

THREE YEARS LATER:
THE RECORD OF IMPLEMENTATION

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A comment about the record of implementation elsewhere

The record of post-war administrative reform in other countries is hardly a reassuring guide to the outcome of the Commission's work in Malta. In the growth years of the 'sixties and 'seventies, public complaints about bureaucratic inefficiencies did not erode public complacency about 'big government'; the security and the patronage that it dispenses furnished attractive compensation. In affluent countries, it was only in the 'eighties that public opinion lent consistent support to political ideologies that are antithetical to administration. During the decade, startling ideas about the future shape of national public services began to be implemented with greater or lesser vigour. Britain's 'Next Steps' and privatization programmes are perhaps the best known, but others are just as radical: they call for alternatives to the nineteenth-century model of bureaucracy which is what most governments have been content to administer with during the twentieth century's decades of rapid change.

Neither the ideas nor the initiatives that they conceived failed to give rise to considerable controversy. The contributions to the forum on Malta's Public Service Reform Commission canvas quite comprehensively the range of reactions that were aroused here and

elsewhere in similar circumstances. Would equity be sacrificed to efficiency? Would the tradition of public service neutrality be compromised? Would delegation encourage patronage and corruption? Would the initiative be defeated by the very scale of the changes that were envisaged? Would political pressure for improved performance be displaced by greater anxiety over industrial unrest in crucial services? In short, did the political climate favour successful implementation of recommended changes? This short concluding note reviews the principal decisions and initiatives arising from the work of the Reform Commission and the Operations Review.

Outlines of government strategy since 1990

Shortly after the Commission concluded its work, Government published its second stage report for public comment. Both first and second reports were extensively circulated within the public service: the Secretary General at the time formally invited the comments of senior officials. Meanwhile, the Operations Review embarked on the preparation of an information Systems Strategic Plan, having completed the review of the framework of government organisation. The Cabinet Committee for Reform stepped up the tempo of its meetings in order to consider matters requiring early decision, not least the appointment of directors for new central agencies recommended by the Commission and the Consultant.

Predictably, those of the Commission's recommendations regarding delegation and external appointments roused much controversy. The Prime Minister himself, while expressing sympathy with the general tenor of the PSRC report, sounded a note of caution in his public statements: he reiterated Government's commitment to consult and, where appropriate, to negotiate. This attempt at public and internal consultation appeared rather tentative and, perhaps, dilatory. Nonetheless, Government retained the initiative, partly because of the failure of other interests within and outside the public service to carry the debate to firm conclusions. In the absence of a coherent public debate or opinion, Government could work from a position of relative strength.

In the interval between the first decisions on the report and the present, several initiatives were announced. Government has tackled implementation as described below:

- firstly, while the Prime Minister continues to be personally identified with the cause of reform, political direction of the programme of change is underpinned by the full authority of Cabinet.
- secondly, initiatives and decisions have been taken on many fronts;
- thirdly, while the former centralisation of authority in Establishments has been diffused among three 'change

agencies', management of the public service remains highly centralized; and

- finally, 'ir-riforma', as it has come to be known, refined and elaborated, rather than replaced, key concepts of Maltese public administration, especially the notion of a career public service; it tended to accelerate changes that were already in train, rather than to change the course of developments.

The record concerning each element is elaborated below. Omitted changes may be as significant as others that are promoted: noteworthy omissions are also reviewed below.

Political direction of administrative reform

His frequent public statements about administrative reform convey the Prime Minister's personal identification with the matter. He is, of course, minister responsible for the public service, under the constitution. Nonetheless it may safely be said that Dr Fenech Adami has been more emphatically and more consistently associated with new policies for the public service than any other Maltese prime minister.

It is also significant that public service reform rates a standing Cabinet Committee, one of only two policy sectors known to do so, the other being relations with the European Community. A Cabinet Committee underscores the collective responsibility of

ministers for a policy sector which impinges upon each sector of government. It means that policy proposals benefit from being deliberated by the Prime Minister and his advisers on the one hand, as well as by senior ministers, before being formally tabled in Cabinet. Political and technical ramifications of a decision can therefore be considered more thoroughly. Inter-ministerial differences or objections can be identified and tackled before implementation. Decisions are more likely to be well-framed, accepted and therefore generally more implementable than unilateral directives.

In summary, therefore, while the Prime Minister has made administrative reform a mainstay of his political platform, the direction of policy in this field is firmly institutionalised in Cabinet.

Decisions and initiatives

Between May and July 1990, Government announced the appointments of directors for the Management & Personnel Office (MPO), the Staff Development Organisation (SDO) and the Management Systems Unit (MSU). Career officers head the MPO and SDO under the terms of performance agreements, an arrangement that was not extended elsewhere in the public service until July 1992, when permanent secretaries were appointed. An expatriate management consultant was appointed Director of the MSU. Shortly after, the MSU was incorporated as a limited

liability company having Government as the sole shareholder: it became the vehicle for engaging local and expatriate consulting expertise as well as the principal target for criticism of the reform programme.

It is not my purpose here to pass judgement on the results of three years of activity by the 'central change agencies'. 'In-house' reports suggest a remarkable tempo of activity; they are countered by criticism voiced within and outside the public service to the effect that results are not commensurate with the expenditure of effort and funding on the various projects. I suggest that this is a flawed exposition of the problem of evaluation. Rather, it is necessary first to identify the level and kinds of initiatives that have been undertaken, in order to evaluate their scope and complementarity. At this stage of implementation, measures of activity, or productivity or quality are inadequate as statements of results.

The three central change agencies have undertaken to address a broad range of problems at various levels of decision-making and administration. They may be classed as follows.

1. Points of contact between citizens and public services

Among its earliest commitments, the MSU undertook to effect improvements at the Parcel Post Office and the Police Licensing Office, both of which were notorious for delays and poor customer relations. Though there has not been adverse comment on the

outcome of these exercises, it does not appear that the programme was extended to other departments which similarly deal with large volumes of 'routine' public business.

The MSU also launched a 'communications strategy' which was intended to improve the quality and availability of information about public services as well as to promote understanding of planned changes among government employees . At present, only 'Il-Holqa', an in-house newspaper for the public service, seems to represent the communications strategy.

2. Departmental restructuring

In this class, three initiatives have been announced: reorganisations of the Public Works, Customs and Social Security departments. The Public Works Department was reorganised as two 'divisions': one supports the newly-established Planning Authority, which regulates land use; the other retains responsibility for more traditional public works such as road and factory building, and maintenance of the government's real estate. Reviews of Customs and Social Security have not, so far, been accompanied by reorganisation on such a scale.

3. Top structures

The initiatives mentioned in the foregoing paragraphs have not been so numerous as to establish a clear pattern of complementarities. However, the highest decision-making reaches of government have seen several important changes that are clearly complementary in terms of their objectives and their effects. Their significance might be described as both constitutional and managerial. The objective seems to be twofold: firstly, to complete the Executive framework contemplated in the constitution; secondly, to refine, develop and consolidate the difficult relationship between ministers and civil servants. Late in 1990, the Prime Minister circulated an instruction on roles and responsibilities of ministers, parliamentary secretaries, permanent secretaries, heads of department and ministers' private secretaries. This constitutes the first attempt ever in Maltese public administration to define conventions governing relations between political office holders, their private staffs and the permanent civil service. In December 1991, section 6(c) of the Interpretation Act was amended to remove a long-standing grievance of permanent officials, whose discretion had, by the terms of the earlier provisions, been entirely subordinated to ministerial discretion. The amendment now requires ministers to give certain directions to heads of department in writing, and thereby strengthens the provisions contemplated in the earlier administrative instruction.

In July 1992, for the first time since independence, Government gave effect to the provisions of section 92(3) of the Constitution

by appointing permanent secretaries to eleven out of thirteen ministries. The appointees are all career general service officers. They hold office for three years on a performance contract, while retaining their substantive grade in the public service hierarchy.

During the summer, too, heads of department were briefed about the results of a review of top management structures in ministries and departments, as well as about planned innovations in the selection of candidates for these posts. In this connection, it appears that the previous informal method of identifying candidates has been replaced by a more formal process of search and vetting under the direction of a standing selection committee comprising the Head of the Civil Service and senior permanent secretaries.

4. Improvements in administrative procedure and technology

During the past three years, the complex task of revising personnel administration and financial management policies has been undertaken. The best known initiatives include the preliminary agreement on public service reform between government and unions; the notable expansion of in-service training; and the institution of business planning.

The agreement signed by Government, General Workers' Union and Union Haddiema Maghqudin in December 1990 opened the way to reclassification of government employees in accordance

with the pattern proposed by the Reform Commission. It incorporated some novel features, notably, a declaration to the effect that Government reserved the right to withhold, suspend or postpone the full implementation of the salary awards if, in its judgement, it was not satisfied with progress in implementing other changes contemplated in the agreement. Government also committed itself to further negotiations within five years from the date of the agreement. Since then, negotiations have dealt with specific groups: despite disputes associated with salary relativities between occupational groups, there has been little industrial action. Task forces comprising officers from MPO and MSU reviewed staff complements. A new system of performance evaluation is being developed.

The SDO has perhaps been the most visible and least controversial of the new central agencies. It offers training in the form of short, non-residential courses for small, homogeneous groups of staff. The general service grades constitute the principal target group. However, departmental and professional grades are increasingly well-represented on its courses. A significant proportion of training offered is developmental, that is, it anticipates promotion to higher responsibilities. The SDO collaborated with the University of Malta in reviving a Diploma in Public Administration for mid-career administrators, as well as providing instruction for the examinations of UK certificating bodies in the fields of training and personnel management. It has also established a programme of 'role conferences' which provide senior officers with a forum for exchanging views.

The financial management system has seen three principal innovations: the introduction of business plans; a new format for the annual financial estimates; and the development of internal audit capabilities in selected departments.

At the end of 1990, the Operations Review consultant completed the Information Systems Strategic Plan (ISSP) for government. The MSU then began to formulate technology standards, to procure equipment and to develop major data processing systems. Its responsibility for implementing the ISSP is now formally exercised by an Information Systems Division within the Unit.

Some changes which have not taken place may be as significant for the future of the public service as the initiatives which are mentioned here. Three are particularly noteworthy.

Firstly, graduate recruitment into the administrative group has not been vigorously pursued. Concomitantly, numbers of clerical staff continue to be promoted into higher ranks with virtually no assessment of their ability. Government may be unwilling to challenge the unions on the creation of 'fast track' career streams and on the re-institution of a 'higher division' in the administrative group.

Secondly, Government has not attempted to amend the constitution to allow external appointments to top posts. The newly-appointed permanent secretaries are all career officers of long standing, as were the directors of the MPO and SDO. On the other hand, the

field of selection for these posts seems to have been broadened, though this is a subject requiring further research.

Finally, there has not been any revision of the Public Service Commission Regulations 1960, or of the General Financial Regulations 1966, to permit delegation of responsibility to heads of department in the fields and on the scale contemplated by the Reform Commission. Delegation down the line is, in fact, one of the cornerstones of the Commission's recommendations. There may be several reasons for this notable omission from the changes announced thus far. Departments may be unprepared to accept full managerial responsibility: the task of preparing them must compete with the more mundane considerations of 'getting on with their jobs'. The public service profession, in retreat for many years, may still lack the esprit de corps which would allow it to take greater initiative in its own reformation. And, of course, the complexity of the exercise and the number of players involved militate against speedy delegation: the central agencies must first have the capacity to set standards and to supervise compliance.

Central 'change agencies'

Maltese public administration has historically been highly centralized. The PSRC sought not so much a redistribution of power from the centre to the line departments as a restatement of their respective roles, in order that the former might govern the public service and the public purse through regulation and

supervision, rather than, as at present, through appropriating decision-making authority on a case-by-case basis. For the present, the thrust towards reform has paradoxically served to increase the remit and influence of the centre. While rule-making and supervision has increased as envisaged by the Commission, case-by-case administration of personnel and public funds continues to reside in the Ministry of Finance and the MPO. The structure and terms of reference of the Ministry of Finance in budgetary and expenditure matters remains virtually unchanged. In the Office of the Prime Minister, Establishments Division, which was the personnel administration organisation for the public service, became the MPO. SDO and MSU both report to the Prime Minister.

It may also be argued that the central agencies have acquired a larger measure of power to intervene in departmental management, a power which was previously exercised only occasionally and on a small scale through the former Efficiency Development Branch. Though MSU intervenes nominally at the request of individual departments or ministries and a 'facilitator' or catalyst, in practice, by having a virtual monopoly of high-level managerial expertise and technology, it must inevitably play a predominant role in shaping the departmental agenda for change. Moreover, its business plan reflects a government-wide perception of what merits priority, and its Chairman enjoys direct access to the Cabinet Committee for Reform.

The Public Service Commission occupies a central place in the management of the public service (though it stands at one remove from government), and accordingly was the subject of numerous recommendations in the PSRC reports. Its effectiveness as guardian of the merit principle has, throughout its existence, been hindered by its dependence on Establishments records and by the absence of a capacity for 'auditing' the information on which its recommendations are based. There is no evidence that its capabilities have improved. Indeed, now that the central agencies are so much better organised and resourced, the Public Service Commission's limitations acquire added significance and further skew the balance of power in favour of the Executive.

Underlying continuity

Considered together, the initiatives reviewed here constitute a remarkable set of changes in Maltese public administration, perhaps the most significant changes since the creation of the contemporary civil service in 1946/47, following the work of the Salaries Revision Committee. The accelerated pace and the wide scope of change are equally noteworthy. They suggest that the programme of directed reform has both acquired momentum and continues to enjoy high-level political support. The omissions mentioned earlier may be justified by present conditions within the public service; the changes undertaken so far increase the likelihood that other, desired initiatives will be successfully implemented. In reviewing the foregoing record of implementat-

ion, I have not passed judgement on the merits of individual initiatives and do not propose to do so now. In concluding, I intend merely to assess whether the changes constitute fundamental departures from the pattern of Maltese public administration established during the past forty-five years.

In summary, I would argue that the decisions recounted here constitute, firstly, consolidation of the framework and ethic of Maltese public administration; and, secondly, acceleration of trends which were discernible thirty or more years ago. Correspondingly, the current effort at administrative reform favours continuity, though the agenda is ambitious and the approach unconventional.

Evidence for consolidation is most clearly discernible in the crucial working relationship of elected, political executives and permanent officials. This is the cornerstone of Maltese public administration: the changes instituted so far have sought not to recreate the framework but to complete and refine it, by appointing permanent secretaries; by clarifying roles and relationships; by establishing top structures. None of these initiatives required constitutional change or disturbed the tenets of a career public service.

In negotiating with the trade unions on matters such as selection, pay, grading and complements Government recognizes their well-organised, articulate presence in the Maltese public sector: it made no attempt to decentralise negotiations, as happened in Britain, where the 'Next Steps' programme fragmented the bargaining

power of public service unions. In this as in other ways, Malta's programme of administrative reform favours continuity, rather than a sharp break with the past.

An alleged break with past models appears to be most pronounced and most irreversible in organisational matters, chiefly in the divestiture of departmental functions and their subsequent reincarnation as statutory authorities – witness the creation, during the past five years, of an Employment & Training Corporation, a Water Services Corporation, a Planning Authority, and a Malta Maritime Authority, with others in the offing. To many public officers – particularly to generalists – this represents a profound threat to the classical departmental organisation. I suggest, however, that these represent merely acceleration of a development that began shortly after the end of the Second World War, and which saw the creation of the Malta Gas Board, the former Electricity Board, the Central Bank, the Malta Development Corporation, the Malta Dockyard Corporation, Telemalta Corporation and Enemalta Corporation. Managerial arguments are traditionally employed to justify re-establishing departmental services as statutory corporations or, indeed, as government-owned limited liability companies. I suggest, however, that in Malta's present circumstances, the politico-legal significance of this trend is greater than the managerial. The existence of statutory and non-statutory corporations has broadened the scope of ministerial discretion and increased the potential for ministerial patronage. They have also removed large areas of Maltese public

administration from the purview of bodies such as the Public Service Commission.

As a nation we remain complacent about 'big government', perhaps generally unaware of its extent outside the boundaries of the public service. In future, I suggest, leading issues of Maltese public administration will arise in our growing 'parastatal sector', rather than in the conventional public service. Perhaps a future Reform Commission might be required to chart the fragmented realms of this obscure territory.

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