

A CRITIQUE OF THE PSRC REPORT

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Introduction

The report on the organisation of the Public Service was submitted to the Prime Minister by the Public Service Reform Commission (PSRC) in July 1989. Having presented its homework, the Commission wound itself up. Not that the members of the Reform Commission felt the report to be beyond recrimination; perhaps they felt that, if criticised, it should be the responsibility of Government who commissioned the report, to have exclusive right to respond, if at all. In any case and as expected, criticism has not been lacking. And not even the PSRC itself put up a united front in defending the total application of its recommendations: A minority report by one of the five commissioners is indicative of internal dissension.

This article seeks to critically explore some of the key themes of the PSRC Report. It does so with the full understanding that such a critical and dialectical exercise serves to widen horizons and options. It is therefore ultimately constructive in intent. It hopes to identify premises, problems and issues which need to be addressed head on if the reform process is to be what it claims to be, a change agent.

The approach adopted to execute such a task is to critique a self-chosen but context faithful selection of PSRC statements. Such representative excerpts are reproduced and then followed by a cross-examination. The exercise is organised around ten themes.

Ten Propositions

Item 1: A danger of fallacious technocratic idealism?

"A New Public Service for Malta" (Title)

Already in the title, the PSRC promises us a new public service, a magical phoenix rising from the ashes of the embarrassing past. However, a radical programme itself requires an effective defence mechanism which preserves its commitment for change. And then, traditional value systems and habits may be so pervasive that they persist and refuse to be reformed. The inputs relied upon to spearhead the process of change – particularly people and institutions – are integral parts of the social fabric which the PSRC is purportedly seeking to transform.

It is more difficult than one usually imagines to develop new structures, habits and a work ethic, groomed out of the same old economic, political, socio-cultural and historical milieu. With the same public servants, living on the same traditions and continuously defending themselves (against political intervention, against their own and others' inefficiency, against customer insolence) with established routines, based on years of formative

experience. With the same politicians/ministers and their entourage, immersed in the same traditions of paternalism and patronage and continuously defending themselves (against their own and others' inefficiency, against constituents' demands) with their own established routines based on years of formative experience.

It is therefore no wonder that degeneration is a common occurrence among those bodies and processes which seek to challenge the established social order, with its own ingrained micro-culture. The PSRC, perhaps secure in the technical excellence of its recommendations, remains impervious to this threat. One needs to be wary of ending up with a case of new wine in old bottles.

Item 2: Is there adequate sensitivity to the context?

"We...recommend that...entry to Category A and Category B [top and middle management grades] should be by means of competition; that competition should not be restricted to candidates within the public service" (p.57).

An insufficient sensitivity to environmental variables may have led to the above recommendation. This is possibly the one statement which has met the strongest reactions, for or against, from one and all. Not only, as expected, from civil servants who feel threatened and potentially thwarted of an otherwise seniority-assured grade. The main outcry has been that the Commission has unwittingly

played into the hands of a political party bureaucrat who had insisted that the service should be run under executive political direction. Indeed, as the PSRC Secretary outlined in a letter to the press, "the Commission has not, at any point in its report, proposed political appointments to the senior positions in the Service". We may choose to accept this assertion in good faith. But does the idea behind a proposal inhibit the latter's manipulation? Does not the likelihood remain that outside entry to these enviously and jealously prized grades in the public service will fall victim to such ingenious operations?

Item 3: Are the ideas operational?

"We do not think that staff have an inherent right to be promoted without regard to their ability" (p.42).

Fair enough. That age is tempered by proven capability in the granting of promotions would logically lead to a significant boost in the quality and image of management in the public service. Yet, how does one determine staff capability? (Performance appraisal is inherently extremely difficult to carry out in service-oriented occupations). And who will determine staff capability? For all their potential advantages, the criteria are much more subjective than seniority and therefore require proper scrutiny. But how does one scrutinise promotions on the basis of ability effectively in such a small country as ours where personal contacts are inevitably profuse especially in the ongoing struggle for control over scarce resources (such as promotions)? An exclusive weight to seniority

for the purpose of determining promotions may not be conducive to maximum efficiency and to the reward of effort and talent; but its saving grace is that it is objective and therefore more resistant to manipulation. And, even in spite of this, there have been various occasions when even this objective criterion has allegedly been flagrantly violated.

What then would be in store for the public service if an even less objective variable becomes the magic criterion? What could be a subtle invitation to legitimize personalised sanctions may trigger a denouncing public outcry. Yet perhaps even the most junior of public servants may give the scheme tacit approval: they too may hope to reap benefits from an institutionalisation of favouritism.

Item 4: Has the setting and the heritage been well explored?

"The ideas presented [in the PSRC Report] constitute definitive statements...on matters which...it sees as fundamentally important. Because of their importance, the Commission thought it necessary to express them succinctly, unburdened by detailed argumentation or proposals which might serve to diminish their significance" (Introduction, p.i).

Begging to differ, I would rather argue that, because of the alleged fundamental importance of the ideas presented, the Commission should have thought it quite indispensable to elaborate (a) on the premises of these ideas and (b) on the reactions that they may

trigger off and the resistances they might generate. Elaboration should not be only in the "forward direction of pragmatic implementation" (as the Commission proposes) but in the "backward" direction of hypothesis verification and sound theoretical formulation. The deficiency leads to a series of self-righteous recommendations (such as of a new public service, as argued above) which may prove to be either unworkable or, worse still, prone to imaginative manipulation. A Maltese cultural trait?

Item 5: Are stereotyped impressions put forward as facts?

"The popular image of the Public Service as the natural image of the mediocre, lazy and incompetent..." (p.46).

This is a case in point: sweeping generalisations which the PSRC, armed as it was with research and support staff, could have at least verified. The present condition of the public service is uncritically based on what is acknowledged as a popular image or as "first impressions" (p.2). No attempt is made to check systematically whether these impressions are true or false and, if true, whether they are general or particular, in a relative or absolute sense.

No reference is made to comparative studies having been carried out (such as diachronic, across-time studies; across different departments, comparing similar public and private activities). Is all the public service mediocre, lazy and incompetent? And if not (or if not to different degrees), why? Is there more than just a

pervasive civil service syndrome? Answers to these and similar questions are all too glaringly absent.

The PSRC ought to have known better: popular images tend to be far removed from empirical manifestations because they are fuelled and nurtured by mass media and organisations which may have vested interests in cultivating certain impressions; otherwise they may be simply cultural constructs which have lost their bearing on the contemporary state of affairs or otherwise distort it in accordance with unsubstantiated myths.

Item 6: Over-dramatisation?

" One factor alone can make the risks of change acceptable and that is trust: unless that becomes the foundation of Malta's system of government and administration, none of the ideas proposed here will bring the results that are sought" – (Introduction, p.iii).

One issue here is that the PSRC hopes that its recommendations will, when implemented, bring about the establishment of trust. But trust is hardly the bottom line. Appeals to trust in the powers that be usually conceal attempts at legitimacy building which exclude the exercise of proper and effective accountability. This would be more characteristic of autocratic, dictatorial rule. In pluralist, liberal democracies, structures of effective accountability and open government – such as review and audit structures, a division of powers between the legislative, the executive and the judiciary, opposition party politics and pressure group action with

access to a free press –these are intended as a form of countervailing power and scrutiny which would not be necessary where blind trust exists. Indeed, it is these structures which may be said to form the basis of trust.

The PSRC has recommended that trust in the public service must be rebuilt. This trust is directed specifically at a particular labour segment within the public service, and that is public service management. This category is meant to exercise very wide discretionary powers in public service affairs. The deficiency here is that the scrutinizing agencies intended to check managerial decision making are likely to prove ineffective. Management, portrayed as an enlightened elite pleading to be allowed to roam free and to exercise its discretion, is being thus proposed to 'play God'. With only bogus scrutinizers, that is exactly what would happen.

Item 7: Phantom scrutinizers?

Accountability is being vested in (i) the ability of structures within the public domain (Parliament / Audit / Public Service Commission) to scrutinize (pp.27-8); (2) in the enactment of apposite legislation (e.g. for inquiring into patronage; to regulate access to information) – (pp.1,12,63, etc.); and (3) the submission of annual reports to the P.S.C. (p.49).

The lessons of history and local experience on this matter are legion. The authority to scrutinize is far removed from the action of scrutiny; nor does the rectification of irregularities detected in the action of scrutiny necessarily follow the act of scrutiny; and if they do, they may not occur speedily.

What will act as a spur to scrutinize? What provision for enforcement of new and already existent legislation? Is the submission of an annual report, or an annual discussion on the budget allocation of a ministry, or the annual submission of the report by the Director of Audit in themselves acts of effective scrutiny? This would only be a symbolic and formalistic exercise of the law. There is yet a long way to go. And as long as the organs of scrutiny have no inherent interest in exposing sins of omission or commission, the process will grind to a halt. The real or imagined, direct or indirect encroachment of the government of the day on the workings of the scrutinizing bodies is one braking component. Another is the temptation towards collusion which results from the fact that both scrutinizers and scrutinised are common members of the public service 'club' where a 'live and let live' code of ethics could rule the roost. This issue has become even more pertinent given the deployment of the Management Systems Unit (one of the bodies recommended by the PSRC) as a limited liability company operating with public funds.

Item 8: A green public service in the realm of Oz?

"The root of the problem of poor customer relations seems to lie in the public's ignorance of their rights and obligations... and ...the absence of some very basic skills in the public service" (p.9).

What is repeatedly diagnosed as a public service sickness which therefore warrants "something substantive [to restore] the institution to health" (p.3) is perhaps more properly understood as a very healthy, indeed ingenious, adaptation to a particular (read sick) environment.

Customer relations is the first example of such 'sickness' raised by the PSRC Report. The public service departments with customer related activities have developed the customer relations appropriate to their environment (with its pressures) as well as to their own interest in cultivating networks. This requires some very basic skills – such as being very efficient with customers who are actual or potential patrons of theirs or their colleagues – which help to promote the public servants' own patronage links and coalitions. Customers not belonging or not resorting to such networks are deftly penalised with a full dose of inefficient bureaucracy. The public's ignorance has been couched by the PSRC in terms of its rights and obligations; would it not have made more sense to couch it in terms of its lack of personal contacts?

Item 9: Is pluralism odd?

"With regards to the scope of industrial relations, it is odd that collective agreements include provisions which are clearly inimical to the needs of the organisation and may prevent the responsible exercise of managerial judgement: this is especially true of entry and promotion policies, of the artificial and unrealistic fixing of complements" (p. 66).

This statement betrays ignorance of the raison d'etre of industrial relations whose exercise is intended precisely towards the containment of managerial absolutism. The PSRC should not find it odd that bodies other than public sector management have their own interpretations of the needs of the organisation, and that the laws of the land in liberal pluralist democracies guarantee the exercise of this right.

That these interpretations may be different or contrary to those of the managerial powers is just too bad and management should be prepared for this. (Indeed, why else recommend skilled negotiators in the Management and Personnel Office - p. 69?). Such diverse interpretations on the role and function of the public service may be forthcoming from organised workers (via trade unions, professional bodies, staff associations) from Government (an exceptionally important client of the public service) and from other 'consumer' interests.

The PSRC here betrays an anti-pluralist orientation, putting its trust in the "responsible exercise of managerial judgement" and expecting all others to follow likewise. An anti-union stance also

comes through in a recommendation for the establishment of staff associations to represent Category A staff, and excluding these from the ambit of collective agreements relating to other grades in the service (p. 67). This is tantamount to a fragmentation of worker solidarity which is the basic principle behind the general unionism on whose lines workers are organised in the public service today.

Item 10: Mythical private sector managers in the public service?

"...the Commission has used the terms 'manager' and 'management' rather than 'administrator' and 'administration'. The... image ... of the manager is congruent with a decentralised system, held together by mechanisms for planning and accountability and emphasizing efficient use of resources and flexible response" (p.27).

"Public service managers, if they are to be worthy of their name, are the key players in this process; they must begin to see themselves as the agents of change" (p.71) .

One wonders how public service administrators can ever become the managers which the PSRC would like them to be. Public sector performance operates within constraints fundamentally different from those in the private domain: success is not readily translated into growth and expansion; there is no market discipline because of monopoly conditions; Government, organised interests and public opinion will exert pressures on public utilities which may

inhibit efficiency; there is less freedom to redeploy assets; and there is less freedom to plan for the long-term, undisturbed by changing budgetary allocations, political actors and imperatives.

Nor is the image of far flung private discretion and self-direction an empirically based one. It could well be that the impression of private sector competence is unduly rosy, and as much an impression as that of public sector impotence. Private sector junior and senior executives may also have very narrowly curtailed decision making authority and few opportunities to exercise significant discretionary judgement. Both the public and private domain can support monolithic structures.

Conclusion: Bringing People back in?

"It would be a mistake to think that well-designed structures and management systems guarantee efficiency. In the final analysis, it is people who make organisations work..." (p.34).

The PSRC prescription for Maltese public service reform consists of structures, human resource development and management. These are all admittedly crucial to reform and various problems associated with the public service today stem from fossilized structures and the lack of a proper policy for staff recruitment and training.

But such is only a partial solution. A more courageous and faithful translation into practice of 'open government' is warranted. The PSRC may have done better to suggest the establishment of multiple forms of scrutiny which would be accountable to multiple constituencies, each with diverse aims and with diverse concepts of efficiency. Disagreement is not odd but healthy; and pluralism is only odd if one considers oneself infallible. Effective counterveiling forces ought to form the lynchpin of any public service reform. Especially if it is not simply a case of nursing a sick public service to health. A genuinely new public service may only be possible in a genuinely new Malta.

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