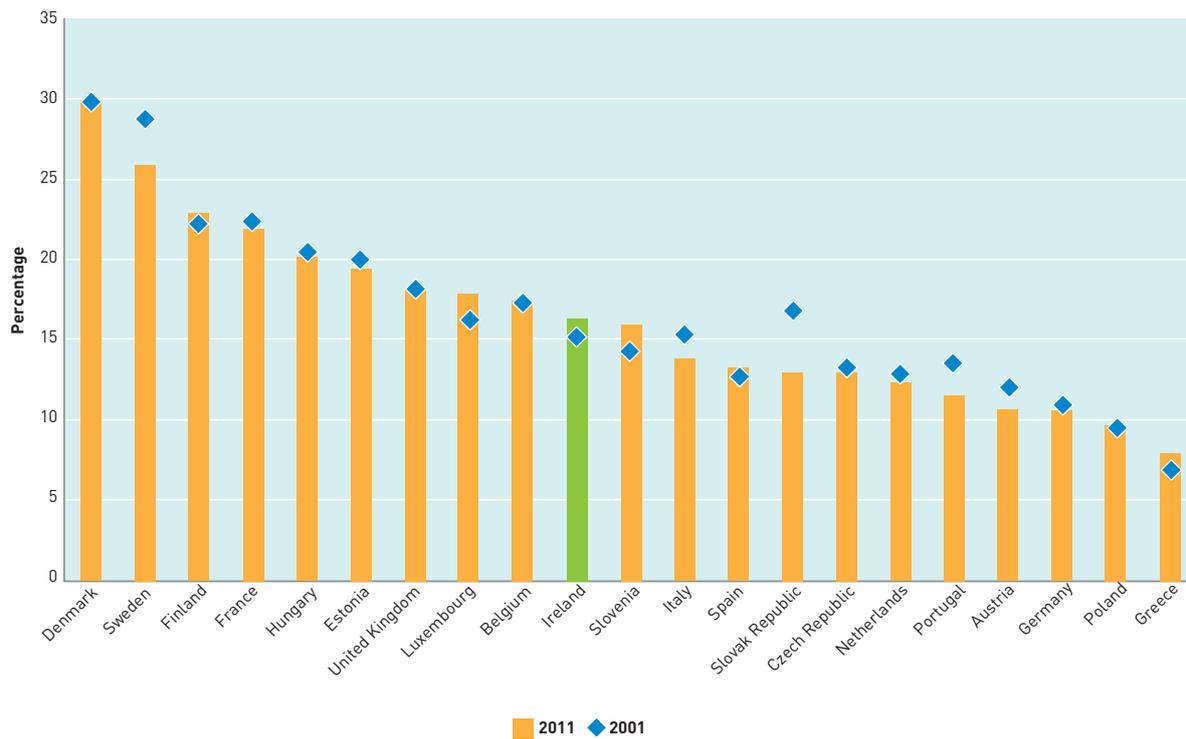
- While public service employment grew slightly as a proportion of the labour force in 2009 and 2010, since 2010 its share of the labour force has dropped back again, to 15.5 per cent in 2013¹⁵.
- Over the past decade public service employment has generally remained around 15 to 16 per cent of total employment, and in 2013 is at 15.5 per cent of the labour force.
- Under 6 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 1.5 per cent are in local authorities.

¹⁴ Figures are for end of year, apart from 2013 which is for Q2

¹⁵ 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 around the European average

FIGURE 6 EMPLOYMENT IN GENERAL GOVERNMENT AS A PERCENTAGE OF THE LABOUR FORCE (2001 AND 2011)
Source: OECD Government at a Glance 2013

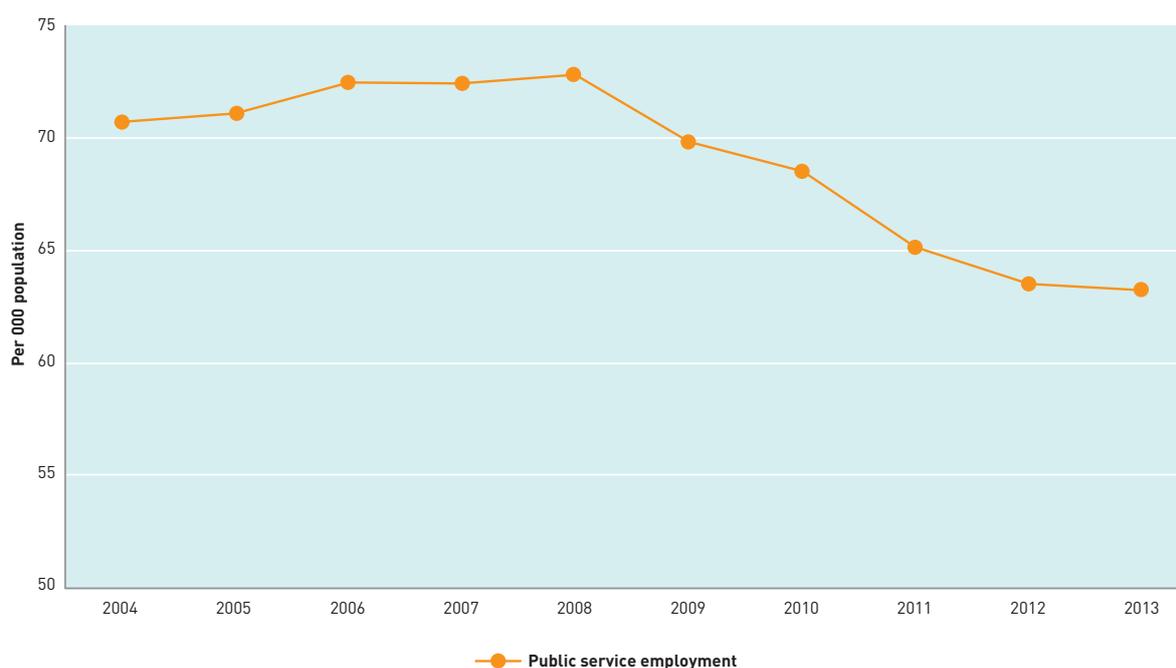


- The size of government employment varies significantly amongst European countries, from 30 per cent of the labour force in Denmark to 8 per cent in Greece in 2011. Governments in the Nordic countries employ a higher proportion of the work force than other countries.
- In Ireland in 2011 employment in general government services accounted for 16.4 per cent of the labour force, in the middle grouping of countries surveyed. This percentage was slightly up from 15.2 per cent in 2001.

Public service employment continues to decline relative to the total population

FIGURE 7 PUBLIC SERVICE EMPLOYMENT PER 000 POPULATION

Source: Department of Public Expenditure and Reform Databank¹⁶, CSO



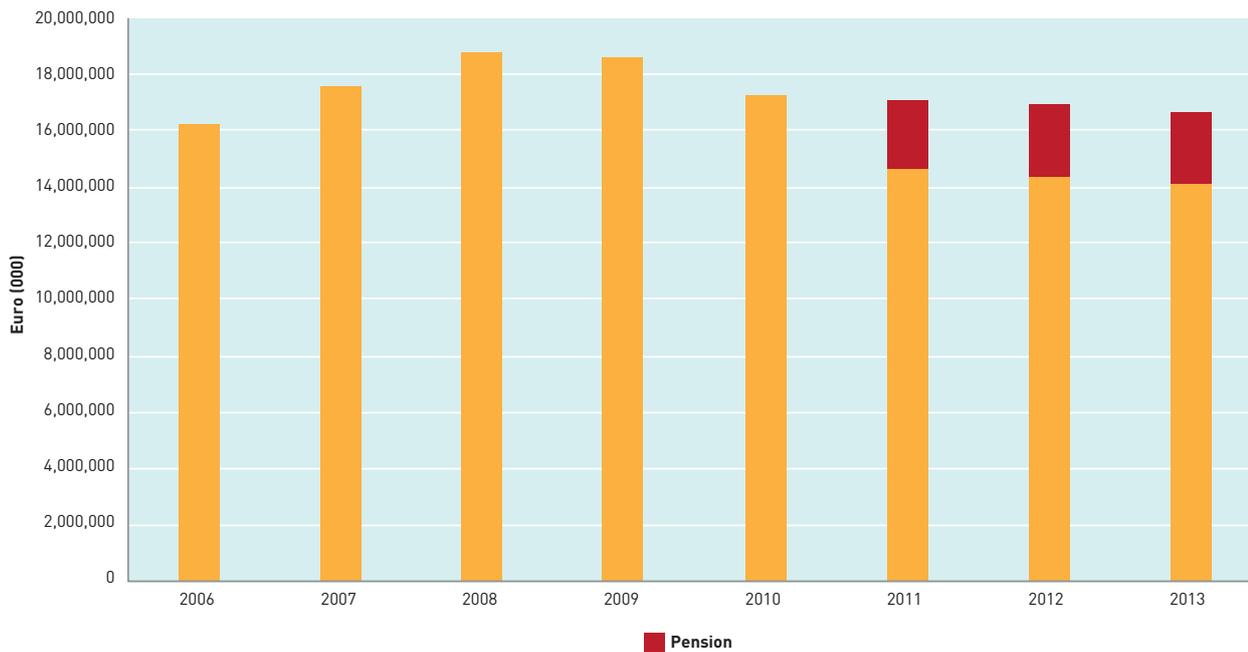
- While public service employment levels have been dropping, the population has continued to increase.
- Public service employment relative to the population was relatively stable at between 70 and 73 public sector employees per 000 population up to 2008, but has been dropping since 2008 and was at 63.2 public service employees per 000 population in 2013.

¹⁶ Figures are for end of year, apart from 2013 which is for Q2

Expenditure on public service pay and pensions continues to fall

FIGURE 8 PUBLIC SERVICE PAY AND PENSION

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

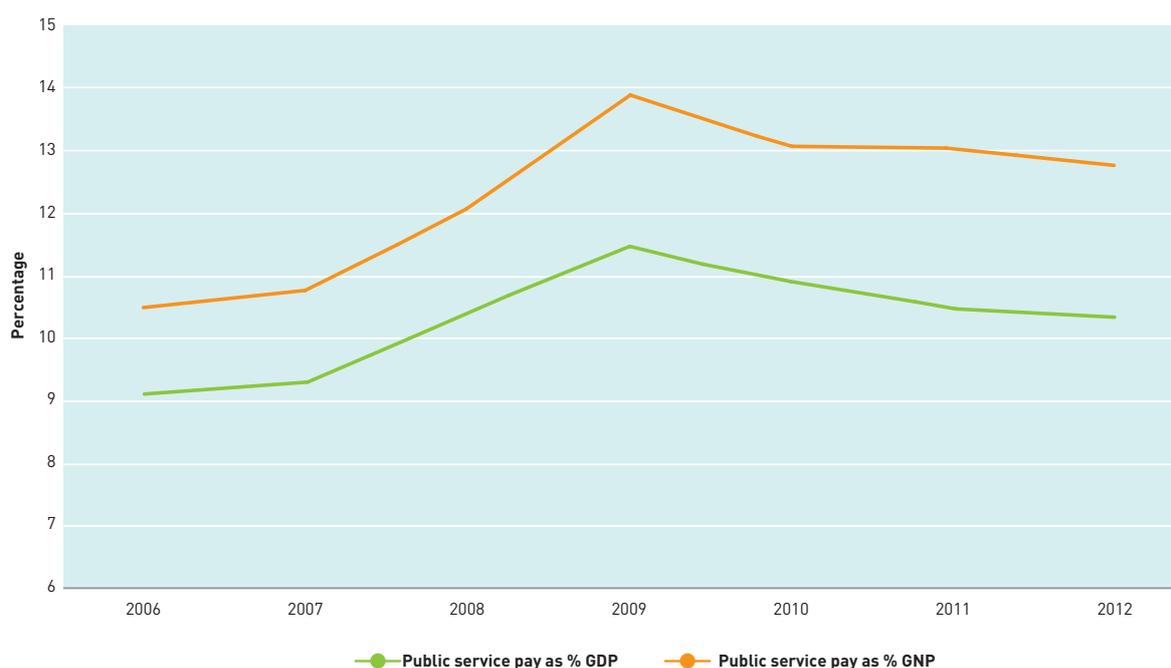


- The public service pay bill and pensions reached a peak of €18.7bn in 2008.
- From 2008 to 2013, as the cutbacks in numbers and pay introduced by the Government have taken effect, expenditure on public service pay and pensions has decreased from its high of €18.7bn to €16.6bn in 2013.
- Pensions accounted for approximately €2.5bn (15 per cent) of the total pay and pension bill in 2013

Public service pay and pensions as a percentage of GDP/GNP rose rapidly from 2007 to 2009 but has now stabilised and is falling back slowly

FIGURE 9 PUBLIC SERVICE PAY AND PENSION AS A PERCENTAGE OF GDP/GNP

Source: Department of Public Expenditure and Reform Databank, CSO

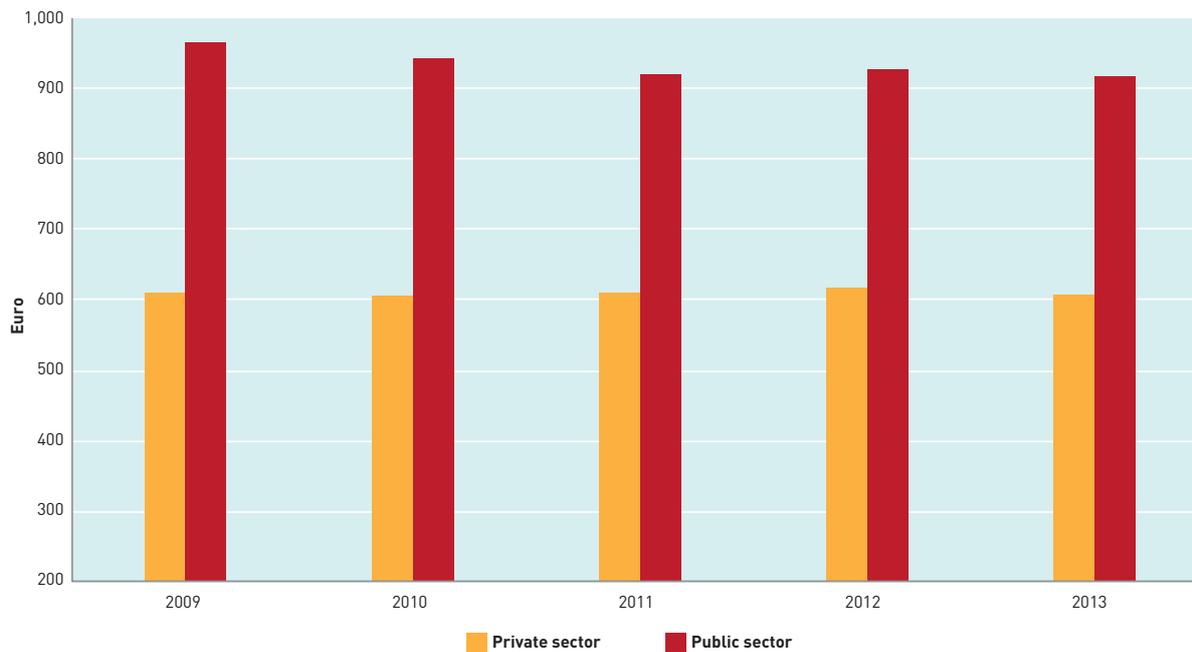


- In 2008 and 2009, as the recession hit, the percentage of GDP and GNP taken up by the public service pay and pensions rose rapidly. In 2009, the Exchequer pay and pensions bill accounted for 11.5 per cent of GDP and 13.9 per cent of GNP.
- The effects of the cutbacks in numbers and pay rates introduced in 2009 is having an impact, with a fall back in the percentage of GDP and GNP taken up by public service pay and pensions from 2010 (10.3 per cent of GDP and 12.8 per cent of GNP in 2012).

Average weekly earnings in the public sector continue to outstrip those of the private sector but have been falling in recent years

FIGURE 10 AVERAGE WEEKLY EARNINGS IN PUBLIC AND PRIVATE SECTORS

Source: CSO. Figures are for Q3 each year. 2013 figures are a preliminary estimate.



- Average weekly earnings are considerably higher in the public sector than in the private sector (€916 and €607 respectively in 2013). 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.
- Reasons for the wage gap are varied and disputed. Studies show that a wage gap exists in most EU countries.¹⁷
- In the four years to Q3 2013 public sector average weekly earnings have fallen by €47.88 (5 per cent) compared with a decrease of €2.41 (0.4 per cent) in private sector average weekly earnings in the same period.

¹⁷ http://ec.europa.eu/economy_finance/publications/economic_paper/2013/pdf/ecp508_en.pdf

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)¹⁸. 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.

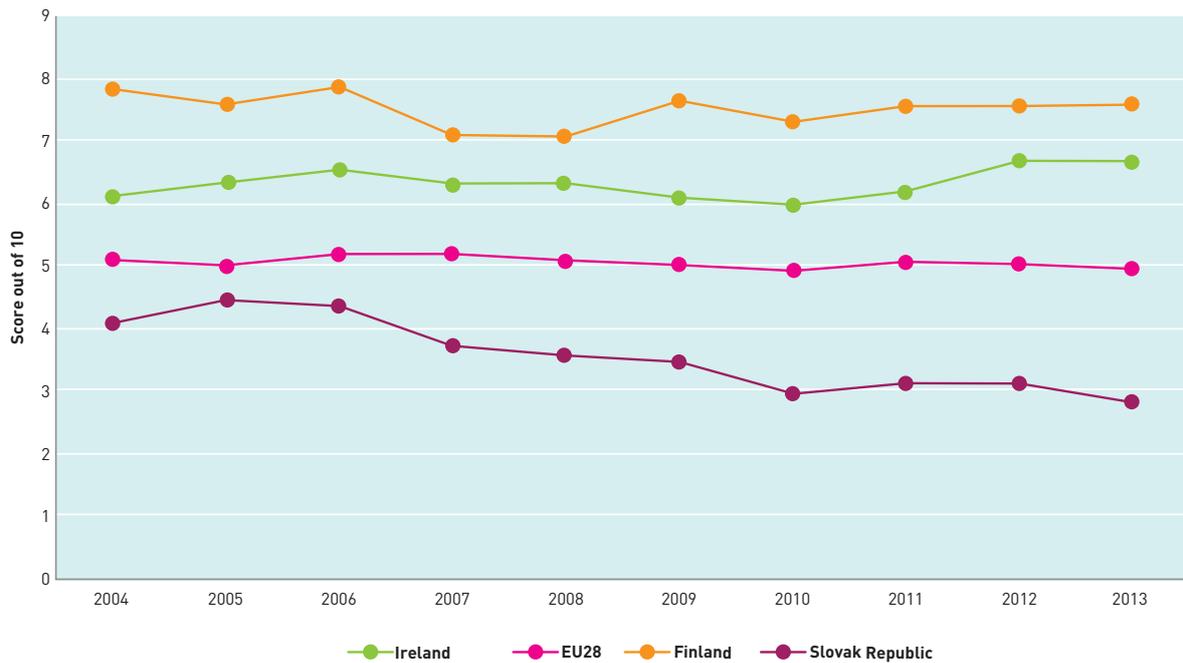
With regard to efficiency, information from executive opinion surveys shows perceptions of business people regarding the efficiency of public services. The World Bank *Doing Business* indicator set provides some information on the efficiency of service provided to business by public administration.

¹⁸ This quality of public administration indicator was developed by the IPA and has been used internationally, notably in work for the Hong Kong administration benchmarking their public service.

The quality of Irish public administration is seen as above the European average and has improved both absolutely and comparatively since 2010

FIGURE 11 QUALITY OF PUBLIC ADMINISTRATION SCORE

Source: IPA analysis based on IMD and WEF data

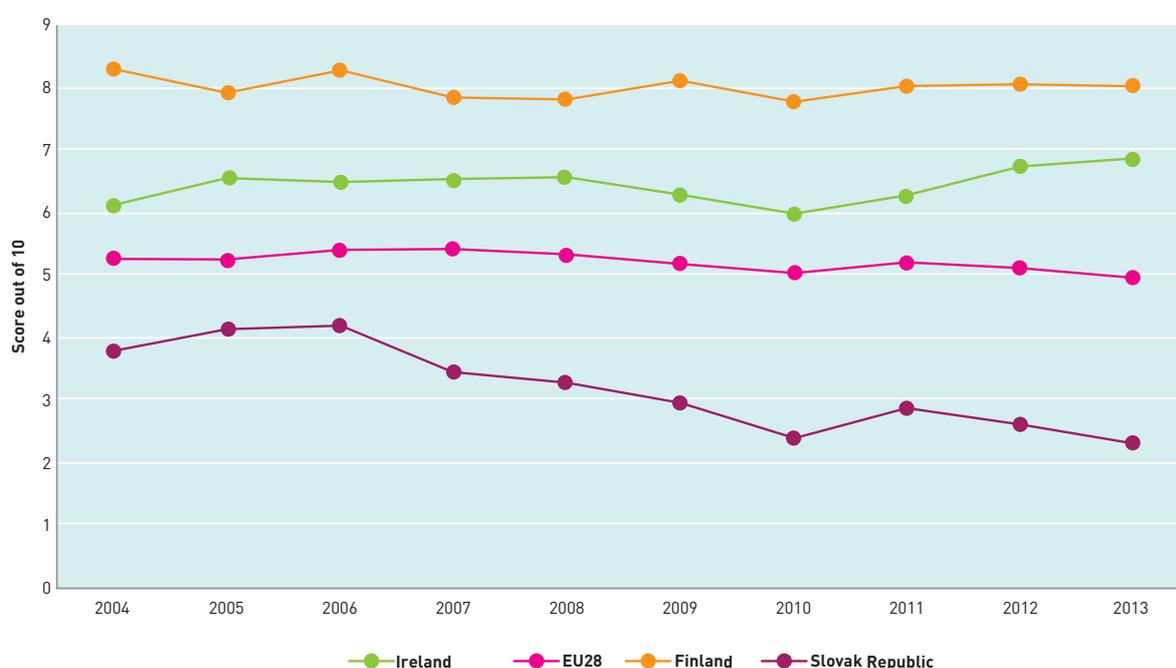


- This quality indicator measures executives opinions of the quality of public administration as assessed by a range of indicators covering issues such as effective implementation of government decisions and transparency of decision making (see Appendix 1 for full list).
- Ireland's score on the quality of public administration index remained the same in 2013 as in 2012, above the European average. Ireland came 5th of the EU28 on this indicator in 2013.
- The Nordic countries lead the way, with Finland, Sweden and Denmark being the top three ranked for the last six years.

Irish maintenance of traditional public service values is seen as continuing to improve against the European average

FIGURE 12 TRADITIONAL PUBLIC SERVICE VALUES INDICATOR (TPSVI)

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

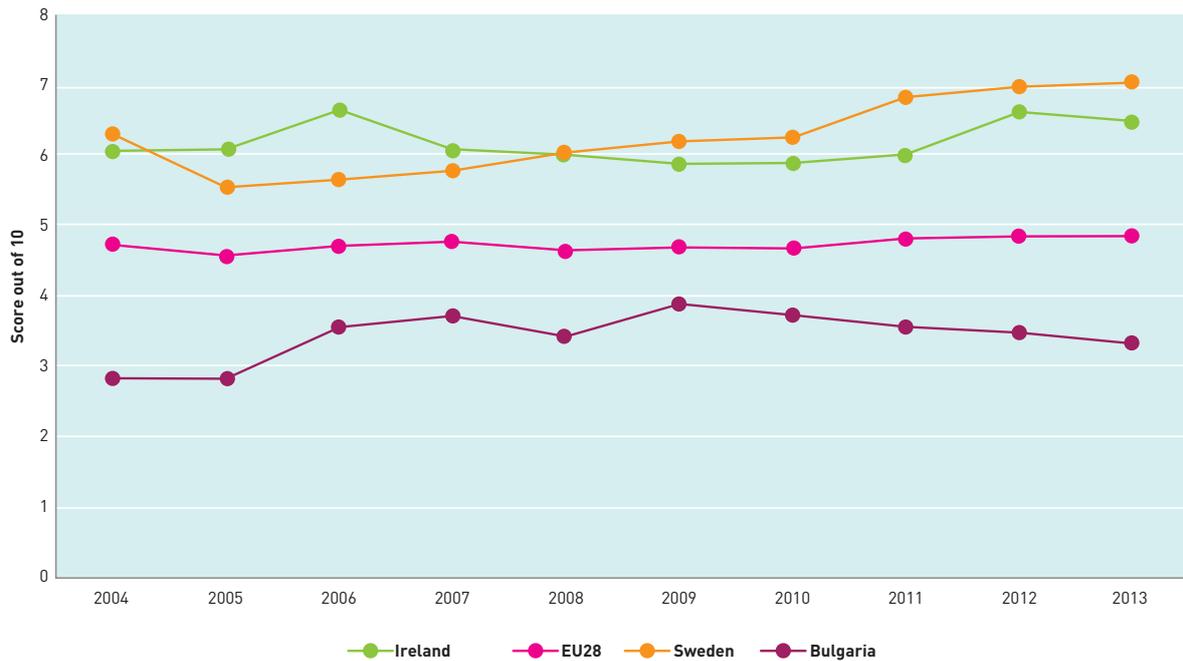


- A sub-set of the quality of public administration indicators can be used to assess what might be termed the 'traditional' public service values such as independence from political interference, freedom from bribery and corruption, transparency, reliability and administrative fairness and equity.
- Ireland's ranking on this traditional public service values indicator has generally been well above the EU28 average. Ireland's score on this indicator has improved in each of the last three years.
- The Nordic countries of Finland, Denmark and Sweden 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 13 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 2013, Ireland ranked fourth behind Sweden, Finland, and Denmark.
- 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 dropped from 2005 to 2009 but has improved slightly in the last two years of rankings

FIGURE 14 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 2008.
- 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 and increased slightly in 2011. In 2011 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 above the European average

FIGURE 15 WORLD BANK REGULATORY QUALITY INDICATOR

Source: World Bank Worldwide Governance Indicators

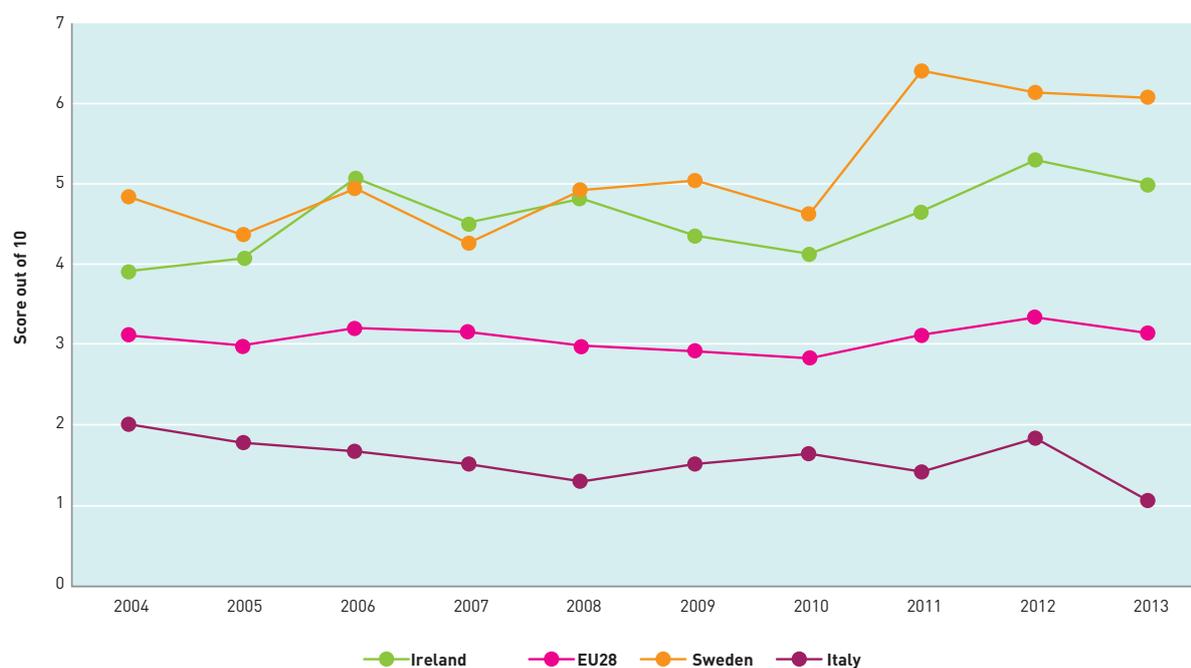


- The Regulatory Quality indicator aims to measure the ability of the government to provide sound policies and regulations that enable and promote private sector development. On this indicator Ireland ranks as well above the European average score.
- In 2008, Ireland ranked first of all EU countries on this indicator. However, the impact of the regulatory problems identified in the financial sector in 2009 clearly impacted on the indicator, and Ireland was the 6th ranked European country on this indicator in 2011, with Denmark having the highest ranking.

Irish public services are seen as relatively un-bureaucratic compared to most European countries

FIGURE 16 BUREAUCRACY HINDERS BUSINESS ACTIVITY

Source: IMD World Competitiveness Yearbook

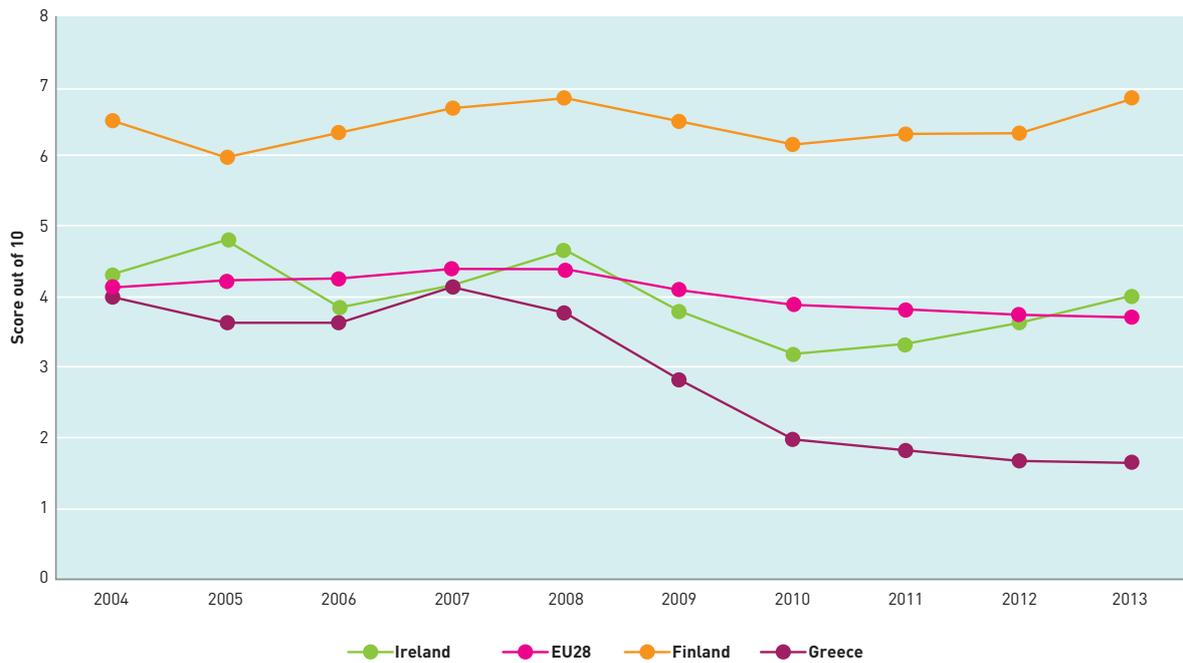


- Respondents to the executive opinion survey carried out by IMD for their World Competitiveness Yearbook indicate that compared to most European countries, bureaucracy in Ireland is seen as less of a hindrance to business activity.
- Only in Sweden, Finland, and Denmark is bureaucracy seen as less of a hindrance to business activity. The comparative trends have been fairly consistent since 2006.
- The score dropped slightly in 2013, but also did so in the vast majority of European countries, notably in Italy, which already had a relatively low score.

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 17 THE COMPOSITION OF PUBLIC SPENDING IS WASTEFUL

Source: WEF Global Competitiveness Report

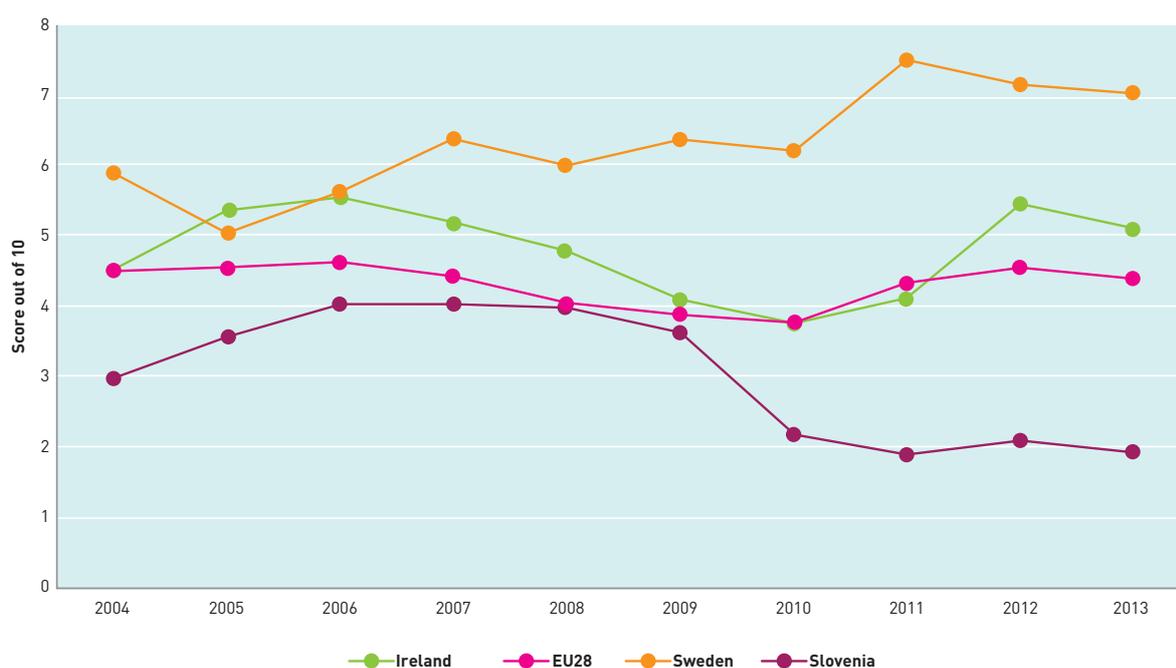


- Responses to the WEF Global Competitiveness Report executive opinion survey suggest that there is a perception that Ireland is more wasteful in its public spending than many other European countries.
- There was a worsening of the perception about the wastefulness of public spending in Ireland from 2008 to 2010, with a slight pick up in 2011 which has continued in 2012 and 2013.
- This now places Ireland back above the EU28 average on this indicator, with Ireland ranking 12th of the EU28 on this indicator.
- Finland is seen as having the least wasteful public spending in Europe. By contrast, Greece scores worst on this indicator.

Effective implementation of government decisions is back above the European average in the last two years

FIGURE 18 GOVERNMENT DECISIONS ARE EFFECTIVELY IMPLEMENTED

Source: IMD World Competitiveness Yearbook

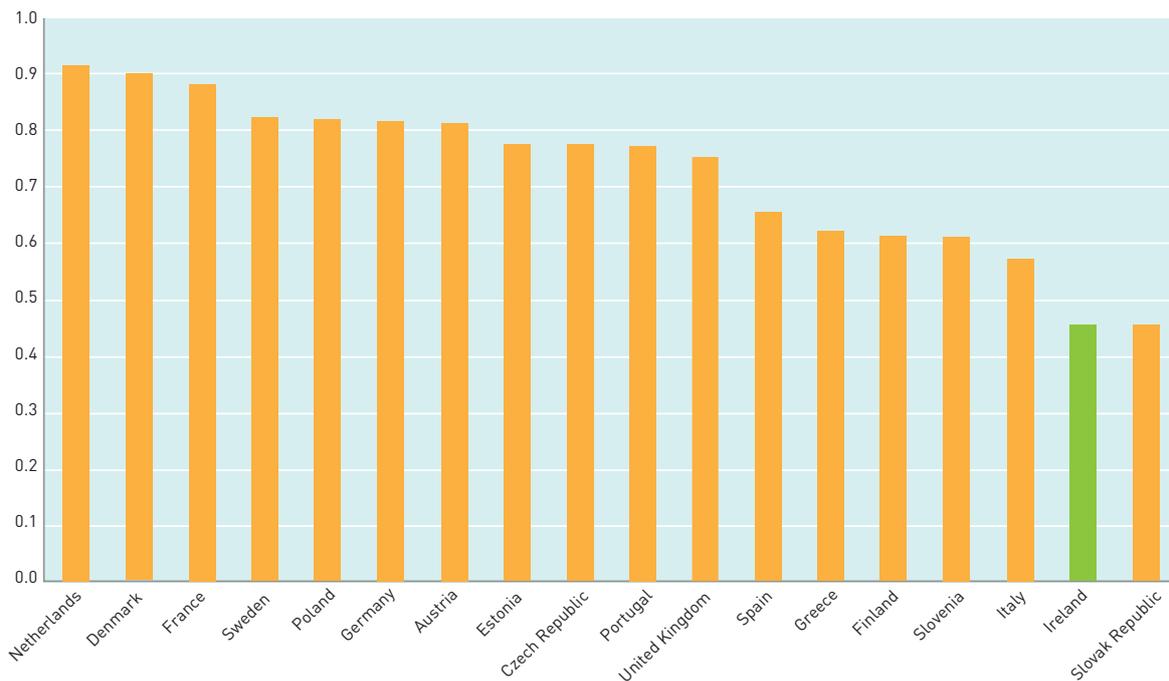


- Responses to the executive opinion survey carried out by IMD for their World Competitiveness Yearbook indicate that the perception that government decisions are effectively implemented in Ireland improved in 2011 and 2012, after getting worse for a number of years before that. The score fell back in 2013, but in line with a general trend across Europe on this indicator.
- 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. Ireland was 9th of the EU28 on this indicator in 2013. Sweden scores best on this indicator, followed by Denmark.

Ireland has a less-developed medium-term economic framework (MTEF) than many of its European partners

FIGURE 19 USE OF A MEDIUM-TERM PERSPECTIVE IN THE BUDGET PROCESS (2012)

Source: OECD Government at a Glance 2013



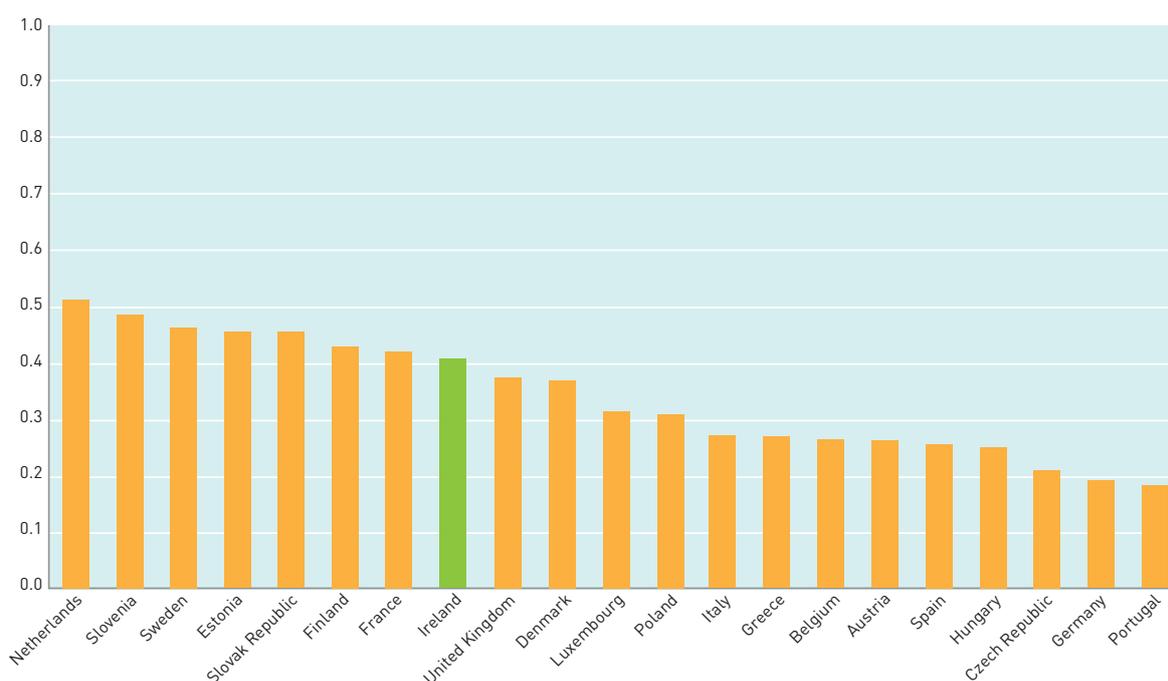
- Medium-term expenditure frameworks (MTEFs) help governments to adopt a multi-year budgetary perspective rather than solely an annual one.
- The composite index used here is made up of ten variables that cover information on the existence of a medium-term perspective in the budget process, the number of years the estimate covers, the types of expenditures included in the medium-term framework, the possibility of carry over unused funds from one year to another and how they are monitored. The OECD stress that it should be noted that the index does not purport to measure the overall quality of MTEF systems but is descriptive in nature.
- Ireland scores lower on the index than the other participating EU28 countries apart from the Slovak Republic. The criteria on which Ireland scores lower marks include the absence of a legal basis for the MTEF, that mandatory expenditures are not part of the framework, that multi-year capital projects are funded incrementally each year, that central budget

authority (Department of Finance/Department of Public Expenditure and Reform) approval of capital/ infrastructure projects of line ministries occurs on an ad hoc basis rather than for all projects, and the absence of a specialised budget research unit attached to the legislature.

Use of performance budgeting practices is slightly above the European average

FIGURE 20 USE OF PERFORMANCE BUDGETING PRACTICES AT THE CENTRAL LEVEL OF GOVERNMENT (2011)

Source: OECD: Government at a Glance 2013

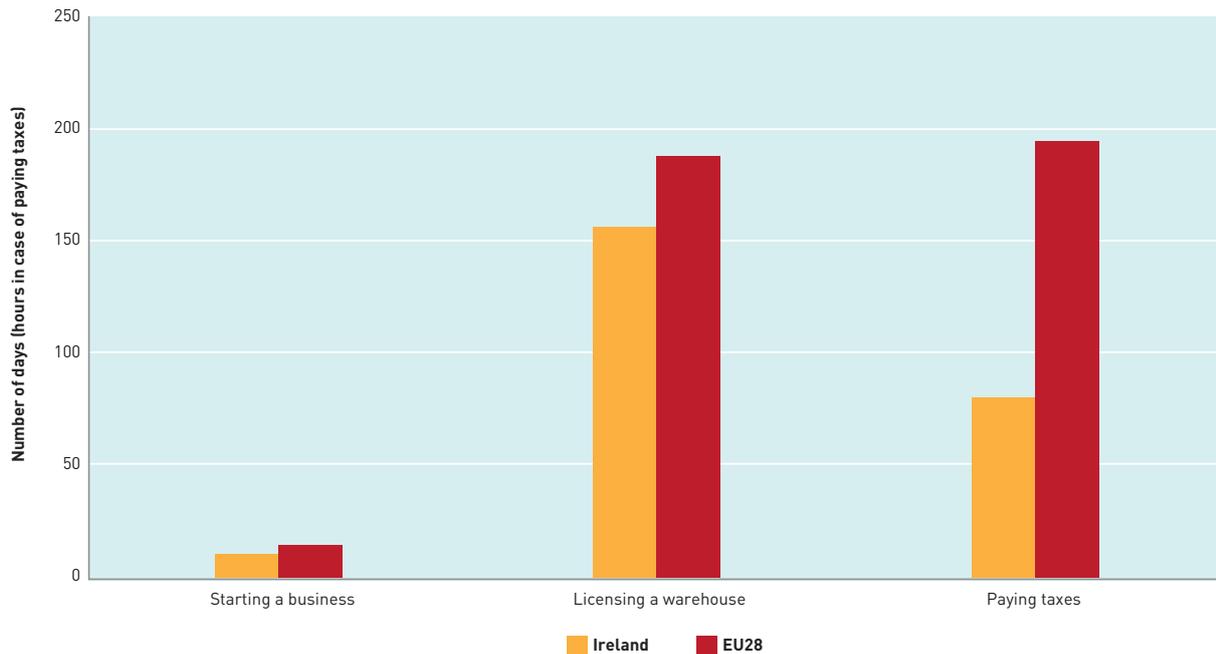


- Performance budgeting refers to the practice of including performance information in the budgeting process. This is seen as a means of promoting greater value for money, and increasing the transparency of spending decisions.
- The composite index used here contains eleven variables that cover information on the availability and type of performance information developed, processes for monitoring and reporting on results and whether (and how) performance information is used in budget negotiations and decision making by the central budget authorities, line ministries and politicians. The OECD stress that it should be noted that the index does not purport to measure the overall quality of performance budgeting systems but is descriptive in nature.
- Ireland ranks well comparatively against criteria describing the use of performance information in negotiations with the central budget authority (Department of Finance/Department of Public Expenditure and Reform).
- Ireland ranks slightly less well against the criterion assessing the degree to which non-achievement of targets has consequences, notably the making public of poor performance and budgetary decreases for poor performance (though most countries do not score highly here and only have occasional consequences arising from poor performance information).

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

FIGURE 21 WORLD BANK DOING BUSINESS INDICATORS 2012

Source: World Bank *Doing Business* indicators

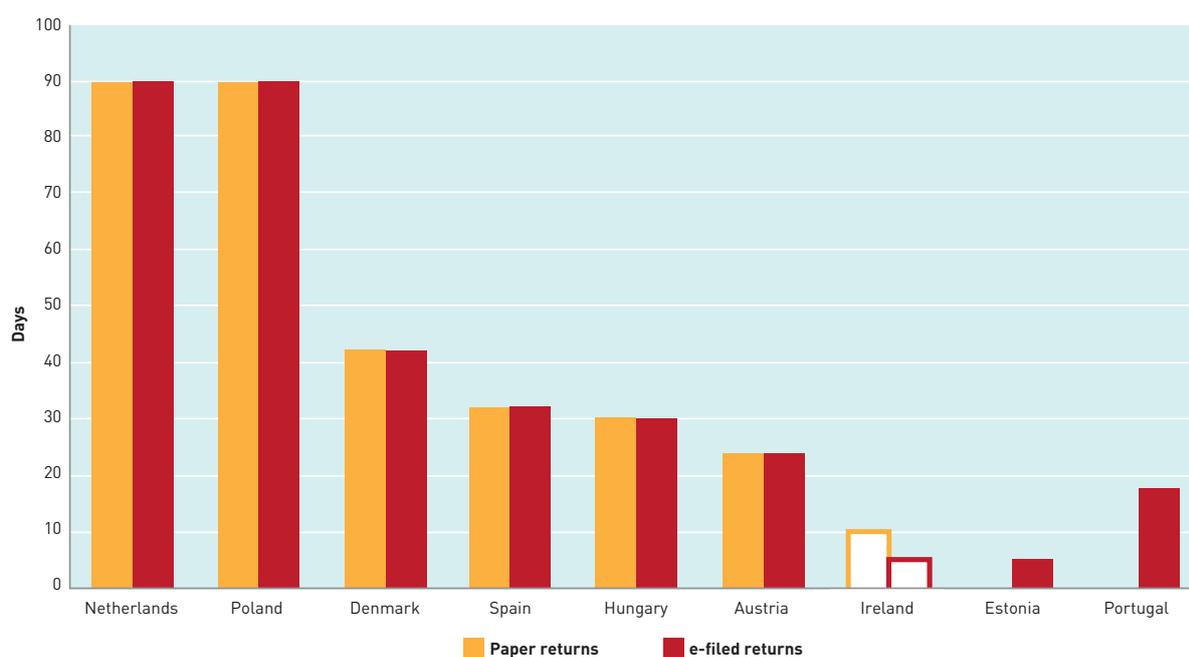


- A 'bottom-up' approach to assessing efficiency of public administration is taken by the World Bank in some of their *Doing Business* indicator set, with performance assessed from a service user perspective.
- The number of days estimated that it takes an entrepreneur to start a business in Ireland reduced to 10 days in 2012, after remaining at 13 days for the previous five years. The EU28 average is 14 days. In Belgium it takes 4 days, and 40 days in Malta.
- The number of days to complete all procedures required for a business in the construction industry to build a standardised warehouse was estimated at 156 days in 2012, up from 141 days in Ireland in 2011. This remains lower than the EU28 average of 187 days. The best performers are Finland and Denmark with an estimated 66 days and 68 days respectively.
- 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 80 hours, than it is for the EU28 (194 hours) average. However, the European average is coming down while Ireland's performance dis-improved in 2012, from 76 to 80 hours. Ireland ranks second in the EU behind Luxembourg on this indicator.
- Overall, Ireland does relatively well in the EU against these World Bank indicators that assess the impact of public administration on the ability of companies to do business. However, general performance across Europe is improving and Ireland's score on two of these indicators dis-improved in 2012, suggesting a watching brief is needed if Ireland is to remain being seen as competitive from a business perspective.

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

FIGURE 22 PROCESSING TIME OF PERSONAL TAX RETURNS WHERE A TAX REFUND IS EXPECTED (2011)

Source: OECD Government at a Glance 2013

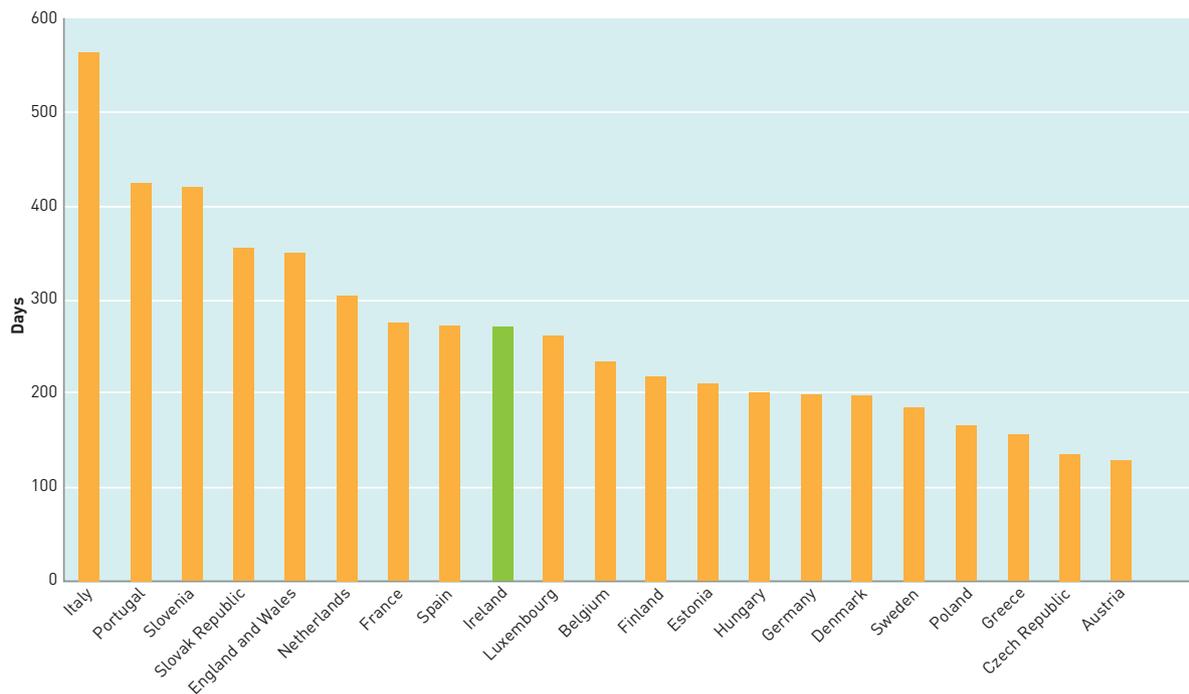


- Timeliness of service is one indicator of efficiency and quality, and is one often used in tax administration.
- Among the countries where a time standard was set for processing of personal tax returns, Ireland performs particularly well, with regard to both paper and e-filed returns. Returns are processed 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 23 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.

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 PIRLS and TIMSS and the OECD. PIRLS (Progress in International Reading Literacy Study) and TIMSS (Trends in International Mathematics and Science Study) are projects of the International Association for the Evaluation of Educational Achievement (IEA). They are designed to assess the reading, mathematics and science achievement of fourth class pupils. The average age of participating pupils in Ireland was 10.3 years. The PIRLS assessment is built around two organising dimensions: reading purpose and comprehension process. The assessment of mathematics and science in TIMSS is also built around two organising dimensions: content and cognition¹⁹. The OECD (2013b) provides information on adult skills in terms of literacy and numeracy proficiency and problem solving.

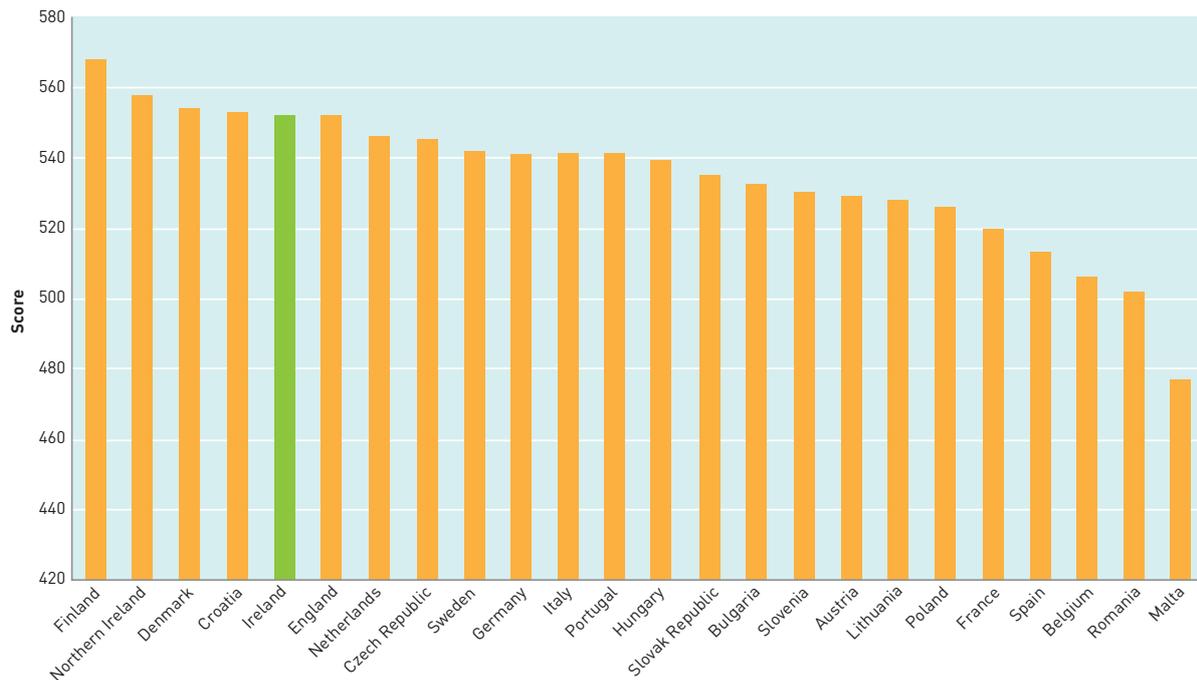
In the health sector, high-level outcome indicators in areas such as life expectancy and healthy life expectancy, and other indicators such as length of stay in hospitals, give a sense of performance at the macro level.

¹⁹ Eivers and Clerkin, 2012: 3

Ireland scores well in reading scores

FIGURE 24 READING - MEAN COUNTRY SCORES PIRLS AND TIMSS 2011

Source: Eivers and Clerkin (2012)

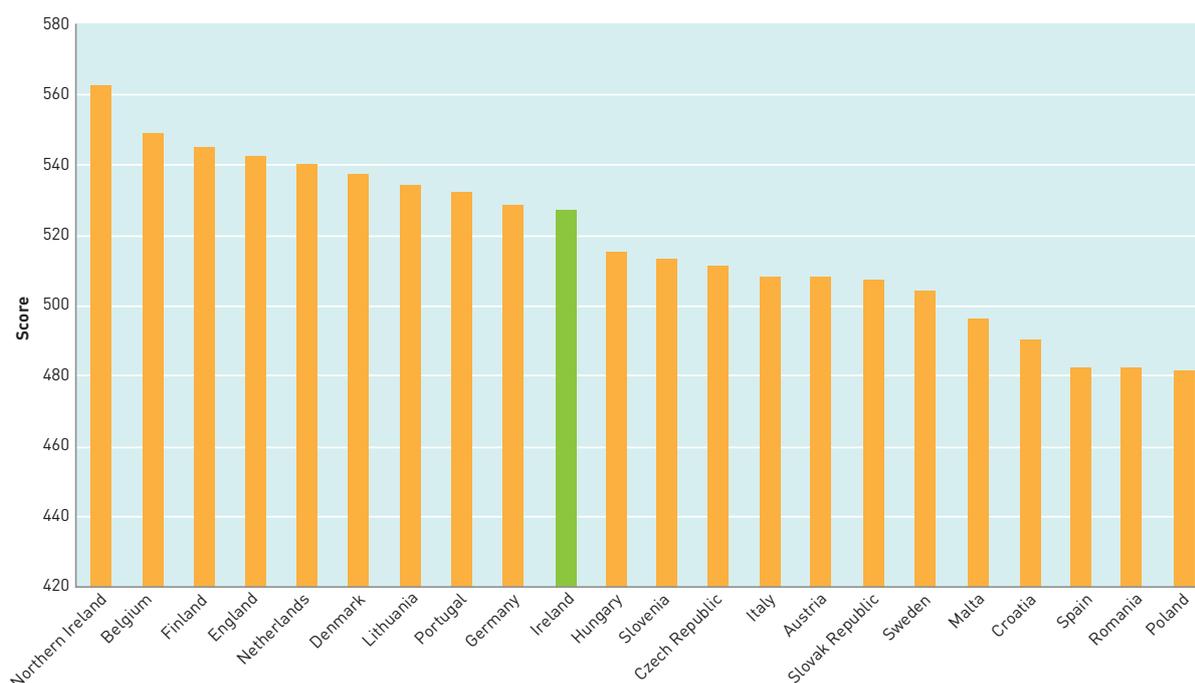


- PIRLS (Progress in International Reading Literacy Study) and TIMSS (Trends in International Mathematics and Science Study) are projects of the International Association for the Evaluation of Educational Achievement (IEA). They are designed to assess the reading, mathematics and science achievement of Fourth class pupils.
- Ireland scores relatively well on the reading score, ranking as 5th European country covered in the survey.
- At time of going to press, the OECD PISA 2012 scores were published. 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. Ireland scored particularly well in reading, ranking second EU country behind Finland.

Ireland's performance in maths is around the average for European countries participating in the study

FIGURE 25 MATHS - MEAN COUNTRY SCORES PIRLS AND TIMMS 2011

Source: Eivers and Clerkin (2012)

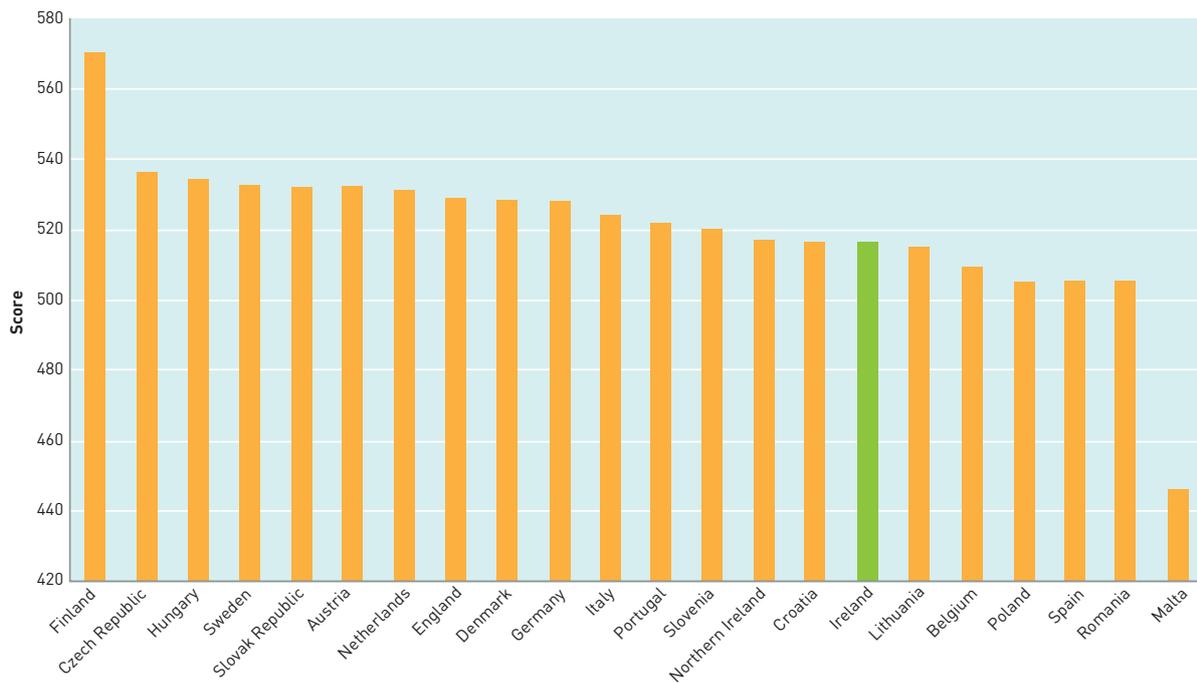


- Ireland is ranked as 10th of the 22 European countries that participated in the maths section of the PIRLS and TIMMS assessment in 2011.
- Northern Ireland ranked highest, with Spain, Romania and Poland having the lowest scores.
- At time of going to press, the OECD PISA 2012 scores were published. 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. Ireland ranked as eighth equal EU country.

Ireland performed poorly with regard to science in the PIRLS and TIMMS study

FIGURE 26 SCIENCE - MEAN COUNTRY SCORES PIRLS AND TIMMS 2011

Source: Eivers and Clerkin (2012)

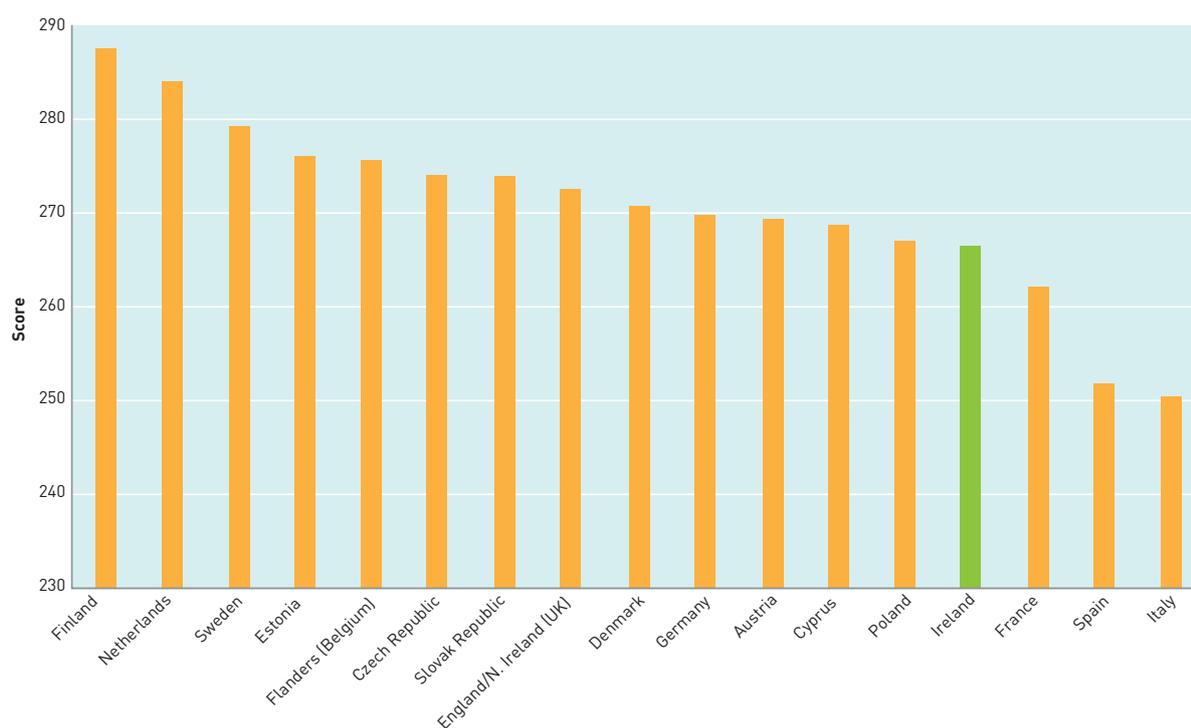


- Ireland ranked 16th of the 22 participating European countries with regard to science.
- Finland scores significantly higher than any other European country and Malta significantly lower.
- At time of going to press, the OECD PISA 2012 scores were published. The OECD Programme for International Student 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. Ireland's score improved significantly from 2009 and ranked fifth EU country in the PISA scores.

Ireland ranks poorly in terms of literacy proficiency amongst 16-65 year olds

FIGURE 27 MEAN LITERACY PROFICIENCY SCORES OF 16-65 YEAR-OLDS

Source: OECD (2013b)

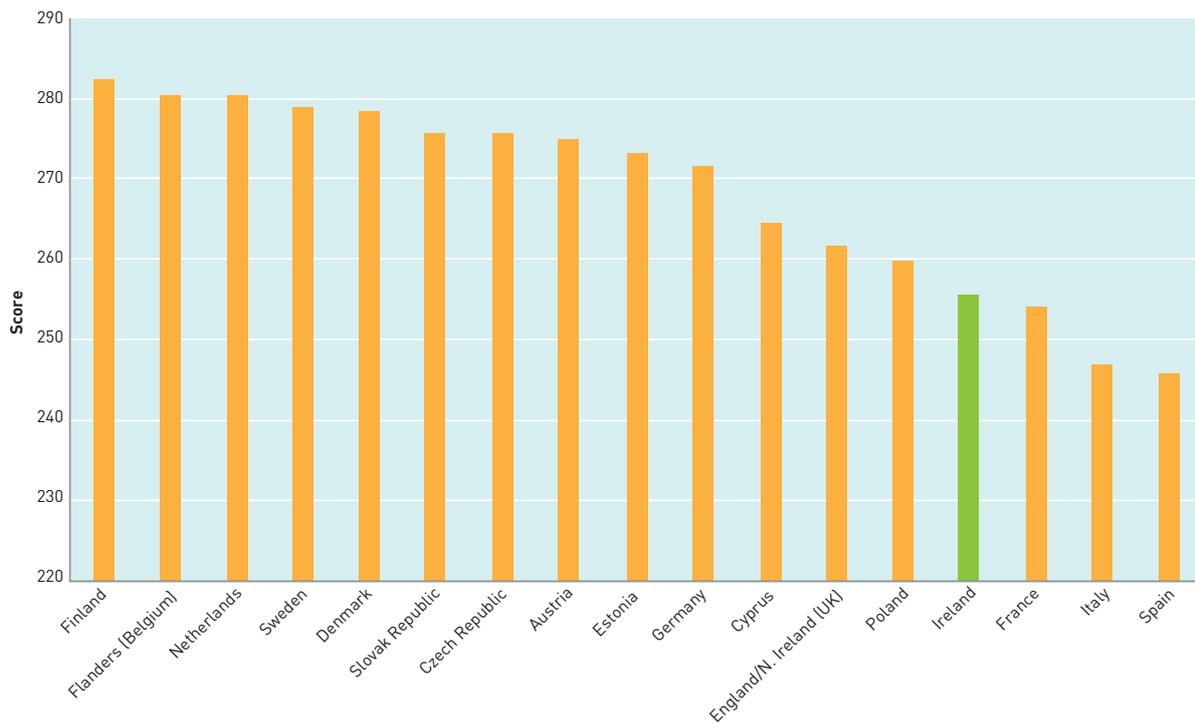


- For the purposes of this OECD study literacy is defined as the ability to understand, evaluate, use and engage with written texts to participate in society, to achieve one's goals, and to develop one's knowledge and potential. Data was collected between 2011 and 2012.
- Ireland ranked 14th of 17 participating European countries. Only France, Spain and Italy had lower scores.
- Ireland had a high proportion of adults (37.6 per cent) at proficiency level 2 (from 226-275 points), where 5 was the highest proficiency level. In most countries, most adults performed at proficiency level 3 (276-325 points).

Ireland scores badly comparatively in terms of adult numeracy proficiency

FIGURE 28 MEAN NUMERACY PROFICIENCY SCORES OF 16-65 YEAR-OLDS

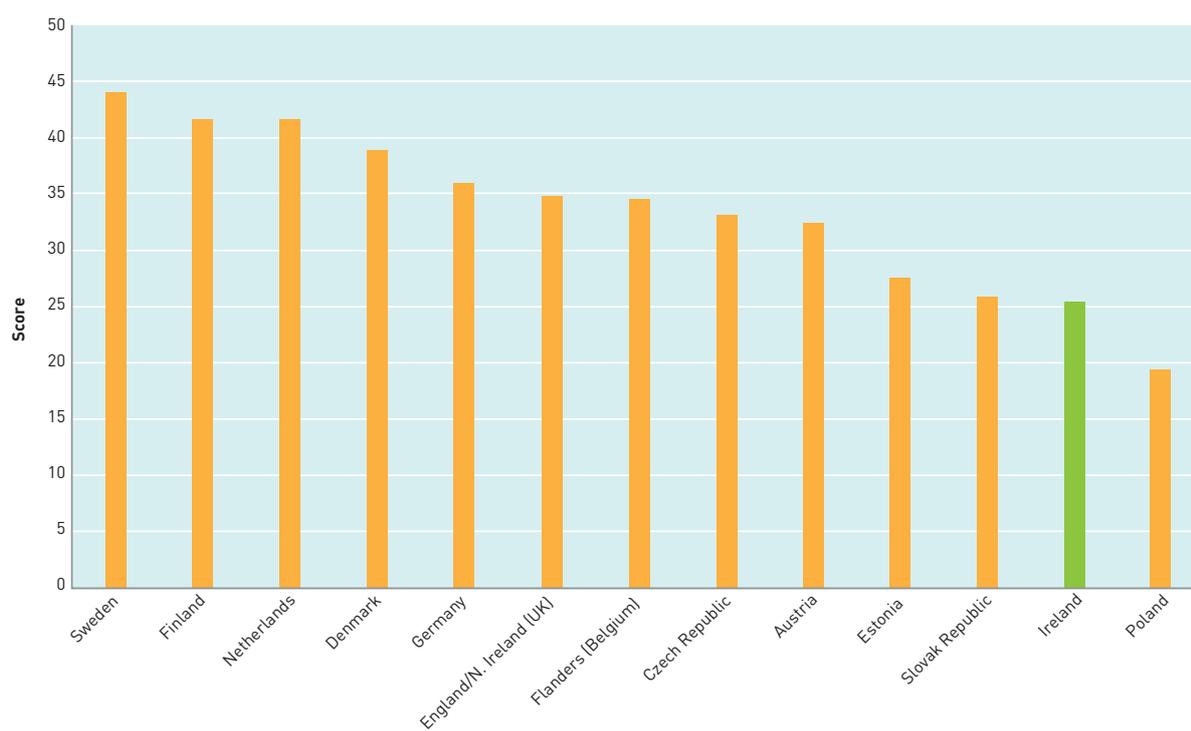
Source: OECD (2013b)



- For the purposes of this OECD study, numeracy is defined as the ability to access, use, interpret and communicate mathematical information and ideas in order to engage in and manage the mathematical demands of a range of situations in adult life.
- As with the literacy proficiency scores, Ireland ranked 14th of 17 participating European countries. Finland ranks highest.

Problem solving skills amongst adults are poor compared to other European countries

FIGURE 29 MEAN PROFICIENCY SCORE OF 16-65 YEAR-OLDS AT LEVEL 2 OR 3 IN PROBLEM SOLVING IN TECHNOLOGY-RICH ENVIRONMENTS
Source: OECD (2013b)

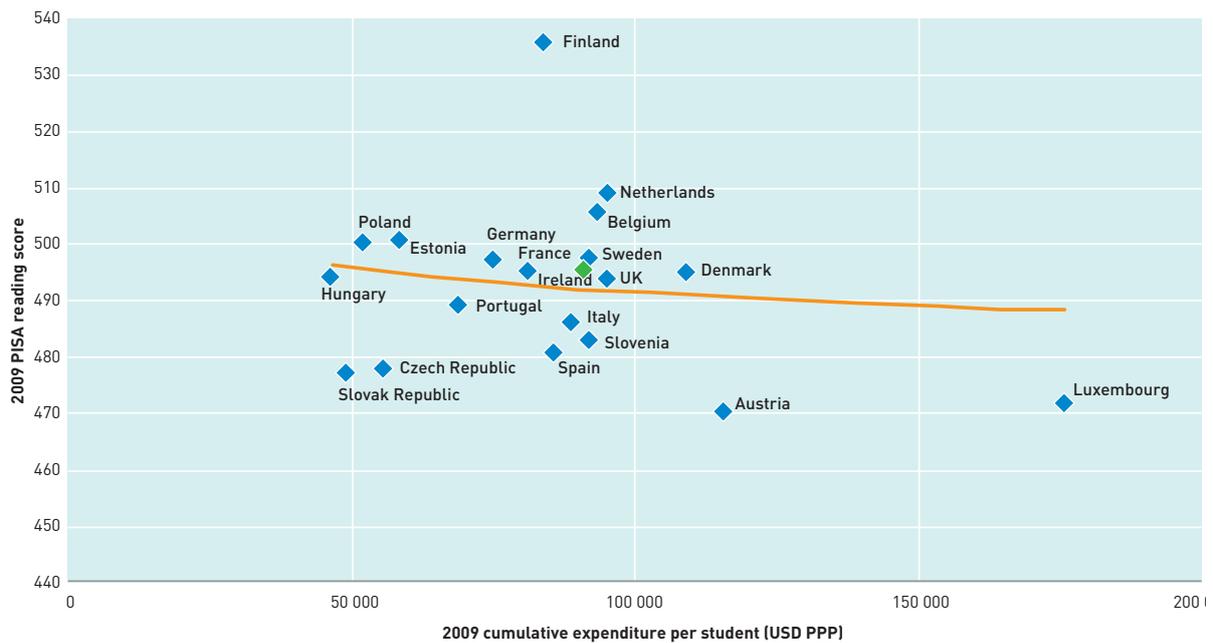


- For the purposes of this OECD study, problem solving in technology rich environments is defined as the ability to use digital technology, communication tools and networks to acquire and evaluate information, communicate with others and perform practical tasks.
- Ireland ranked 12th of 13 participating European countries on this test. This ranking also applied when just looking at young adults aged 16-24.

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

FIGURE 30 PISA READING SCORE AND SPENDING PER STUDENT

Source: OECD Government at a Glance 2013

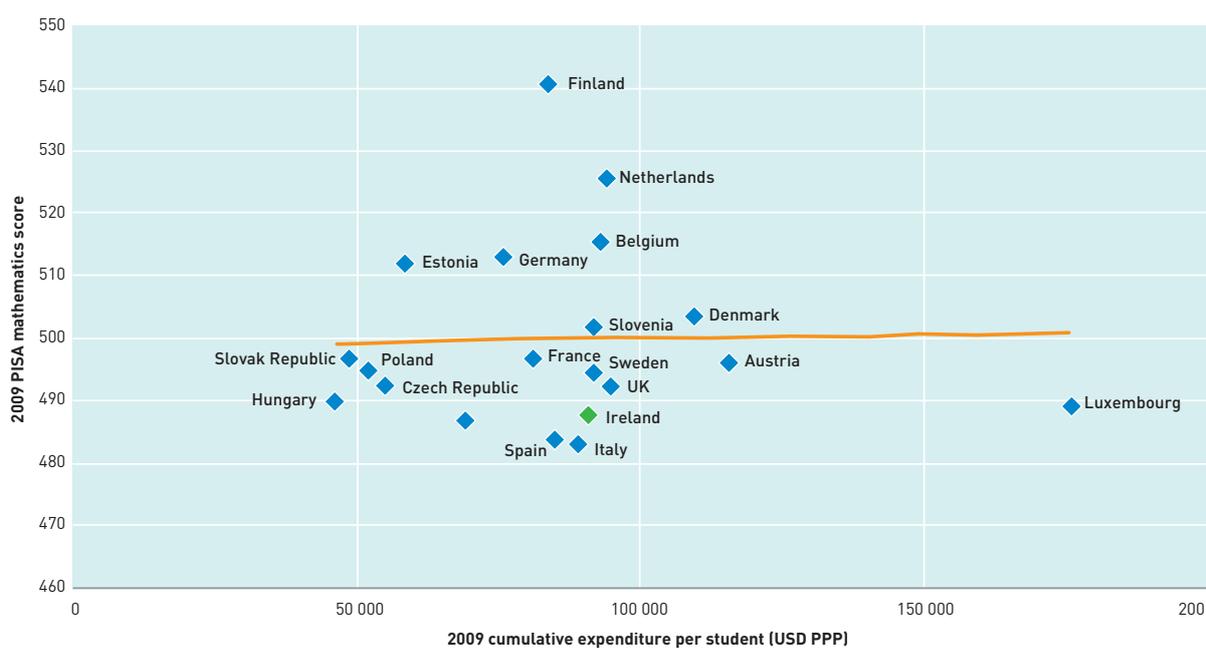


- The OECD (2013) note that educational attainments of individuals, as measured by the PISA (Programme for International Student Assessment) score can be seen as an indicator of output of human capital production. When compared to the national cumulative expenditure per student (the educational input), 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 and Luxembourg on the other hand spend above average but gets a relatively poor reading score.
- Ireland is with a cluster of countries that spend 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 delivers a below average level of efficiency when comparing maths performance to spending per student across Europe

FIGURE 31 PISA MATHS SCORE AND SPENDING PER STUDENT

Source: OECD Government at a Glance 2013

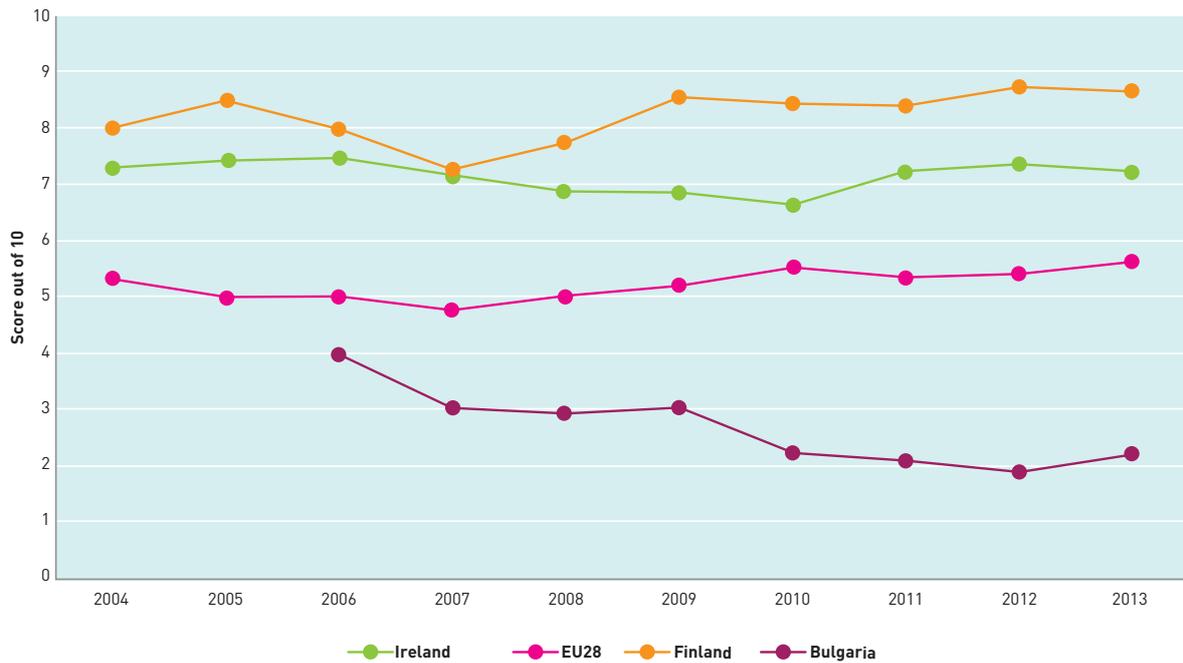


- Ireland spends around the European average per student but achieves a lower level of performance in maths than most countries that spend comparable amounts.
- Finland and the Netherlands have particularly good maths scores compared to spending, suggesting the delivery of efficient services.

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

FIGURE 32 THE EDUCATION SYSTEM MEETS THE NEEDS OF A COMPETITIVE ECONOMY

Source: IMD World Competitiveness Yearbook

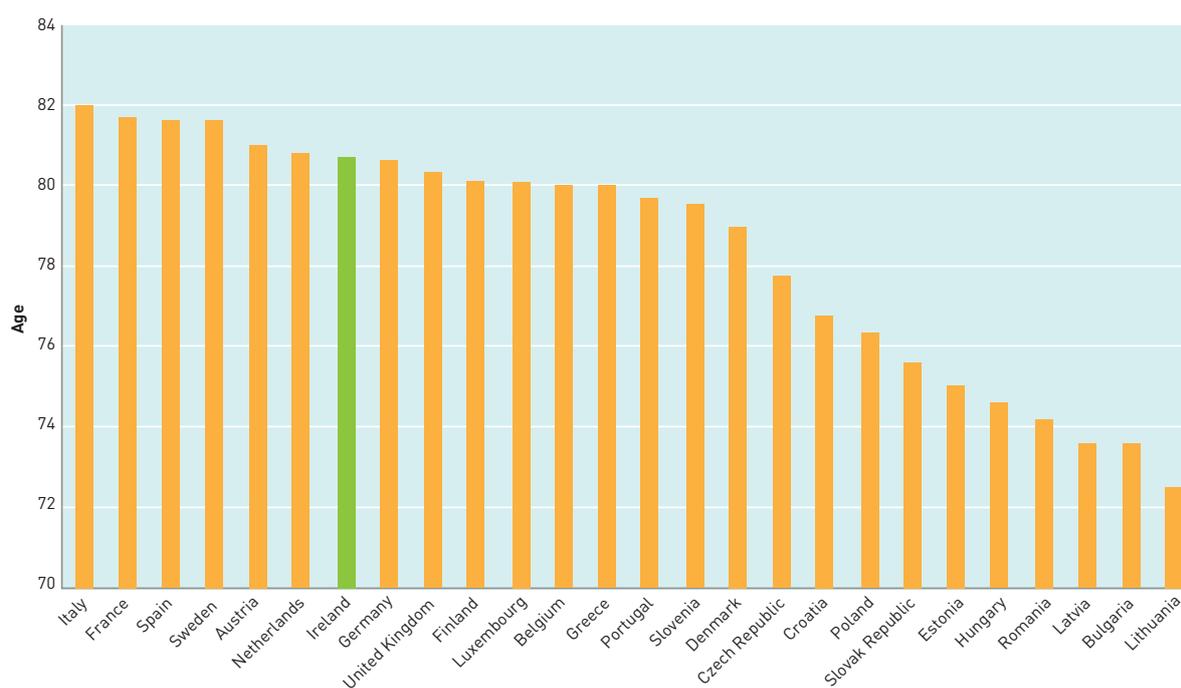


- Executive opinion about the role of the educational system in meeting the needs of a competitive economy is one (though only one) important qualitative indicator of how well the education system is functioning.
- From 2001 to 2010 the Irish education system has been seen by those executives completing the survey as better than the European average in meeting the needs of a competitive economy. However, the gap was closing.
- In 2011 and 2012, the opinion of executives that Ireland's education system meets the needs of a competitive economy improved, though it dropped back slightly in 2013. Ireland ranked sixth European country on this indicator in 2013, down from third in 2012.

Life expectancy at birth is relatively high in European terms

FIGURE 33 LIFE EXPECTANCY AT BIRTH 2012

Source: WHO

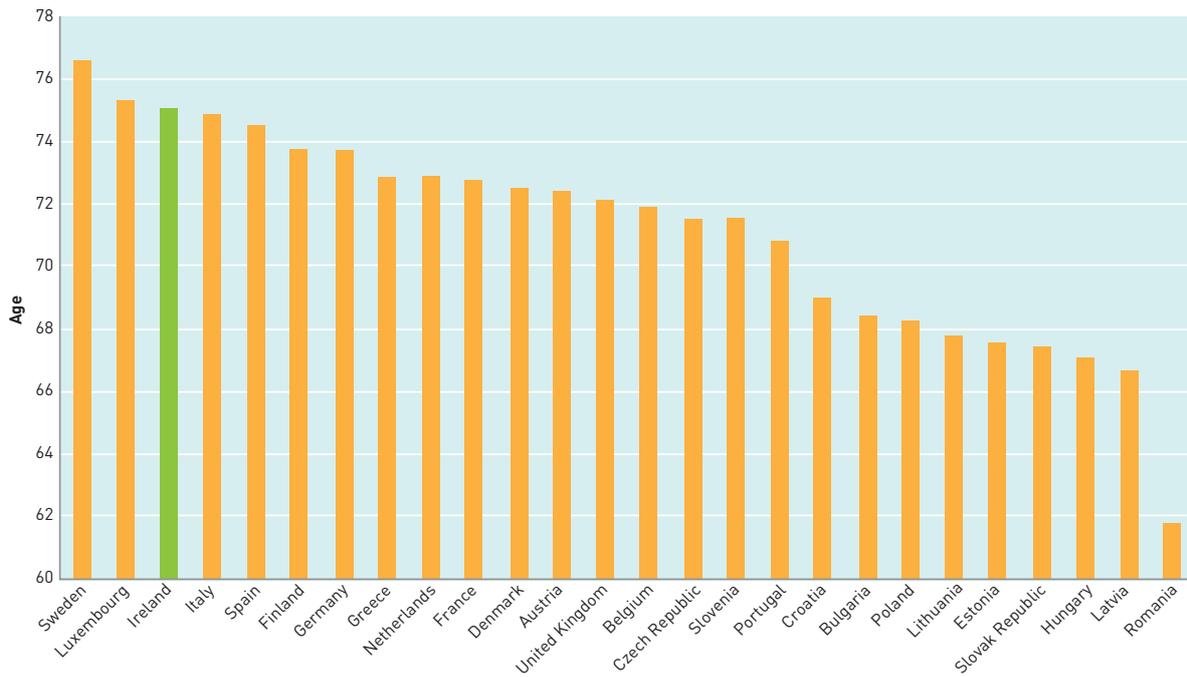


- Life expectancy at birth in Ireland in 2012 was 80.7 years. This compares to 82 years in Italy, down to 72.5 years in Lithuania.
- Ireland ranked 7th of the 26 European countries for which data was available.

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

FIGURE 34 HEALTHY LIFE EXPECTANCY AT BIRTH 2011

Source:

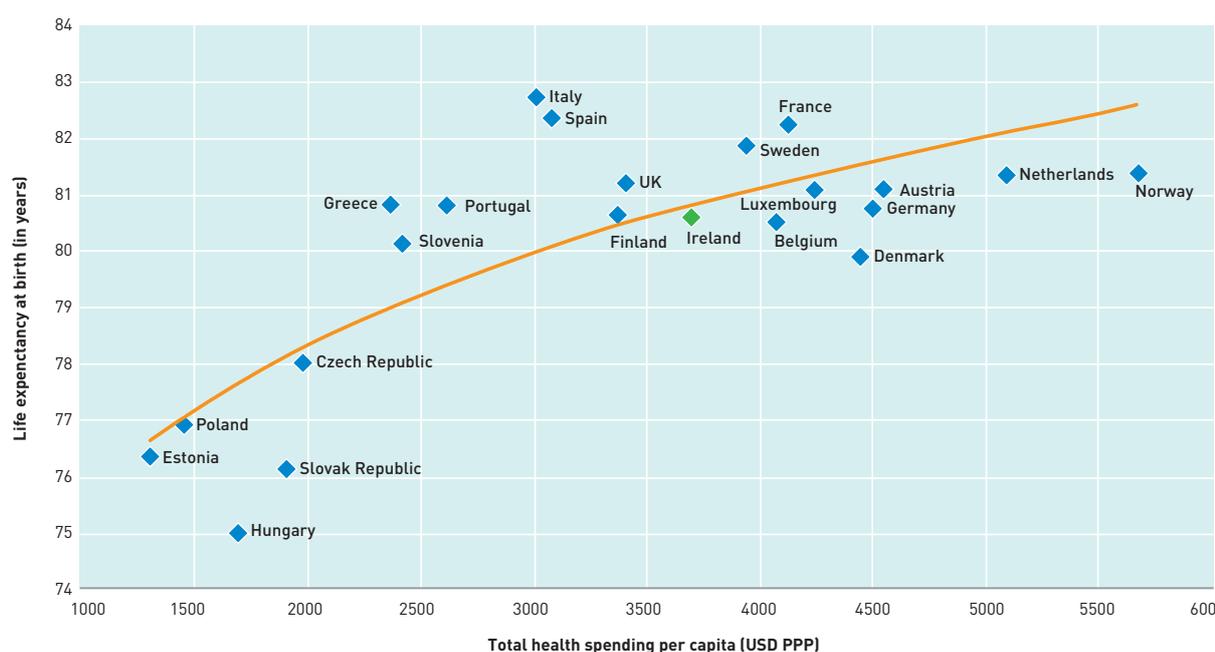


- Healthy life expectancy represents the average number of years that a person can expect to live in 'full health' by taking into account years lived in less than full health due to disease and/or injury.
- Ireland scores 3rd best in Europe in 2011 in terms of healthy life expectancy at birth, at 75.1 years.

Cost-effectiveness of health expenditure is at a reasonable level

FIGURE 35 LIFE EXPECTANCY AT BIRTH AND TOTAL EXPENDITURE ON HEALTH CARE PER CAPITA (2011)

Source: OECD Government at a Glance 2013

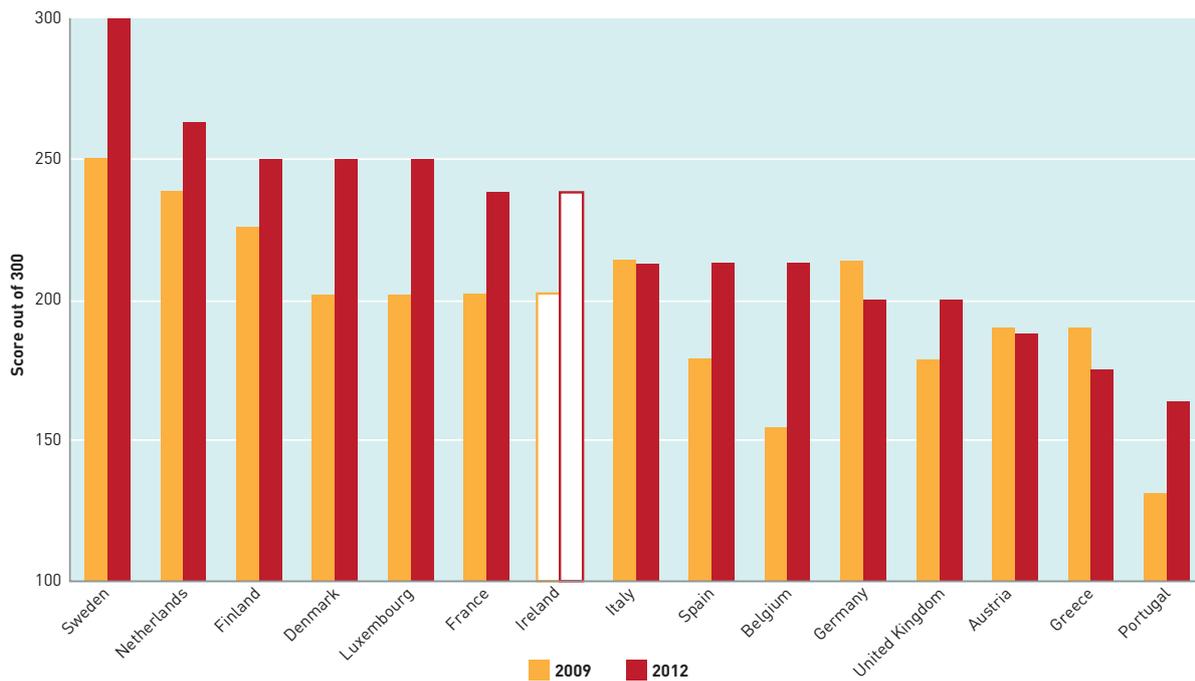


- In order to assess the cost-effectiveness of health services, the OECD compares improvements in life expectancy to total health expenditure per capita in countries. They note, however, that conclusions should be drawn with care, as many other factors beyond total health spending have a major impact 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 around the EU15 average in achieving desirable health outcomes

FIGURE 36 EUROPEAN CONSUMER HEALTH OUTCOMES INDEX

Source: Euro Health Consumer Index 2012



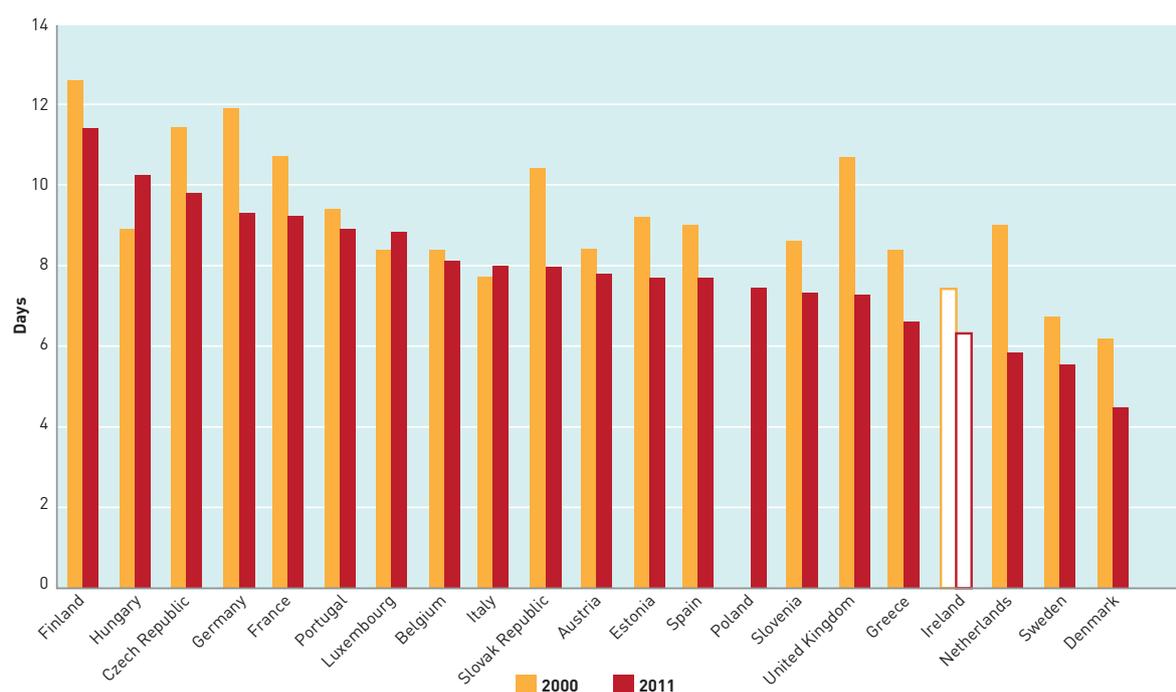
- The Euro Health Consumer Index 2012 (Health Consumer Powerhouse 2012) includes a composite 'basket' measure of a sub-set of indicators focused on health outcomes²⁰. The higher the score on this index, the better the outcomes.
- As with most other European countries, Ireland improved its score on this outcomes index between 2009 and 2012.
- Ireland ranks around the EU15 average on this health outcomes index. Sweden, the Netherlands and Finland achieve the top three rankings.

²⁰ The outcomes measured in 2012 are: heart infarct case mortality; infant deaths; ratio of cancer deaths to incidence; preventable years of life lost; mrsa infections; caesarean sections; undiagnosed diabetes; depression.

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

FIGURE 37 AVERAGE LENGTH OF STAY IN HOSPITAL FOR ALL CONDITIONS

Source: OECD Government at a Glance 2013



- 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 (6.3 days in 2011), suggesting a relatively high level of efficiency.
- In most countries, including Ireland, length of stay has reduced over the decade from 2000 to 2011.

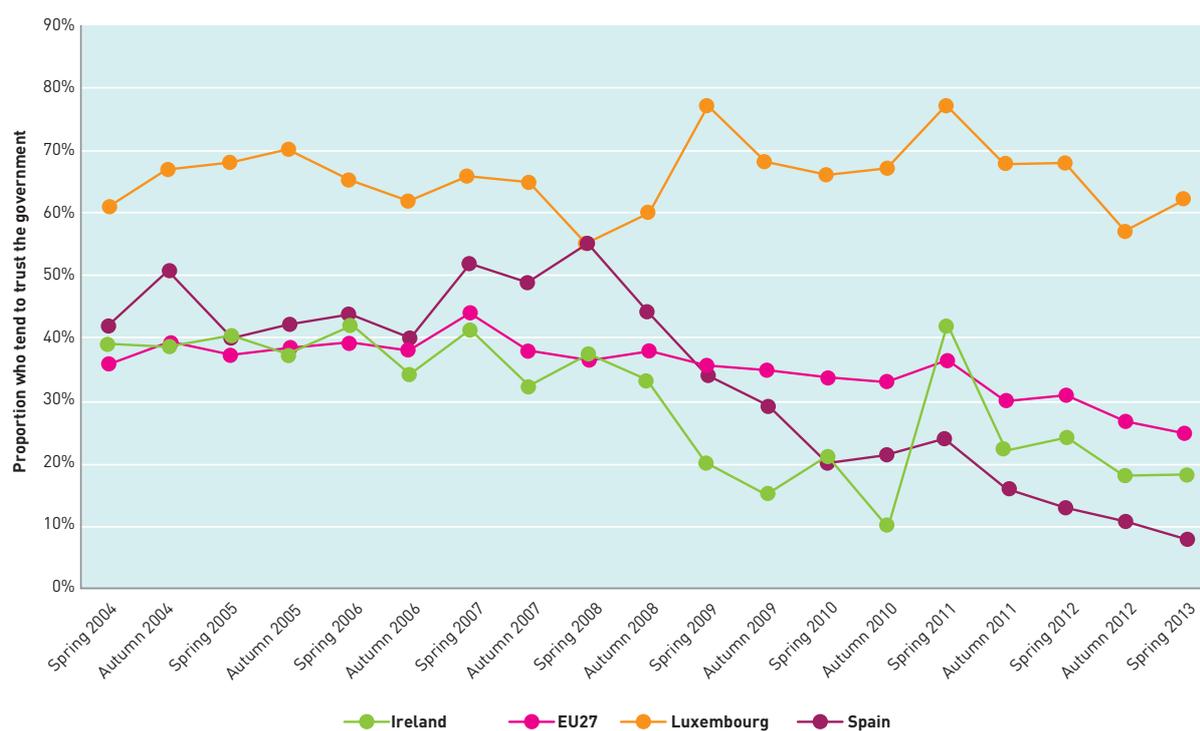
5. TRUST AND CONFIDENCE IN PUBLIC ADMINISTRATION

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.

Trust in government remains volatile and below the European average

FIGURE 38 LEVEL OF TRUST IN GOVERNMENT

Source: Eurobarometer

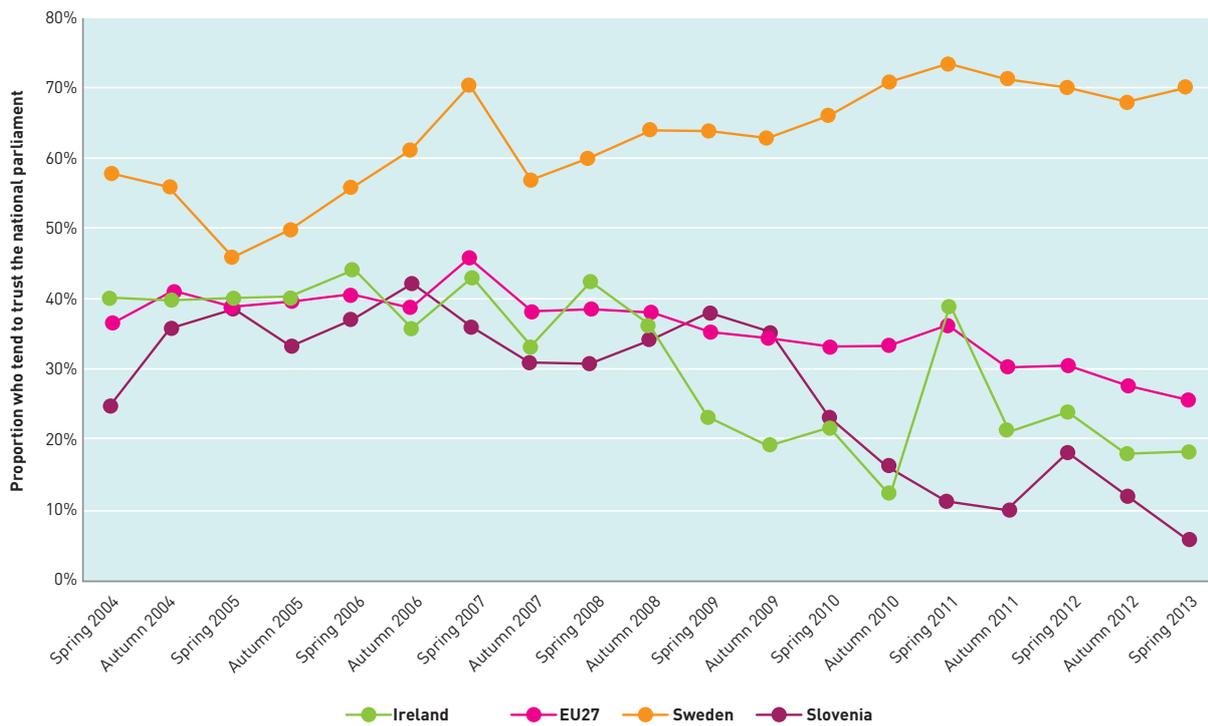


- The level of public trust in government in Ireland tended to be around the EU27 average from 2001 to 2008.
- However, there was a dramatic fall in the level of trust in government in Ireland from 2008 to 2010. Trust in government in the rest of Europe also fell, but only slightly. In autumn 2010, Ireland expressed the lowest level of trust in government of any of the EU27 (10 per cent).
- By spring 2011, the level of public trust had increased significantly to 42 per cent expressing trust in the Irish government. This fell back to 22 per cent by autumn 2011 and there was a further slight drop in autumn 2012 and spring 2013 to 18 per cent.

Trust in parliament remains fragile

FIGURE 39 LEVEL OF TRUST IN NATIONAL PARLIAMENT

Source: Eurobarometer

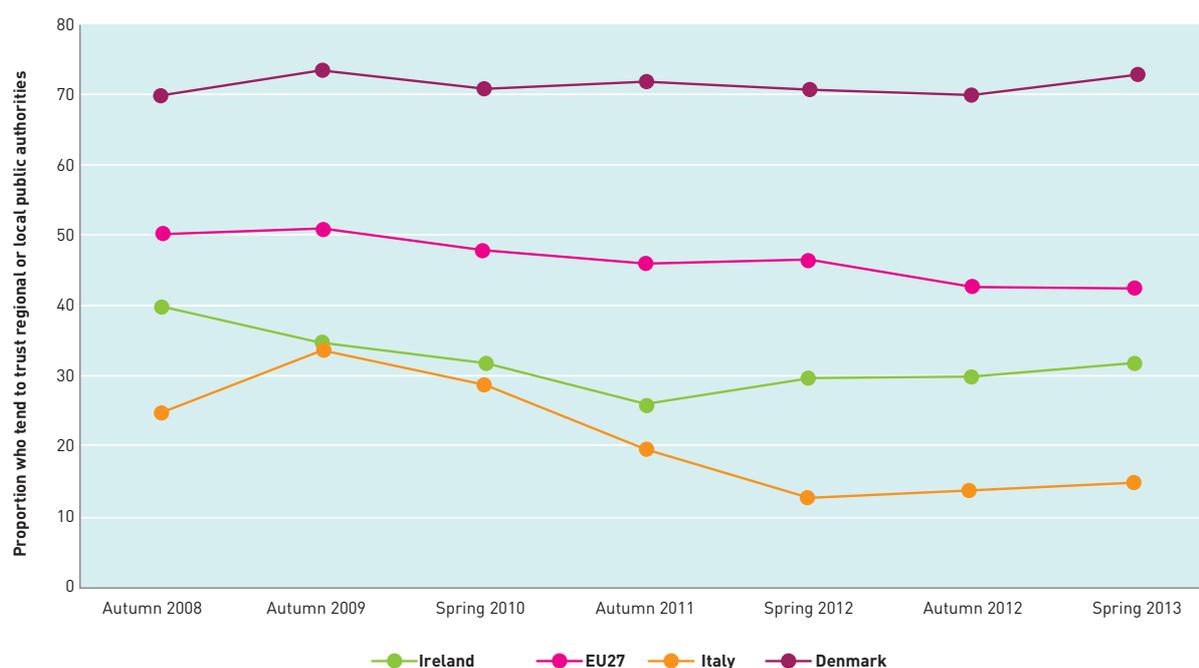


- The level of trust in national parliament has, on average, fallen in Ireland and in most of the rest of Europe over the last decade.
- Irish trust in parliament was around the EU 27 average until 2008.
- From 2008 to 2010, as with trust in government, trust in parliament dropped rapidly both in absolute terms and compared to the European average.
- In spring 2011, the proportion of respondents who expressed trust in the Irish parliament was back above the EU27 average, at 39 per cent. The level of trust has fallen again since then, and was at 18 per cent in spring 2013.
- The Nordic countries of Sweden, Denmark and Finland display the highest levels of trust in their national parliaments.

Trust in regional and local authorities is low but improving

FIGURE 40 LEVEL OF TRUST IN REGIONAL OR LOCAL PUBLIC AUTHORITIES

Source: Eurobarometer

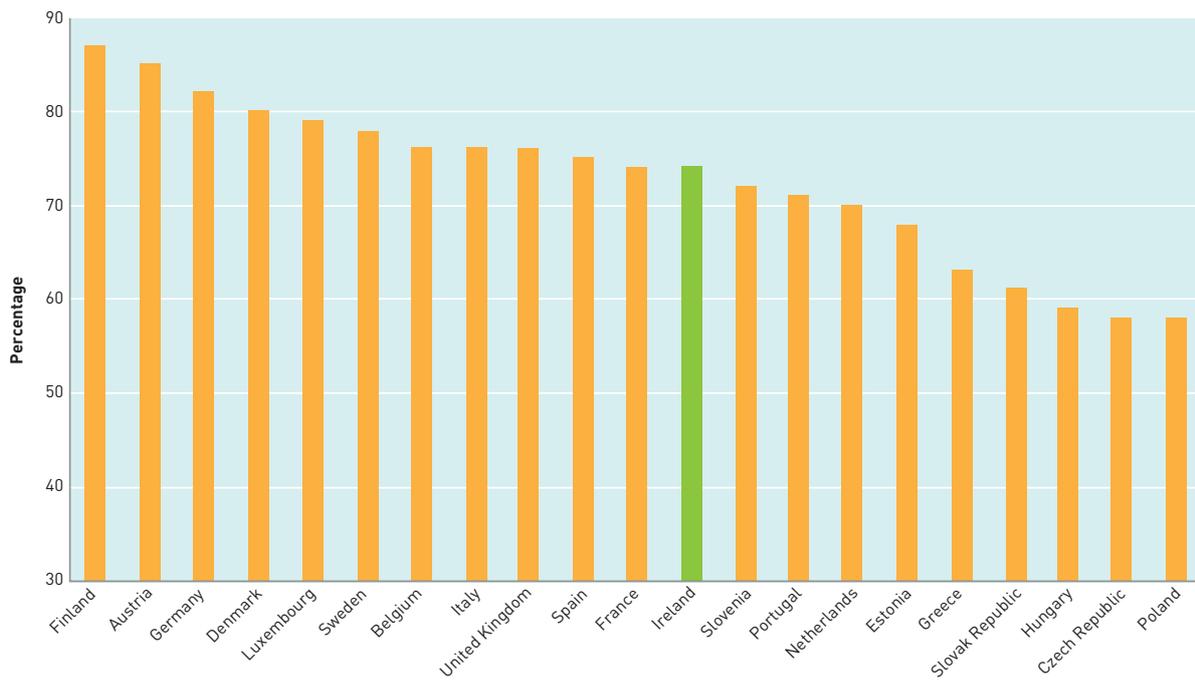


- The level of trust in regional and local authorities in Ireland was at 26 per cent in 2011, down from 40 per cent in 2008. It increased slightly to 30 per cent in spring 2012 and to 32 per cent in spring 2013.
- This is one of the lower levels of trust in the EU. Only Greece, Italy, Slovenia, Bulgaria and Spain report lower levels of trust in local authorities in 2013
- Overall, in the last couple of years while the level of trust in Ireland has been increasing, the European average level of trust has been decreasing.

Levels of confidence in the local police are around the European average

FIGURE 41 CONFIDENCE IN THE LOCAL POLICE FORCE

Source: OECD Government at a Glance 2013, based on Gallup World Poll data

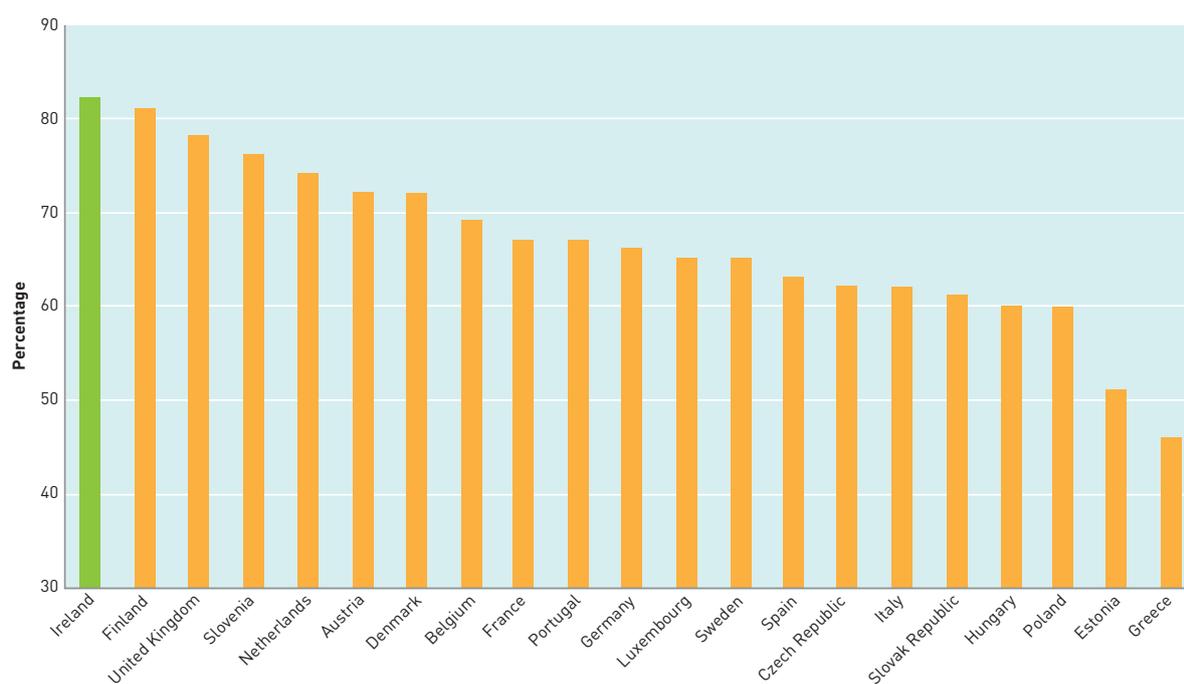


- Data for confidence in local police refers to the percentage of 'yes' answers to the question: In the city or area where you live, do you have confidence in the local police force?
- The level of confidence in the police in Ireland is around the European average, at 74 per cent in 2012.

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

FIGURE 42 SATISFACTION WITH THE EDUCATIONAL SYSTEM OR SCHOOLS

Source: OECD Government at a Glance 2013, based on Gallup World Poll data

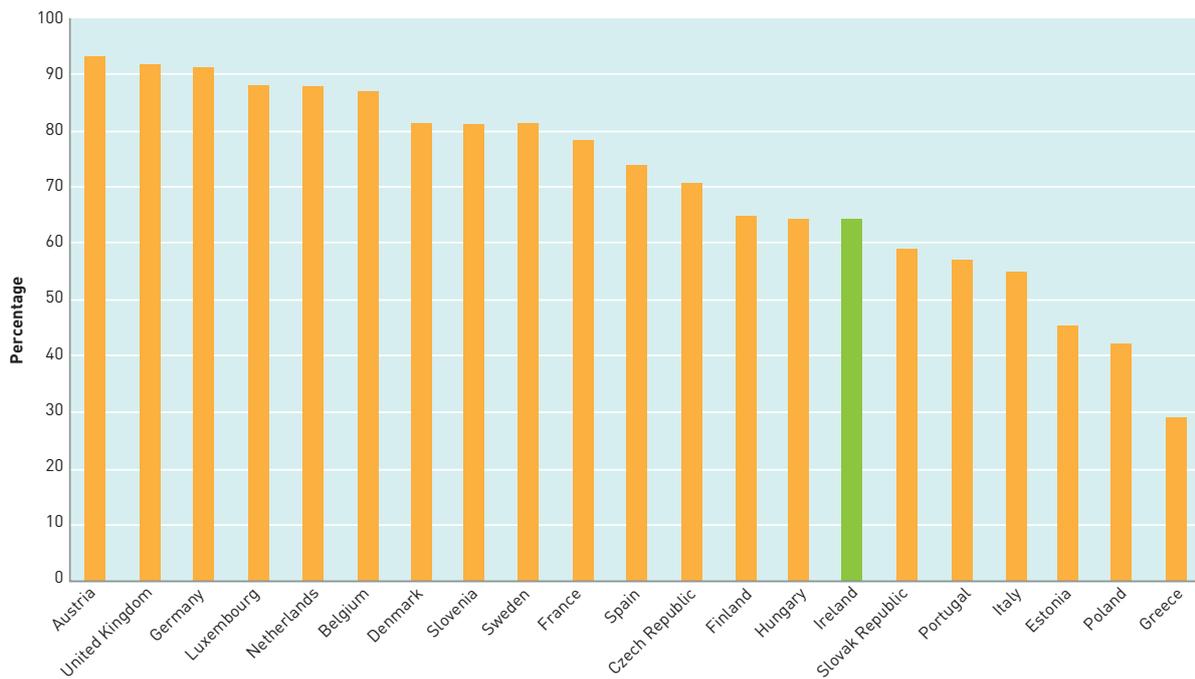


- Data for satisfaction with the education system and schools refers to the percentage of 'satisfied' answers to the question: In the city or area where you live, are you satisfied or dissatisfied with the educational system or the schools?
- The level of satisfaction in Ireland, at 82 per cent in 2012, is the highest of all the European countries surveyed.

There is a relatively low level of satisfaction with health care

FIGURE 43 SATISFACTION WITH THE AVAILABILITY OF QUALITY HEALTH CARE

Source: OECD Government at a Glance 2013, based on Gallup World Poll data

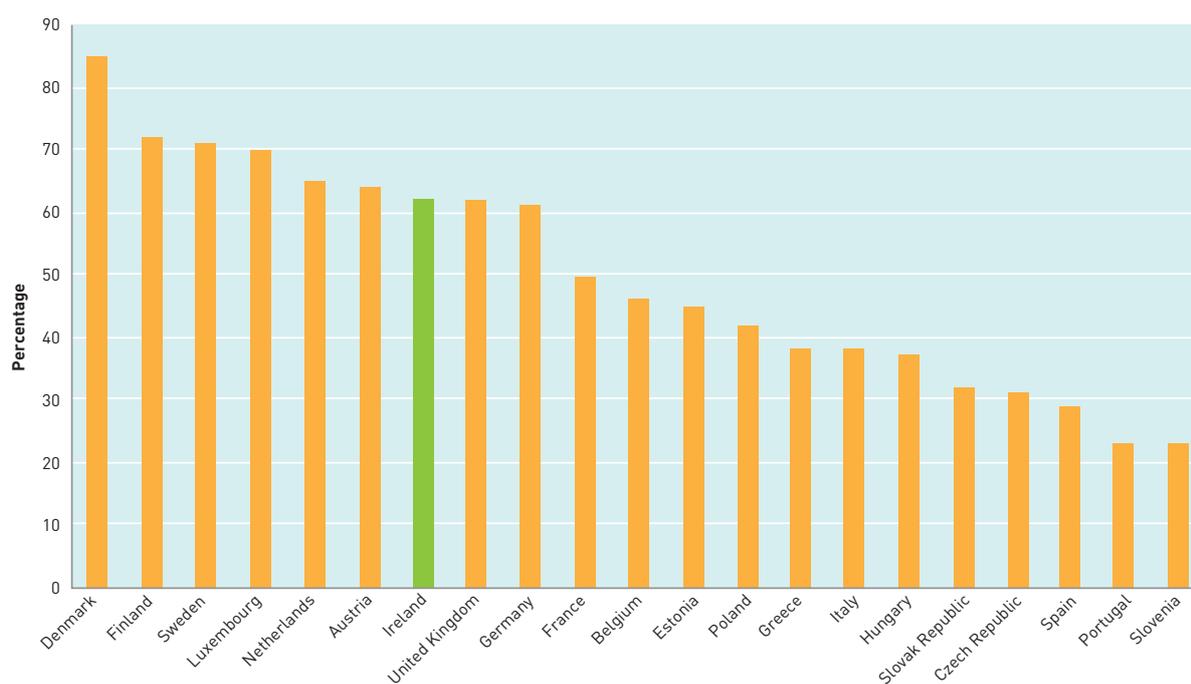


- Data for satisfaction with the availability of quality health care refers to the percentage of 'satisfied' answers to the question: In the city or area where you live, are you satisfied or dissatisfied with the availability of quality health care?
- Satisfaction with health care in Ireland is below the European average, at 64 per cent in 2012.

Confidence in the judicial system and courts service is quite high

FIGURE 44 CONFIDENCE IN THE JUDICIAL SYSTEM AND THE COURTS

Source: OECD Government at a Glance 2013, 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 62 per cent, though some way below the top performers Denmark and Finland.

6. CONCLUSION

In terms of overall performance, the data presented in this paper would tend to suggest that the quality of Ireland's public administration remains close to the average for the European Union. There are some signs that aspects of quality are seen as having improved in the last three years. As numbers employed in the public service have been falling in recent years at the same time as the population and demand for services has been increasing, to register some improvements in quality of public services compared to other European countries in these circumstances is no small feat.

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.

While there are some positive signs, 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 public services remains low overall. In very few areas is Ireland at the leading edge of Europe with regard to its public administration.

The government's public service reform programme is intended to further change the way the public sector works. Reform is about doing things differently with less. The old way of doing things cannot be sustained in many places and new ways of working are needed to cope. This means that cost-cutting measures cannot be taken in isolation, but need to be accompanied by structural and process reform of the public service.

REFERENCES

Afonso, A., L. Schuknecht and V. Tanzi (2003), *Public Sector Efficiency: An International Comparison*, Working Paper No. 242, Frankfurt: European Central Bank

Boyle, R. (2007), *Comparing Public Administrations*, Committee for Public Management Research Report No. 7, Dublin: Institute of Public Administration

Boyle, R. and M. MacCarthaigh (2011), *Fit for Purpose? Challenges for Irish Public Administration and Priorities for Public Service Reform*, Dublin: Institute of Public Administration, http://www.ipa.ie/pdf/Fit_For_Purpose_New_Report.pdf [accessed November 20 2013]

Eivers, E. and A. Clerkin (2012), *PIRLS & TIMSS 2011: Reading, Mathematics and Science Outcomes for Ireland*, Dublin: Educational Research Centre, <http://www.education.ie/en/Publications/Education-Reports/PIRLS-TIMSS-2011-Reading-Mathematics-and-Science-Outcomes-for-Ireland-Main-Report-.pdf> [accessed October 10 2013]

Foley, A. (2009), 'The size, cost and efficiency of the public service', *Administration*, Vol. 57, No. 1, pp69-101

Health Consumer Powerhouse (2009), *Euro Health Consumer Index 2012*, Health Consumer Powerhouse, <http://www.healthpowerhouse.com/files/Report-EHCI-2012.pdf> [accessed November 20 2013]

OECD (2013), *Government at a Glance 2013*, Paris: OECD, http://www.oecd-ilibrary.org/governance/government-at-a-glance-2013_gov_glance-2013-en [accessed November 20 2013]

OECD (2013b), *OECD Skills Outlook 2013: First Results From the Survey of Adult Skills*, Paris: OECD, http://skills.oecd.org/documents/OECD_Skills_Outlook_2013.pdf [accessed October 10 2013]

OECD (2010), *Public Administration After New Public Management*, OECD: Paris

Social and Cultural Planning Office (2004), *Public Sector Performance: An International Comparison of Education, Health Care, Law and Order and Public Administration*, The Hague: Social and Cultural Planning Office

APPENDIX 1

INDICATORS USED TO MAKE UP THE IPA PUBLIC ADMINISTRATION QUALITY INDICATOR

| | Data Source and Indicator | Description |
|--|---|--|
| Traditional Public Service Values Indicator (TPSVI) | Government Decisions (IMD 2.3.10) | Government decisions are effectively implemented |
| | Justice Processes (IMD 2.5.01) | Justice is fairly administered |
| | Judicial Independence (WEF 1.06) | The judiciary is independent from political influences of members of government, citizens or firms |
| | Diversion of Public Funds (WEF 1.03) | Diversion of public funds to companies, individuals or groups due to corruption |
| | Bribery and Corruption (IMD 2.3.13) | Existence of bribery and corruption |
| | Favouritism in Decisions of Government Officials (WEF 1.07) | When deciding upon policies and contracts, government officials are neutral |
| | Transparency (IMD 2.3.11) | Government policy is transparent |
| | Wastefulness of Government Spending (WEF 1.08) | The composition of public spending is wasteful |
| | Reliability of Police Services (WEF 1.17) | 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 2.3.08) | The legal and regulatory framework encourages the competitiveness of enterprises |
| | Public Sector Contracts (IMD 2.4.04) | Public sector contracts are sufficiently open to foreign bidders |
| | Ease of Doing Business (IMD 2.4.13) | The ease of doing business is supported by regulations |
| | Intellectual Property Rights (IMD 4.3.21) | Intellectual property rights are adequately enforced |
| | Public and Private Sector Ventures (IMD 4.2.17) | Public and private sector ventures are supporting technological developments |
| | Bureaucracy (IMD 2.3.12) | Bureaucracy hinders business activities |

