FIVE YEARS DOWN THE LINE, DOES THE PUBLIC ADMINISTRATION HAVE A GREAT NARRATIVE?

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There is no doubt that during the pre-accession stage, the Public Administration was engrossed with achieving the goal of EU Membership. The adrenalin of those officials that were involved in the EU-project was at an all-time high. Five years down the line, this great narrative has receded into the background and we are possibly taking everything in our stride. Is there a risk that we fall flat on our face? How has this transformation impacted the Public Administration?

By way of introduction, I wish to emphasise three points.

a) It is not my intention to carry out a SWOT analysis as such. Rather I propose to share my own personal thoughts on the subject by focusing on three different aspects - the acquis theme, the organisational setup and the HR problematic. I do this from my own personal perspective and the opinions I share do not necessarily reflect those of the Government and/or my management.

b) I will focus on the Public Administration ut sic. I will not comment on particular aspects of the acquis. A detailed evaluation of all the adaptations and changes, the innumerable transpositions into our system in the environmental field, in the employment and justice and home affairs sectors and so on, is not within the remit of this intervention.

c) A third caveat is this. The institutions at the local level are replicated at the European level. At that level, the Commission itself has had to adapt to the new scenario since over the past five years the Commission and its staff have been engaged in the task of overhauling the administrative systems and procedures, the management of financial and human resources, and the way in which it plans and programmes its activities. My focus is purely the local Public Administration.

Lack of an Acquis

Since membership has become a way of life, one tends to forget that a number of reforms are home-grown and not necessarily tied up to membership. The national agenda is still quite strong - take the MEPA and Local Councils reform. In parallel with the EU context a constant process of adaptation was, and still is, in progress. The Public Service Reform started way back 20 years ago. Much of what the public service is today is the result of the reforms that were mapped out at the time. But the Public Service reform did not end with accession even if, most probably, as the grand narrative of accession pervaded our lives, the public service reform was pushed into the background. Whilst it is true that accession has impacted the public administration, membership is not the only change motivator. Let me share with you two very important examples.

One is the Public Administration Act. I will comment on this later on. The other is the Freedom of Information Act which, once implemented, will bring about a fundamental change in attitudes. Both are not the direct result of some Directive or Regulation. Likewise, if the Government has decided to draw up a Code of Good Governance and a National Anti-Fraud and Corruption Strategy, two very significant documents, it is not because the Commission was threatening Malta with any infringement procedures. If at all, the push came from other international organisations.

The second point is that precisely because there are two bureaucracies affecting our lives, a European one and a national one, one tends to obfuscate the two. These two administrations co-exist and at times the two respond, in tandem, to the needs of their stakeholders, namely the tax payer. In such a scenario, certain changes being undertaken locally may, mistakenly, be assumed to be changes that are triggered-off through some EU-sponsored project. Let me exemplify what I am saying.
Some three years back, the Government launched a Better Regulation process. This was a home-grown initiative. On the other hand EU Commission President, Jose Manuel Barroso, came out with the phrase “Red Carpet not Red Tape”. Though one cannot deny certain similarities between the two projects, in actual fact here we have two related but distinct initiatives. The response came as a result of an identical need, namely the need to facilitate the citizen’s expectations. But whilst the thrust of the national agenda is the over-arching battle cry of “less bureaucracy” of whatever type, the main thrust of the European assignment is a reduction of administrative burdens, with SMEs and business concerns as the main focus group. A second aspect of this task at an EU level is the consolidation of the Directives and Regulations.

This duality has led to a situation where there is not enough co-ordination between what is happening on the EU level and that on the national level. The lesson to be learnt from this experience, since there are bound to be other similar situations in future, is that in such scenarios there should be one single point of contact for both the internal (national) and external (EU Commission) levels.

Secondly, when discussing the Public Administration within the EU perspective, one should not forget that Malta joined the European Union along with 9 other members states, the bulk sited in Eastern Europe and which were, up to two decades ago, under communist rule. Their public administrations only started to endorse the democratic Rule of Law over the past twenty years. On the other hand, Malta’s Public Administration is steeped in the traditional Westminster style of Government. Its National Audit Office is already a hundred years old. Its police force predates the London Constabulary, whilst the first public competitive exam for engagement with the public service took place over a hundred and fifty years ago. The concept of separation of power is at the core of our way of life.

That is not to say that Malta has a perfect system of governance. And indeed one can cite a number of changes that were implemented as a result of our accession and which served to consolidate our democratic way of life.

But from the substantive point of view, one cannot really speak of a public administration acquis as such. Indeed there is no Council of Ministers responsible for the public sector even though Ministers responsible for the public administration do get together at times. The model adopted at the EU level is that of a loose but strong network - the so-called EU Public Administration Network (EUPAN). This Network is made up of a number of subgroups including the “Innovative Public Services Working Group”, e-government, one focusing on Better Regulation, another on Social Dialogue and the Human Resources Working Group.

At times it has been said that the Maltese public service needed the membership challenge to deliver. There may be some truth in that. But the Maltese Public Service has many merits. It is a leader in some areas. Thus quite a number of countries, even the so-called “old Member States” do not, as yet, have a stable system of performance management, something which has been with us for the past decade and a half. Likewise, in e-government issues Malta is a front-runner, and a strong one at that. However one needs to guard against an attitude of “we know it all”. Even though Malta was a front-runner in certain areas, the Maltese Public Service now risks losing out since the “new” Member States are catching up with a vengeance.

**What was the Impact of Membership from an Organisational Point of View?**

In preparation for membership, the Public Sector’s organisational set-up was revamped. The second part of my intervention will focus on this aspect.

The process of accession to the EU, and then membership have brought about a change of outlook, a change in attitudes. The way we do things is just as vital as the substantive changes brought about by adapting to the *acquis*. Let me recall that whilst the other 9 Member States that signed up on 1 May 2004 had had four years in which to adapt to the *acquis*, Malta had only half that time in which to achieve its target. This was no mean feat taking into account that four years were considered quite tight for many countries. Yet Malta, with the smallest administration, delivered the goods on time and managed some remarkable “concessions” which I need not repeat here. How was this achieved? There were a number of reasons for this success, not least the sense of leadership. But from an organisational point of view, a particular process was adopted and this gave us good results. I strongly believe that we need to rekindle this system if we want the next phase of the reform of the Public Administration to kick-in.
I am referring to what is known as the “lead ministry” concept.

The notion was disarmingly simple. It hit at the very core of what could have been a major stumbling block. It is human nature to work in silos. This is regrettable but understandable. But Malta could not approach the task of adopting the acquis unless this matter was addressed. The task had to be backed up by an organisational reform. EU Affairs Directorates were set up in each Ministry. These were tasked with coordinating the handling of EU affairs within each ministry, and more importantly acting as the focal point for intra-ministerial coordination especially through the lead/secondary ministry system, escalating to a higher level through the regular Inter-Ministerial Committee meetings which are regularly held to this day. This process effectively ensures proper co-ordination at all levels.

Developing the concept of “lead ministry” was a breakthrough for Malta, (at least this is how I see it) because:

- issues requiring inter-ministerial coordination tended to be addressed in isolation by each ministry or else rise to the very top (resulting in overburdening at this level);
- career officials (even at Director level) would not have been entrusted with such a key role;
- the institutionalised, systematic sharing of information and consultation through the lead/secondary ministry system represented the overcoming of the silo mentality and the past tendency to withhold information within one's department unless expressly authorised to share it.

The EU Affairs Directorate was an offshoot of what was previously known as the Office of Review. When the Office of Review was revamped, two other Directorates were set up, one focusing on Programme Implementation, the other targeting Policy Development. It is with some regret that I state that although the system is still in place with respect to EU issues, we have not managed to replicate the “lead Ministry” model with regard to the two other Directorates. When the lead-Ministry system was introduced there were hopes that it would become a model for non-EU domestic affairs.

The feeling is that the forces sustaining the old silo system are still something to be reckoned with and one cannot assume that they will simply fade away over time. This, I believe, needs to be one of the major objectives that I have to work on in the short term, not least because five years after membership these two Directorates continue to have a crucial role to play.

On the one hand the Policy Development Directorate needs to take effective ownership of developing home-grown policies. Unless the Policy Development Directorates do this, the Regulatory Bodies that have been set up as a result of membership will take on a policy-making role beyond that assigned to them by law. Each regulatory authority has its own legitimate sphere of decision-making. Usually, however, it falls to the Government to set the broad policy parameters within which the authority operates, and unless the Policy Development Directorate of the relevant ministry has the capacity to assume this role, a decision-making vacuum will be created.

Likewise the Programme Implementation Directorate; this Directorate has been tasked with the responsibility, amongst others, of overseeing the different projects that will be funded during the 2007-2013 programming period. It is vital that the “lead Ministry” concept is replicated. Unless we instil a sense of “ownership”, the myriad of projects that have kicked off and/or are in the pipeline may, in the not too distant future, be at risk.

Success demands that one look into the mirror and face reality rather than sweeping problems under the carpet. And therefore one must acknowledge that regrettably five years down the line the lack of, or perceived lack of, a grand narrative has dampened our drive. The Membership goal was achieved because there was a sense of ownership, a system of timely and effective escalation when things started to go wrong. The administration functioned with no particular silos and/or personal agendas. It is obviously my responsibility to work on this re-foundation of the system. Just as it is my duty to review the whole organisational set-up.
As I said, in the run-up to Membership and as a direct result thereof, a number of new Directorates were set up. In particular, a number related to special focus areas. Five years down the line, as things seem to have stabilised, the question now is whether we need to sit back and review the organigram. Is the Public Administration organigram top heavy? As we grapple with an increased work-load but a diminishing number of employees - the number of employees in the sector has, by design, been diminished over the years and is currently at its lowest in years - more synergy of resources is required. Therefore the second organisational task five years after membership is to revisit the structure and possibly to collapse certain Directorates even if, initially, they were set up to tackle the requirements of the acquis.

Another organisational reform that took place as a result of Membership and the consequent further opening up of the economy was the setting up of a number of Regulatory Authorities. This was a relatively new experience for the public sector. As a result:

a) There was a marked shift in that a number of operations have been transferred to the private sector totally or in part;

b) On the other hand, these Regulatory Authorities need to learn to work with greater synergy particularly when it comes to support services. Otherwise their cost will become unsustainable;

c) Finally, and this is more fundamental to my mind, one needs to take stock of the operational aspect. Regulators have an autonomous decision-making role and this should not just be sustained but reinforced. However regulators should not decide on broader issues of policy which remain the remit of the administration. Regulatory bodies are there to ensure a level-playing field, not to set policy.

Other organizational changes which took place in view of membership are here to stay. These include the Monitoring Committee, the Managing Authorities, the Paying Agencies, the Auditing Authority, and others. These are intricately linked to membership and are now core functions of the Public Administration and have to be sustained.

The HR Problematic

It is my considered opinion that despite the Public Administration’s limitations, and not least thanks to the many unsung heroes that man the desks, the pre-accession drive has been replicated over the past five years. One need only mention the fact that the Public Sector led by example when the euro- adoption phase kicked in. Likewise, it performed admirably as it prepared to take on board the Schengen acquis. Lesser known landmarks are the fact that Malta’s SFD (Structural Funds Data-base) is rated amongst the most sturdy in Europe even though this was developed in-house at a fraction of what was paid for by other member states. Equally notable was the fact that the Maltese Public Sector responded with alacrity and was the first past the mark in concluding the National Strategic Framework which allowed us to chart the way the structural funds were to be disbursed over the next programming period. And relatively speaking this success has been maintained such that Malta, along with Slovenia and Spain were rated as the three countries in 2008 to have “posted their best implementation records ever”.

Thanks to many hard-working people, Malta achieved full integration into the European fold without any major hiccups. But five years down the line, one cannot brush aside the human resource problematic.

First of all the profile of a typical pubic officer has changed. Accession has meant that new and different skills are required. A second challenge when it comes to HR is mobility.

There is need for a skills-upgrade particularly in the middle-management level. In this regard, a decision has been taken to set up a new Centre for Policy Research and Training. As part of its remit the new Centre will team up with other institutions, not least the University of Malta, to provide for continuous personal development.

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In synergy with the above, the Management and Personnel Office has now taken the plunge to carry out a skills audit. Here also the Public Service is turning out to be a leader. In its Flexicurity Pathway - one of the pillars of Malta’s National Reform Programme - Malta committed itself to undertaking a skills audit of the national working population by December 2010. Therefore, as a major employer, the Management and Personnel Office is drawing up a roadmap for the implementation of the Skills Profiling Exercise.

Moreover, over the past five years, the administration has had to create a number of new positions within the service. These include those of “project leaders”, “research officers”, “EU-fund managers” and the like. Both because most of these new posts required certain skills that were not readily available as well as because the grading structure did not cater for such new posts, a decision was taken to open up these posts also to persons from outside the service.

I strongly believe that whether we are successful or not depends not just on structures but also on the input and skills of our employees. To my mind this decision had two positive effects.

Firstly more public officers took up the challenge and there was a marked increase in personnel undergoing courses to be able to compete for these calls. But, and to my mind this is even more significant, a good number of recruits came from outside the Service, most of them still in their early thirties and, more significantly, the majority were graduates. I need not emphasise the benefits. Slowly but surely a silent revolution is taking place with more people interested in their own continuous personnel development since more opportunities are opening up.

Of course there is a down-side to all this. One cannot ignore the fact that a sizeable number of individuals, particularly those who are over a certain age bracket feel somewhat threatened. This is understandable and hence why management needs to address this issue in the short to medium term. The Centre above referred to is one such response.

Worker mobility is another major challenge that needs to be handled. Mobility is here to stay and the sooner that top management realise this, the better. The Public Sector has experienced an unprecedented number of personnel moving out to the private sector and/or the European Institutions. But there is also a certain degree of intra-service mobility. Mobility is healthy both for the individual as well as the organisation itself. However one must ensure that the Public Sector does not out-price itself since, regrettably, an element of internal poaching is being resorted to. The central recruitment agencies now need to ensure that where departments/entities offer better conditions of work to attract candidates to a particular post, this is done within reason. Otherwise the system will be unsustainable. This is one of the major challenges that membership has brought about, a challenge to which we are responding by re-engineering the recruitment process. Hopefully the full benefit of these changes will be reaped in the not too distant future.

One benefit of membership which may not seem so immediately obvious is that even the public administration has had access to funding. Under the pre-accession twinning and twinning ‘light’ capacity-building projects, financed under the Pre-Accession Funds and the Transition Facility and TAIEX activities 2004-2008; Local Training - Structural Funds, over 58 pre-accession courses were organised. Literally hundreds benefited. Partners came from the administrations of Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Hungary, the Netherlands, Spain and the United Kingdom. The implication of this healthy mix is that Malta has also managed to tap into areas which are not based on the anglo-saxon model. Moreover, a number of Maltese experts, circa 50, have been engaged on Taiex missions abroad. This means that Malta has not been only on the receiving end.

The public administration is now hoping to benefit from more funding. Two particular projects should be mentioned. One covers a TNA proposal co-ordinated by the CPRT. With respect to the second project, labeled the Employee Support Programme, the MPO teamed up with six local NGOs. I started off this initiative because I believe that the ESF programmes have made a difference to Malta’s workforce. And the country can only stand to gain if public sector employees share in this bonanza. The public sector cannot afford not to invest in its human resources.
**What Does The Future Hold in Store?**

When I started off this presentation I made reference to the Public Administration Act. I end by making reference to this Act because I believe that although we will still have to adapt to a number of Directives and Regulations as they come on stream, the major adaptation that needs to be implanted is home-grown.

Any self-respecting Public Administration must think of itself as the backbone of a country’s competitiveness. I believe that it is thanks to our predecessors that Malta has reached the standard of living we enjoy today and as the world faces one of its most turbulent challenges in recent history - the credit crunch and all its derivatives - the public service needs to respond.

The Act seeks to re-capture the ethos of the Public Service. It is based on the principles of accountability, transparency, co-ordination and better customer care and flexibility. The more Malta integrates in the European model, the more our public sector needs to respond effectively, efficiently and in a timely manner. Thanks to membership the aspirations of our citizens have continued to increase. So the public sector needs to work hand in hand with the rest of society including the private sector, the unions and civil society in general. As Koffi Annan stated during the 2000 General Assembly - “Government can bring about change, not by acting alone, but by working together with other actors…. With civil society in the broadest sense.”

At the beginning of my intervention I indicated that one has to guard against a lack of co-ordination between the national and EU levels. I conclude by stating that, in my opinion, Membership has opened up several opportunities. The experiences gained over the past five years of membership are a good spring-board if coupled with the on-going local reforms. Within this scenario, my belief is that the public service is well placed to realign itself to the needs and aspirations of the citizens of Malta as they continue on their European journey.