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**Breaking with or building on the past?**

**Reforming Irish public administration: 1958-2008**

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## **Introduction**

The role of the Irish state has been reinvented, reimagined and reorganized considerably over the last half century. In his authoritative work *Preventing the Future* Garvin writes that ‘the Republic of Ireland has been transformed in the past fifty years – a social and cultural transformation masked by an apparent constitutional and party-political conservatism’ (Garvin 2004). Central to this transformation has been the ability of the state to engage in new policy arenas while exiting from others, to take on new functions in order to achieve public goals, and to adopt new organisational forms. In this paper we consider how these developments have affected and in turn been shaped by the system of public administration.

Public administration is integral to political, economic and social life of state. Yet it remains comparatively underdeveloped in the Irish context. Bureaucratic change and reform is frequently portrayed as glacial in nature, and the history of modern Irish public administration is conceptualised as one of long periods of inertia punctuated by occasional bouts of reform, which achieve varying degrees of success.

Drawing on a new dataset that maps the development of Irish public administration since independence, we reconsider the presumption of institutional stasis. Between 1958 and 2008, shifts in policy direction can be traced via changes in state organization. Alterations in the size and structure of the state itself help us understand the configuration of policy more clearly. The major developmental challenges of modernization – economic development and industrial policy, and the expansion of welfare capabilities – can be tracked through an examination of the state institutions through which these were given effect. In addition to this, we note changes in the policy domains in which the state’s engagement can be seen to increase or decline. We also track changes in the mode of action of the state, for example in the relative significance of direct management, regulation, or privatisation.

Shifts in the mode of the state’s response to new policy needs have to be understood with reference to the ideas available to policy makers from international discourse as well as from the embedded domestic political-administrative culture. The perennial challenge is to combine effective policy implementation with efficient deployment of resources. The conception of how best to do this has significantly reshaped the contours of the state in a number of countries in recent decades. Ireland has not been immune from these periodic re-evaluations; but we suggest that less has changed in this area in Ireland than elsewhere.

## **1. State capacity and administrative structures**

State capacity is not a fixed matter. Even within one country, it varies over time and across policy domains. As Peter Evans has noted, ‘States are not generic. They vary dramatically in their internal structures and relations to society. Different kinds of state structures create different capacities for state action’ (Evans 1995). For Painter and Pierre, state capacity is dependent on both policy capacity and administrative capacity, which are in turn influenced by the role of political actors; that is, they are all interdependent (Painter and Pierre 2005). Peter Hall points to three sets of variables determining state capacity: the structure of the state, state-society relations and the structure of society (Hall 1986). Analysis of state-society relations has given

rise to an extensive literature on network governance. Yet the state remains a central agenda-setting agent with its own interests. Political actors ultimately control institutional change and reform within the administrative structure (Scharpf 1997).

Organisational theorists propose that the content of public policy and decision-making cannot be understood without due attention to the manner in which politico-administrative systems are organised (Christensen et al. 2007, p.1). This is the rationale for undertaking analysis of the administrative system and its role in shaping the policy capacity of the state over time. The nature and form of the institutions involved is therefore historically variable, and it is important to take account not only changes in individual institutions but also changes in the configuration of clusters or fields of institutions (Pierson 2004; Pierson and Skocpol 2002, pp.695-6). For example, the loss by the state of direct control over market sectors through liberalization and privatization of state companies is generally followed by the creation of quasi-autonomous regulatory agencies. Equally, the devolution and decentralization of policy capacity from central government can be counter-weighted by the introduction of new financial accountability regimes which provide both ex ante and ex post means of control.

For political scientists, the relationship between institutional arrangements and policy processes and outcomes has been the subject of considerable attention (Lijphart 1999). Organisations may be viewed as instruments for achieving certain goals believed by society to be important. By extension, examining the institutional configuration of the state will reveal the policy priorities and prevailing political ideologies of the time. An institutional perspective will also focus on the state's policy capacity in terms of numbers employed, budgets, accountability arrangements and organisational continuity. As Barrington argued, 'administrative development (is) an integral part of national development' (Barrington 1980, p.216).

In this paper, we draw a distinction between organisational change and reform. By change we refer to the incremental means by which institutions evolve over time in response to various incentives and pressures. Reform, on the other hand, is a more active and intentional process of institutional redesign involving and often involving dramatic (rather than incremental) modification to existing arrangements. The central reason for attempting administrative reform is to improve state and policy capacity. Reform programmes, if implemented, can provide critical junctures in the trajectory of administrative development. Reform programmes can be wide-ranging in character, or focussed on particular institutions, functional areas or policy sectors.

Part 2 of this paper profiles the size and shape of the public administration; part 3 explores the significance for the developmental capacities of the Irish state. Part 4 considers the uneven trajectory of public service reform initiatives.

## **2. The restructuring of the Irish state**

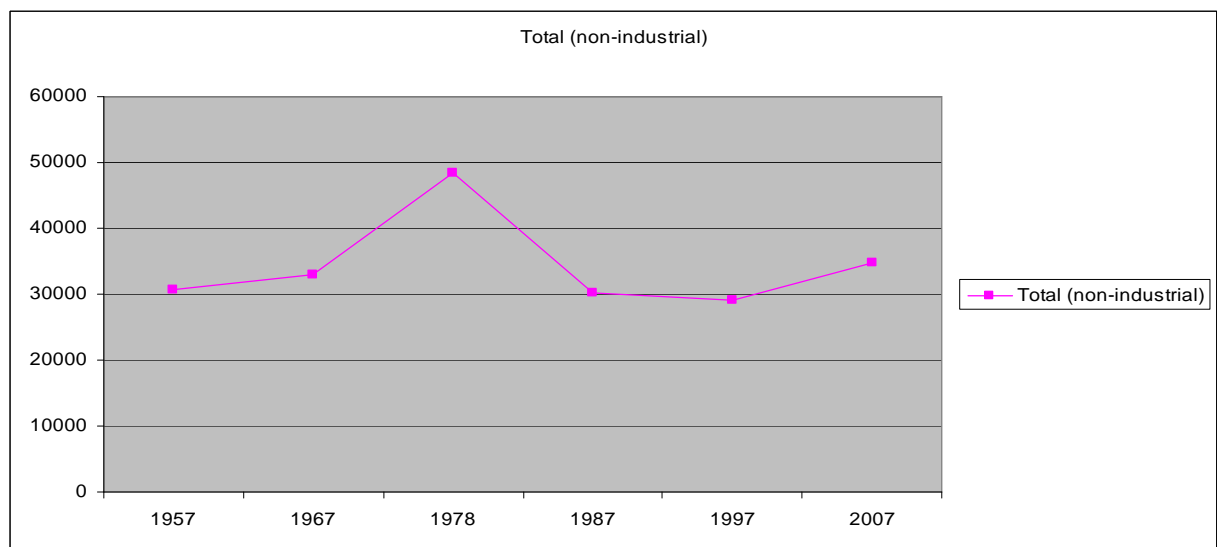
The Irish civil service is similar in organisational practice and structure to that of the British Whitehall system. In spite of attempts to break from tradition, the core features of Whitehall – an apolitical and generalist administration, with permanent tenure for staff elected on merit through open competition – came to characterize the new post-

colonial civil service. Career progression was traditionally based on hierarchical advancement (Barrington 1980; Maguire 2008). The segmentation of departmental portfolios meant that most public servants spent their whole career within the same department, and relied on ‘on the job’ experience in order to develop expertise and skills.

### Numbers in employment

By 1958, the core civil service had expanded in size from approximately 8,000<sup>1</sup> at the time of independence in 1922 to just over 30,000 (Barrington 1982: 98). A sharp increase in recruitment during the 1970s led to a peak in numbers of almost 50,000 by 1978, before embargos in the 1980s reduced the number to a relatively static 30-35,000 between 1987 and 2007.

*Figure 1. Total non-industrial civil service employment, 1957-2007*



Source: IPA Yearbooks, various years, from Department of Finance data

The core Irish civil service has remained relatively small by international standards, a point raised by the recent OECD report on the Irish public service (OECD 2008, p. ). The OECD also argued that the caps on civil service numbers was partially responsible for the use of agencies which allowed for enhanced human resource capacity that would otherwise not be possible. Yet within the civil service itself, it would appear that low levels of skill specialization were allowed to continue; at any rate, increasing recourse has been made to external consultancies and commissioned research from private sector research agencies. A similar phenomenon is identified in a Canadian context by Savoie, who notes that as ministers felt the civil service was becoming insufficiently responsive to new political directions, they increasingly resorted to think tanks, research institutes, consultants and lobbyists to shape policy (Savoie 2003). We shall return to this issue in section 4 below.

<sup>1</sup> We are grateful to Martin Maguire for this figure.

## Departmental structures

Central government operates as a collective of departmental ministries, with Ministers embodying the legal personality of their departments, and assuming parliamentary accountability for the departments' actions. The 1937 Constitution expanded the 1922 constitutional limit on the number of Ministers in Cabinet from 12 to 15. A number of non-Ministerial civil service offices, effectively departments in all but name, also co-exist alongside the Departments, including the Revenue Commissioners, Attorney-General and the Office of Public Works.

Prior to the late 1950s, the key organisational and functional characteristics of the Irish public administration (and wider political state structures) remained remarkably constant. Indeed, the organization of government departments at the primary level was more notable for its continuity than its change. Apart from the brief existence of two new departments (supplies and coordination of defensive measures) during the WWII period and the creation of the Department of the Gaeltacht in 1957, there were only two major reorganizations of policy domain during this period. The first concerned the recurring transfer of responsibility (particularly for lands) between the departments of agriculture and fisheries during 1928 and 1934 (and again in 1957). The second was the creation of new Departments of Health and Social Welfare in 1946-7, separating these functions from those of the Department of Local Government. This was part of a wave of public health reforms then in train across western societies (Immergut 1992). But in Ireland, the projected expansion of health services was limited by strong interest-based opposition, setting in motion a distinctive and persistent pattern of dual public-private health services provision (Barrington 1987).

From 1958 on, we discern a gradual deepening in the organisational complexity of the system of public administration, as well as its functional capacity. At a primary level, a gradual increase in the incidence of departmental portfolio mergers and re-ordering of responsibilities can be identified in three time periods. Table 1 below shows a comparison across decades for three time periods: 1959-69, 1969-89 and 1989-2007, with those departments experiencing mergers and de-mergers in bold and the functional responsibilities transferred to them in italics.

**Table 1. Change in the Structure of Government Departments**

<b>1959</b>	<b>1969</b>
Taoiseach	Taoiseach
Finance	Finance
Justice	Justice
Local Government	Local Government
Education	Education
<b>Agriculture</b>	<b>Agriculture and Fisheries (1965)</b>
Industry and Commerce	Industry and Commerce
Lands	Lands
Posts and Telegraphs	Posts and Telegraphs
Defence	Defence
External Affairs	External Affairs
Health	Health
Social Welfare	Social Welfare
Gaeltacht	Gaeltacht

Transport and Power	Transport and Power <b>Labour (1966)</b>
<b>1969</b> Taoiseach Finance Justice <b>Local Government</b> Education <b>Agriculture and Fisheries</b> <b>Industry and Commerce</b> <b>Lands</b> <b>Posts and Telegraphs</b> Defence <b>External Affairs</b> Health Social Welfare Gaeltacht <b>Transport and Power</b> Labour	<b>1989</b> Taoiseach Finance Justice <b>Environment (1977)</b> Education <b>Agriculture and Food (1987)</b> <i>--Agriculture (1977-1987)</i> <b>Industry and Commerce (1986)</b> <i>--Industry, Commerce and Energy (1977-1980)</i> <i>--Industry, Commerce and Tourism (1980-1981)</i> <i>--Trade Commerce and Tourism (1981-1983)</i> <i>--Industry, Trade, Commerce and Tourism (1983-1986)</i> <b>Tourism and Transport (1987)</b> <i>--Tourism and Transport (1977-1980)</i> <i>--Transport (1980-1983)</i> <i>--Communications (1983-1987)</i> <i>--Public Service (1973-1987)</i> Social Welfare Defence <b>Foreign Affairs (1971)</b> Health Gaeltacht Labour <b>Marine (1987)</b> <i>--Fisheries (1977-1978)</i> <i>--Fisheries and Forestry (1978-1986)</i> <i>--Tourism, Fisheries and Forestry (1986-1987)</i> <b>Energy (1983)</b> <i>--Economic Planning and Development (1977-1980)</i> <i>--Energy (1980-1981)</i> <i>--Industry and Energy (1981-1983)</i>
<b>1989</b> Taoiseach Finance <b>Justice</b> <b>Environment</b> <b>Education</b> <b>Agriculture and Food</b> <b>Industry and Commerce</b> <b>Tourism and Transport</b> <b>Social Welfare</b> Defence Foreign Affairs <b>Health</b> <b>Gaeltacht</b> <b>Labour</b> <b>Marine</b> <b>Energy</b>	<b>2008</b> Taoiseach Finance <b>Justice, Equality and Law Reform (1997)</b> <i>--Equality and Law Reform (1993-1997)</i> <b>Environment, Heritage and Local Government (2003)</b> <i>--Environment and Local Government (1997-2003)</i> <b>Education and Science (1997)</b> <b>Agriculture, Fisheries and Food (2007)</b> <i>--Agriculture, Food and Forestry (1993-1997)</i> <i>--Agriculture and Food (1997-1999)</i> <i>--Agriculture, Food and Rural Development (1999-2002)</i> <i>--Agriculture and Food (2002-2007)</i> <b>Enterprise, Trade and Employment (1997)</b> <i>--Enterprise and Employment (1993-1997)</i> <b>Social and Family Affairs (2002)</b> <i>--Social, Community and Family Affairs (1997-</i>

	2002) Defence Foreign Affairs <b>Health and Children (1997)</b> <b>Arts, Sport and Tourism (2002)</b> -- <i>Tourism and Trade (1993-1997)</i> -- <i>Tourism, Sport and Recreation (1997-2002)</i> <b>Community, Rural and Gaeltacht Affairs (2002)</b> -- <i>Arts, Culture and the Gaeltacht (1993-1997)</i> -- <i>Arts, Heritage, Gaeltacht and the Islands (1997-2002)</i> <b>Communications, Energy and Natural Resources (2007)</b> -- <i>Marine and Natural Resources (1997-2002)</i> -- <i>Communications, Marine and Natural Resources (2002-2007)</i> <b>Transport (2002)</b> -- <i>Tourism, Transport and Communications (1991-1993)</i> -- <i>Transport, Energy and Communications (1993-1997)</i> -- <i>Public Enterprise (1997-2002)</i>
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A graphical representation of changes in departmental organization, undertaken by Uí Mhaoldúin, and reproduced in Appendices 1 and 2, illustrates a new pattern of change in departmental organization starting in 1973 that appears to be driven in large part by changes in electoral competition and coalition formation between political parties (Uí Mhaoldúin 2007). The Fine Gael-Labour coalition government that took power that year was the first non-Fianna Fáil administration since 1957. This also coincided with Ireland's accession to the EEC. But while Ireland's membership of the EEC, later to become the EU, has required extensive administrative adaptation, consistent with the complex politics of Europeanization elsewhere (Laffan 2001; 2006), organizational change on the scale observed cannot be argued to have been a functional necessity.

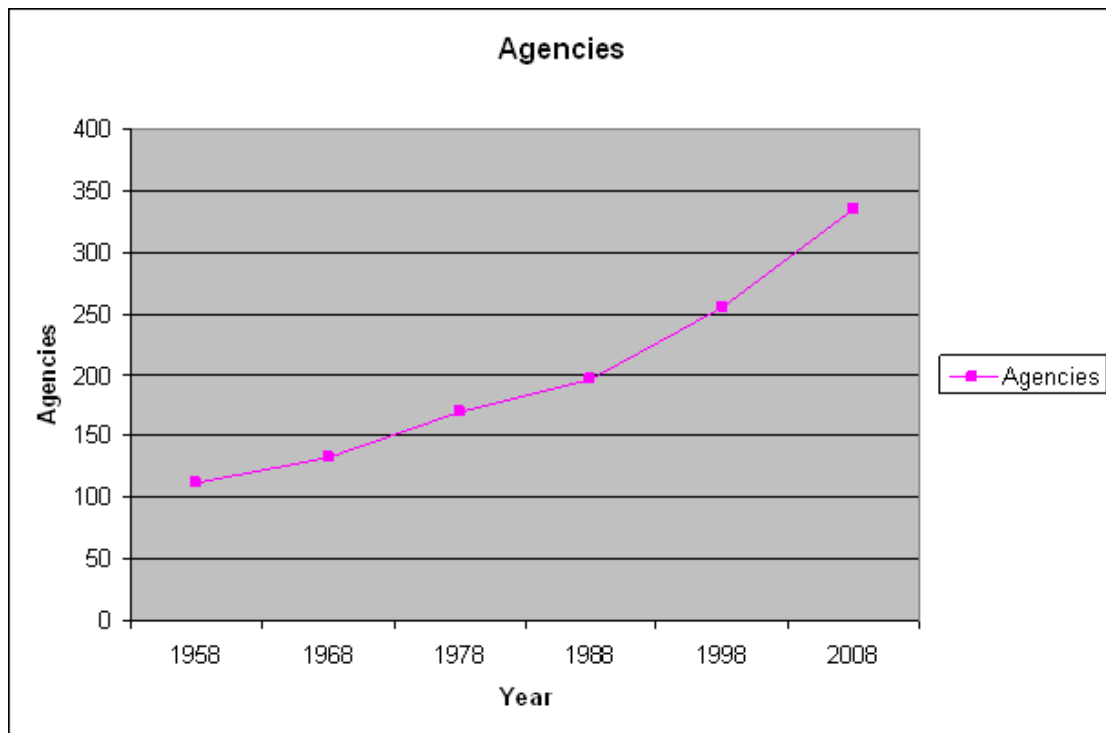
The division of responsibilities by Ministerial portfolio between coalescing parties has resulted in extensive mergers and de-mergers when compared with the earlier period of single-party dominance. More persuasively, perhaps, the allocation of responsibilities between portfolios may be taken as a primary roadmap for identifying the relative priorities given to various policy areas over time. For example, we see the Department of Finance devolve some functions in the late 1970s to two newly created entities, the Department of Public Service and the Department of Economic Planning and Development. A change of government four years later, and the delegitimation of the development model carried by the new Departments, in the context of burgeoning public debt and deepening fiscal crisis, brought this experiment to an abrupt end.

### State agencies

In parallel with this increasing tendency to reorganize the core civil service, we see an expansion in the use made of both departmental and non-departmental bodies with various forms of autonomy and legal form – what are conventionally referred to as agencies. State agencies were no innovation of the post-independence state, of course, and Whitehall administrative tradition has scope for a range of types of agency,

commission, and other forms of non-departmental structure. Despite attempts to slim down the fragmented administrative system of the pre-independence state into the new departmental structure during the 1922-3 period, it was not long before new public bodies with varying forms of public authority began to be created. Between 1924 and 1958, the number more than doubled from 50 to 112. Unlike other states, where 'waves' of agencification and deagencification occur with some regularity, the process in Ireland is perhaps best conceptualised as one of gradual acceleration. Using a broad definition of agencies, as Figure 2 below identifies, this culminated in almost 350 agencies performing public functions by 2008.

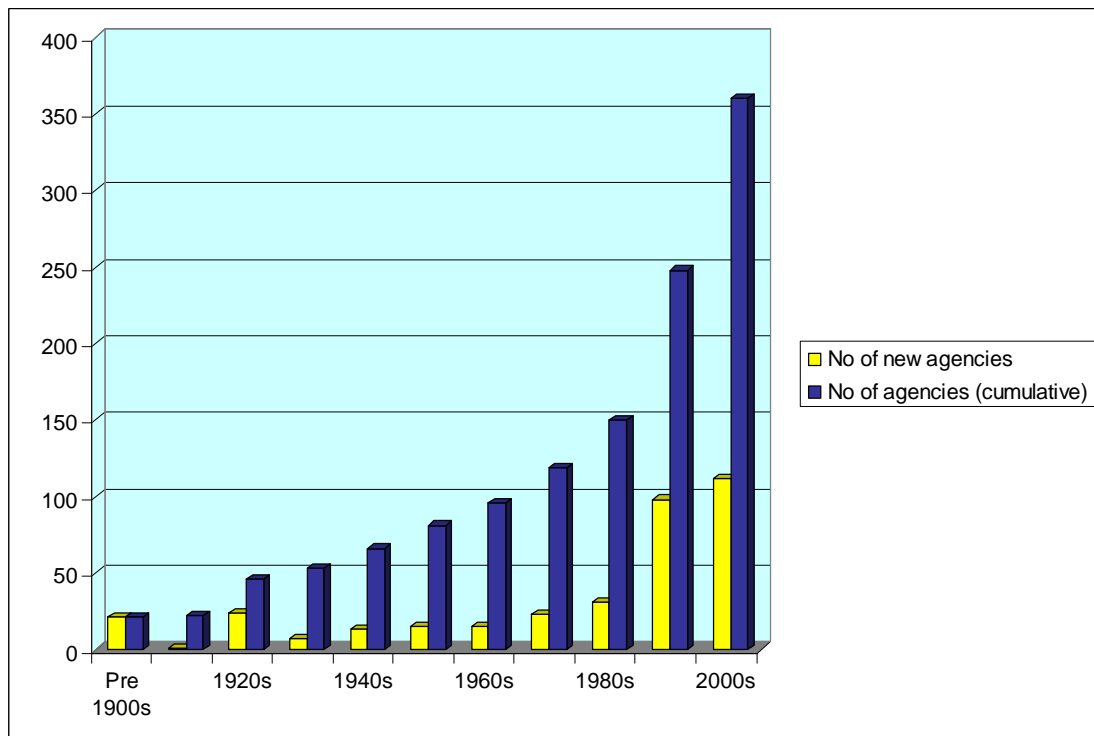
**Figure 2. State agencies 1958-2008**



The most pronounced acceleration in the use of agencies occurred in the 1990-2007 period, as Figure 3 below illustrates. Indeed, a study by McGauran et al. estimated that over 60% of agencies were established since 1990 (McGauran et al. 2005, p.51). During the same period, the number of agencies at regional and local level grew even more rapidly – by 80% (Mac Cárthaigh 2007, p.24). Many of the new national agencies were concerned with 'soft' policy areas, including social services, equality, safety, health and education.



**Fig.3. Number of new national-level agencies and cumulative number of agencies**



An analysis of the functions discharged by state agencies can help shed light on the way the state works over time. Figures 4 and 5 below illustrate a contrast in what they were doing at the start and end of the period under consideration.

**Figure 4. Functions of state agencies in 1958**

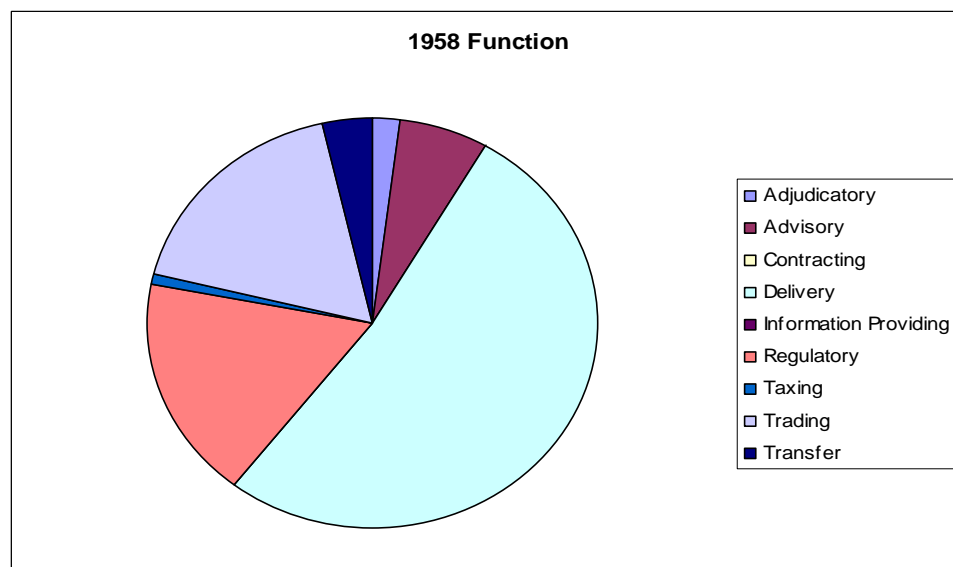
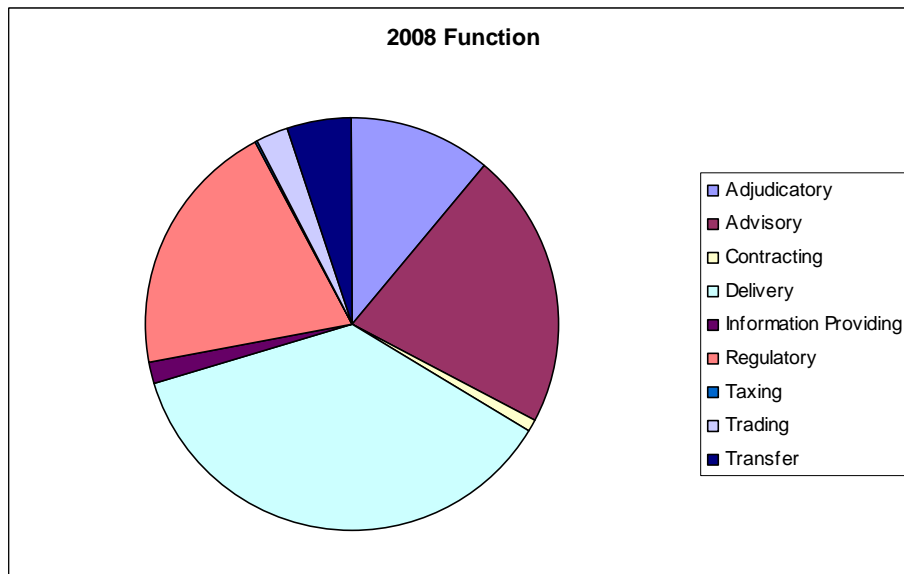


Figure 4 shows that in 1958, about half of the state agencies were committed to service delivery, that is, they were performing functions previously performed by

government departments; while the next-largest category is regulatory bodies, mainly overseeing health-related and other professional areas of activity.

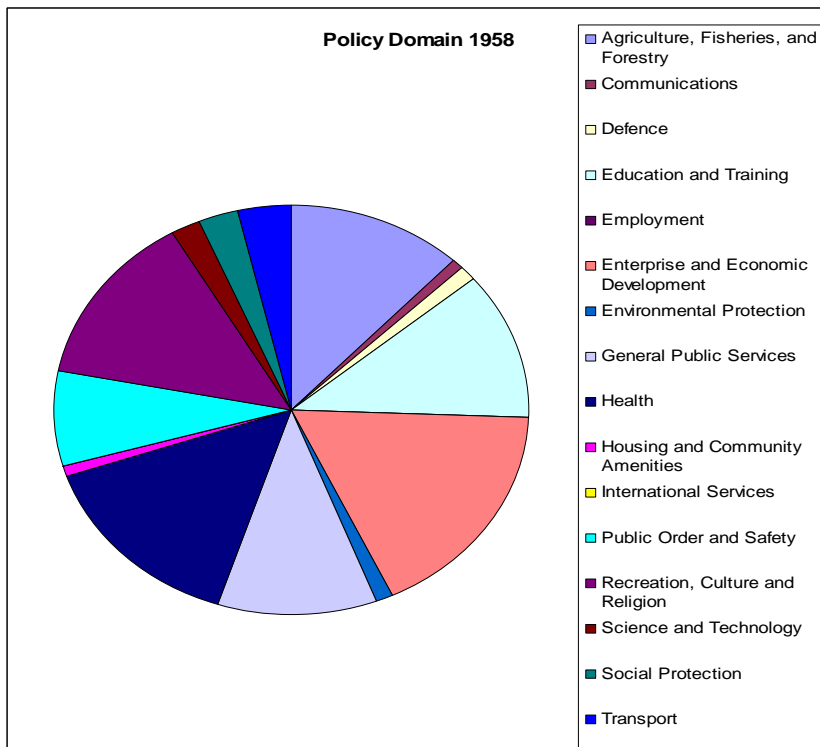
**Figure 5. Functions of state agencies in 2008**



Apart from the fact that substantially more agencies were in existence, by 2008, as Figure 5 shows, relatively more of them were engaged in an advisory capacity, and in adjudication (extending beyond labour disputes into new areas such as equality claims, insurance issues, redress for injuries of various sorts) – aspects of state functions that are not well analysed in comparative context (Hardiman and Scott 2009). The percentage of agencies involved in regulation has remained similar in comparative terms, yet in real terms there has been a rapid appreciation in the number of agencies involved in social and economic regulation over the last two decades. Partly as a result of this, there are comparatively fewer agencies involved in direct service delivery.

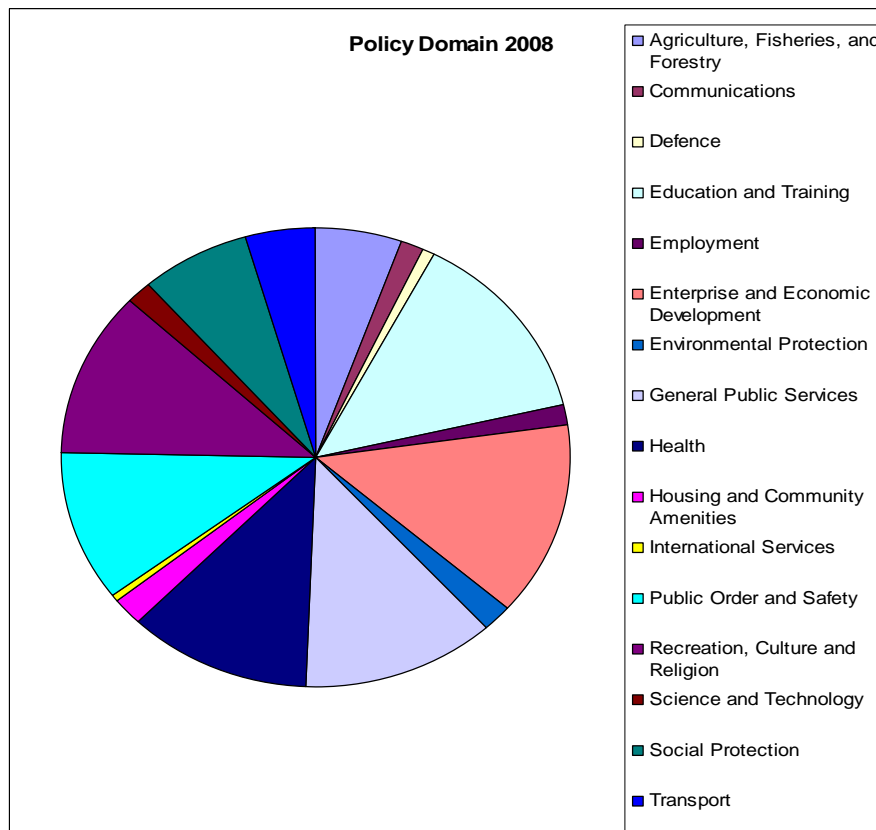
We may usefully distinguish between the functions of agencies, or the manner in which they play a role, on the one hand, and the policy domains in which they operate on the other. In 1958, as Figure 6 shows, agriculture and fisheries featured quite significantly, alongside economic development and health, as major areas of state agency activity.

*Figure 6. Policy domains of state agencies, 1958*



In contrast, in 2008 we can see great diversification of policy areas in which state agencies are involved. Social protection has increased, as has science and technology; and new policy areas such as environmental protection gains in significance.

**Figure 7. Policy domains of state agencies, 2008**



### 3. Organizing for complexity – the developmental imperative

The full implications of the policy shifts that took place between the mid-1950s and mid-1960s were far from clear at the time. In retrospect, we can discern a strong policy continuity in the core elements of policy that provided the basis of FDI-led growth, based on low corporation tax and a variety of policy incentives to export (Bradley 1990; FitzGerald 2000). But the early stages of Ireland’s trade liberalization strategy were based on the expectation that agricultural production would be the main growth sector. The strong industrialization surges attendant upon EEC membership during the 1970s, and the completion of the Single European Market in the early 1990s, took the trajectory of economic development in a very different direction (Barry and Crafts 1999; Barry and Weir 2007).

Nevertheless, Irish public administration also had a variety of ‘developmental’ capabilities dating back to the early post-independence phase. Even the orthodox fiscal governments of the first decade were willing to establish production facilities directly owned by the state to provide vital infrastructure. The protectionist policies implemented by successive Fianna Fáil governments from 1932 on greatly expanded the activist management of investment, production, competition, and distribution (Daly 1992). The nature of the linkages with domestic industrial capability have often been contested, with periodic re-evaluations of domestic ‘capacity for innovation’ (Mjoset 1992; NESF 1992). But the underlying policy stance was not fundamentally altered, notwithstanding some organizational change, and is now credited with having

facilitated the investment and growth boom of the 1990s for domestic as well as foreign industry (Barry et al. 1999).

Evans has identified four modes of state engagement with the economic resources of a society. The terms he gives to different state roles are those of ‘demiurge’, or direct production; ‘midwifery’, or direct aids to production through tariffs or subsidies; ‘husbandry’, or indirect supports for private enterprise through providing signalling mechanisms or aid for supporting inputs such as R&D; and ‘custodian’, or provision of a regulatory framework (Evans 1995). Evans’s primary interest was in the growth strategies adopted by newly industrializing developing countries. But over time, it is clear that some elements of all these policy stances were used by the Irish state during the 20<sup>th</sup> century. And as Seán Ó Riain has persuasively demonstrated, trade liberalization and EEC membership did not simply bring these strategies to an end. Rather, from the 1970s onward, the Irish state developed a sophisticated capability to target and secure FDI in industrial sectors identified as strategic priorities, as part of a policy combination reliant on exploiting the opportunities of enlarged trading opportunities. The Industrial Development Authority (IDA) became the flagship state agency with an impressive range of skills and resources, and great influence with other state agencies and Departments, building up what he has termed a ‘flexible developmental’ orientation (Ó Riain 2004).

Alongside the growth-oriented industrial development strategy since the 1950s, Ireland also began to develop a much greater welfare state capability. There is of course no necessary connection between any particular level of industrialization and any particular size or configuration of welfare state, and much depends on the domestic coalitions of interests that underpin government spending priorities (Esping-Andersen 1990). Nevertheless, shifts in the external environment, and changes in the exposure to economic hazards of different domestic interests may generate new political demands for welfare effort in national political life. There are competing views about what we should expect about the possible expansion of welfare provision alongside shifts in employment profiles. One view is that increased welfare effort should be expected, whether as a result of modernization or catch-up, or as a result of democratically channelled demands for compensation as a result of increased exposure to market hazard (Polanyi 1944/1975). Growth in welfare spending began to take off in the early 1970s, but Ireland’s upward shift in welfare expenditure effort, from a very low base, lagged other developed societies (Breen et al. 1990). Explanations for the take-off in the 1970s have been adduced in terms of the simple availability of resources as aggregate wealth expanded; policy learning from Britain, the role of TV in raising expectations, and the liberalization of social attitudes resulting in the emergence of new categories of social need such as ‘deserted wives’ or ‘unmarried mothers’. And social spending increased automatically with rising unemployment during the economic dislocations of the 1970s and the severe crises of the 1980s. But there are also reasons why we might not expect much increase in welfare effort (Hardiman et al. 2008). In a young population with rapid employment turnover, most employees may not face increased risk but may benefit from shifts in employment opportunity. Besides, there needs to be a clear political mechanism for connecting public ‘demand’ for increased social provision with its ‘supply’. The pathways through which this may occur will be shaped by political considerations on the one hand, such as ideological leanings, party competition, and government assessment of electoral strategy, and by past policy legacies on the other, such as the

prior inheritance of private insurance, the ongoing role of Catholic and other religious interests in service provision, and so on. Finally, welfare spending may be likely to be vulnerable to fluctuations in fiscal fortunes. Independently of direct transfer payments, it is at least possible that employment and service provision in welfare state functions will be sensitive to variations in perceived resource availability.

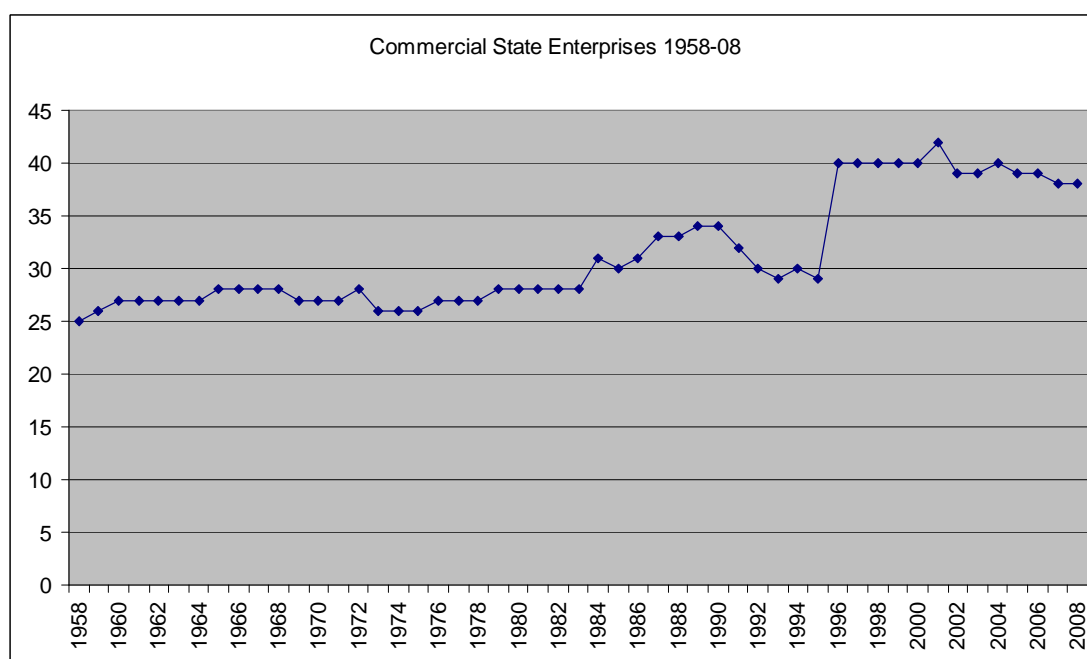
As a contribution to these debates, we profile shifts in state policy capabilities in industrial development and research and development areas on the one hand, and in welfare administration and some aspects of welfare state provision on the other.

### **Direct state economic role: state commercial bodies**

Ireland had a strong state role in direct economic provision from the earliest days of the state. It engaged early in areas such as electricity generation, peat harvesting and production, sugar and other food processing. In common with other western countries, utilities such as private transport were taken into state ownership and state provision was expanded as a vital infrastructural resource. Periods of economic uncertainty (such as WWII) also saw the state establish private companies to ensure continuity of supply (Ó Gráda 1997).

During the 1980s, many western countries went through a reversal of this process, in response to the intensifying view that state enterprise was inherently inefficient and that market allocation produced better outcomes – though with a good deal of cross-national variation in actual outcomes (Müller and Wright 1994). Ireland closed down some state enterprises – often manifestly inefficient enterprises, and under pressure of fiscal retrenchment – and undertook some privatization. But if large subsidiary companies are included, the evidence shows that there has been a steady increase over the last half-century in the number of state-owned enterprises in Ireland, as Figure 8 below shows. Indeed, while other European states were undertaking widespread privatisation programmes in the 1980s, Barrington (1985: 287) was able to report in 1985 that sales of state enterprises had not so far arisen in Ireland. In fact several new enterprises were established during this period including the subsidiary companies of CIÉ (Bus Éireann, Bus Átha Cliath and Iarnród Éireann). It was not until the 1990s and early 2000s that Irish governments agreed to the sale of a number of large state enterprises, as part of market liberalisation processes partially inspired by the EU (Chari and Cavatorta 2002). This drop in the number of enterprises was offset by a number of new enterprises being established, including through the commercialisation of some government services.

**Figure 8. Commercial state enterprises 1958-2008**



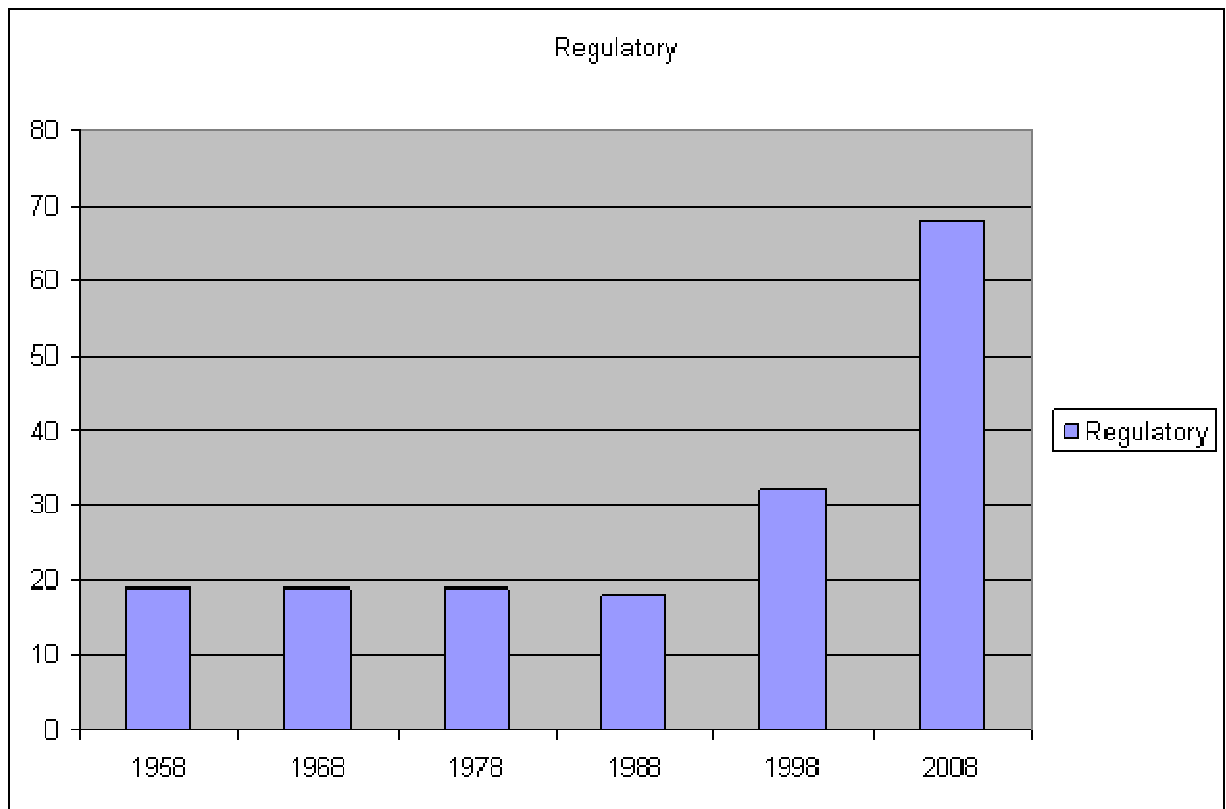
Source: (MacCarthaigh 2009).

### **Indirect state economic role**

Most Irish state enterprises remain in public ownership. But consistent with EU policy, the opening up of new competitive markets, especially in infrastructural areas, gave rise to a new wave of regulatory bodies. In addition, new regulatory functions were introduced in areas where licensing had proved controversial or where policy was otherwise contentious. As independent regulation emerged as the preferred mode of indirect state action, the Department of Public Enterprise (which had responsibility for electricity, gas, aviation and telecommunications) published guidelines in 2000 for the process of establishing sectoral regulators (Department of Public Enterprise 2000).

Since the late 1990s, several new regulatory agencies have been established, funded by levies from regulated companies. Some, such as the Director of Telecommunications Regulation in 1997 (later the Commission for Communications Regulation), the Commission for Energy Regulation (since 1999), and the Commission for Aviation Regulation (since 2001) have been established on foot of EU directives. Others, such as the Commission for Taxi Regulation and the Road Safety Authority of Ireland, have been created by government in response to domestic political demands.

*Figure 9. Regulatory agencies 1958-2008*



However, perhaps the most striking area in which we can identify organizational change in Irish economic and industrial development policy is in the structure of the Industrial Development Authority over time. Notwithstanding periodic reorganization<sup>2</sup>, the IDA became the flagship organization for Irish industrial development policy. Technically subordinate to the Department of Industry and Commerce (latterly known as the Department of Enterprise, Trade and Employment), the IDA accumulated impressive resources of expertise and strategic capabilities. Indeed, it came to function as the principal consultative and interest representation channel of communication between the multinational industry sector and government on areas such as education and training needs, the industrial regulatory regime, and other issues. Yet as Table 2 demonstrates, the number of personnel working in the IDA and its various offshoots did not alter dramatically over the 1978-2003 period. This observation cautions us against attaching too great importance to numbers in employment, or budget volume, as sole indicators of institutional significance – the total functioning of the institution in a policy cluster of institutions is what has to be assessed.

<sup>2</sup> The Industrial Development Act 1986; the Industrial Development (Amendment) Act 1991; the Industrial Development (Amendment) Act 1991; the Industrial Development Act 1993 (establishing Forfás), the Industrial Development Act 1995 and the Industrial Development (Enterprise Ireland) Act, 1998)



**Table 2. Personnel numbers for IDA and related agencies 1978-03**

	1978	1983	1988	1993	97/98	2003
Industrial Development Authority	623	728	565	545		
IDA Ireland					281	292
Institute for Industrial Research and Standards	600	650				
Eolas			543	716		
Enterprise Ireland					826	986
<b>Total</b>	<b>1223</b>	<b>1378</b>	<b>1108</b>	<b>1261</b>	<b>1107</b>	<b>1278</b>

### Social protection

Turning to the organizational basis of the Irish welfare state, we can see from Table 3 below that employment levels grew rapidly from the start of the ‘Celtic Tiger’ phase in 1994 or 1995. Total public sector employment grew by some 30%. But employment in health services grew by almost three-quarters, and constituted the single largest category of public sector employment, accounting for about one-third of all public employees.

**Table 3. Employment in the Irish Public Service**

Thousands, 1995 to September 2007			
	1995	2007	% increase
Health	65.2	112.8	73
Education	65.9	93.5	41.9
Semi-State Companies	63	53	-15.9
Regional Bodies <sup>1</sup>	30.1	40.1	33.2
Civil Service	31.5	38.4	21.9
An Garda Síochána	10.7	13.4	25.2
Defence	14	11.2	-20
Others in the Public Sector	0.5	1.6	220
<b>Public Sector (including Health)</b>	<b>280.9</b>	<b>364</b>	<b>29.6</b>

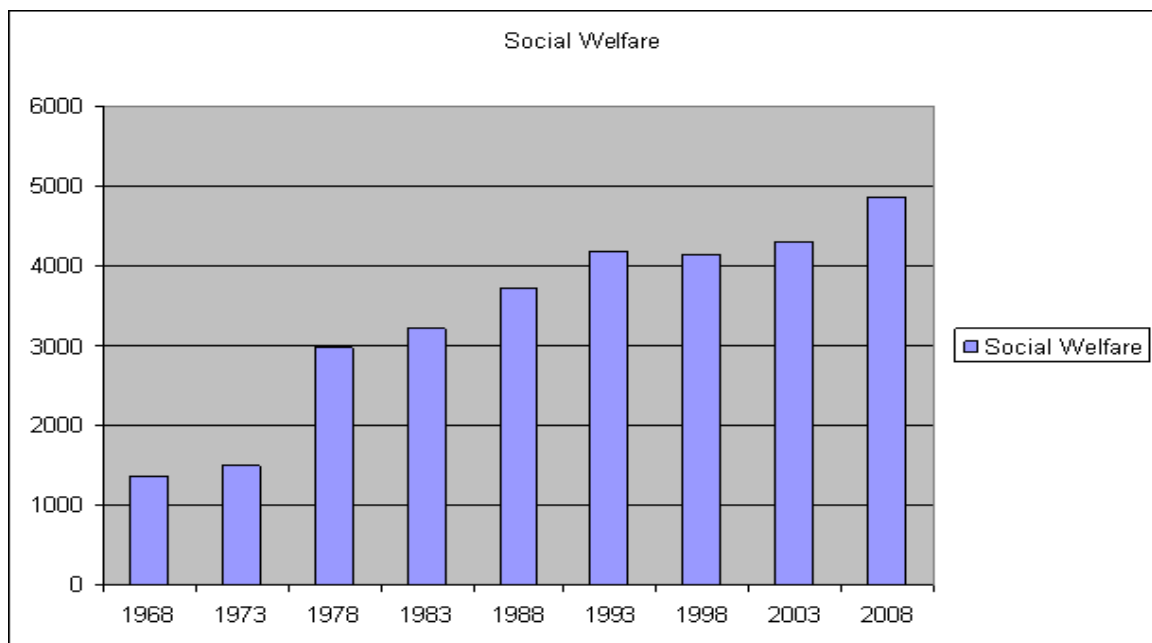
(OECD 2008, p.64)

Directly comparable figures for the whole welfare sector – health, education, and welfare – are difficult to source authoritatively, in view of the scale of structural reorganization of the relevant Departments. The biggest single example of agency reorganisation in recent years was of course the formation of the Health Services Executive, bringing together a range of sub-national bodies and abolishing a set of national agencies, through the creation of a single ‘super-agency’.

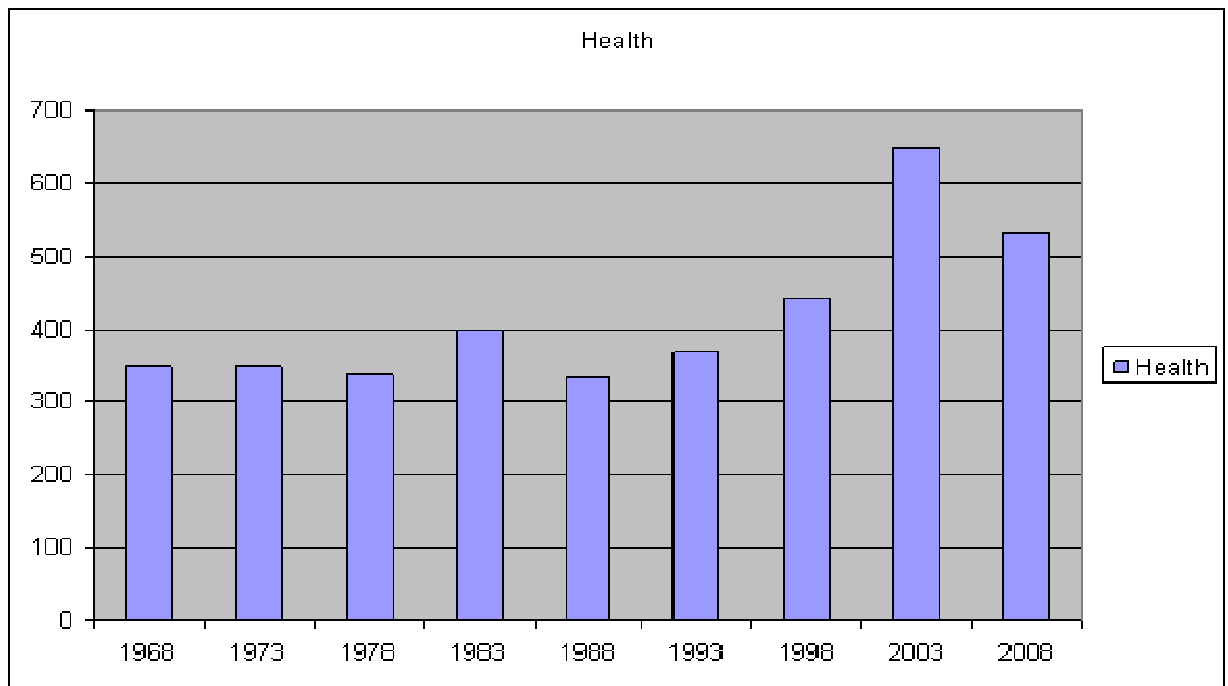
Figures 10 and 11 show employment levels in the Departments of Social Welfare (under different titles), and the Department of Health and Children. In the former case, employment levels are not exactly indicative of an increase in overall workloads and therefore not an entirely reliable indicator of increasing welfare state capacity,

because some reorganization of functions across Departments may simply be capturing change in the location rather than the volume of activity. However, many functions that would be considered core welfare service functions in other jurisdictions are carried out by the health services in Ireland – including community care of the elderly, and disability supports (Wren 2003). Employment in the Department of Health and Children shows a drop reflecting the creation of the Health Services Executive in 2005. The HSE, the composition of employment in which is shown in Figure 12, is now the largest social care provider in the EU. Employment and expenditure within the core civil service Department thus understates the volume of activity and the expansion of the scale of service provision over time. These figures represent an initial profiling of trends in institutional capacity.

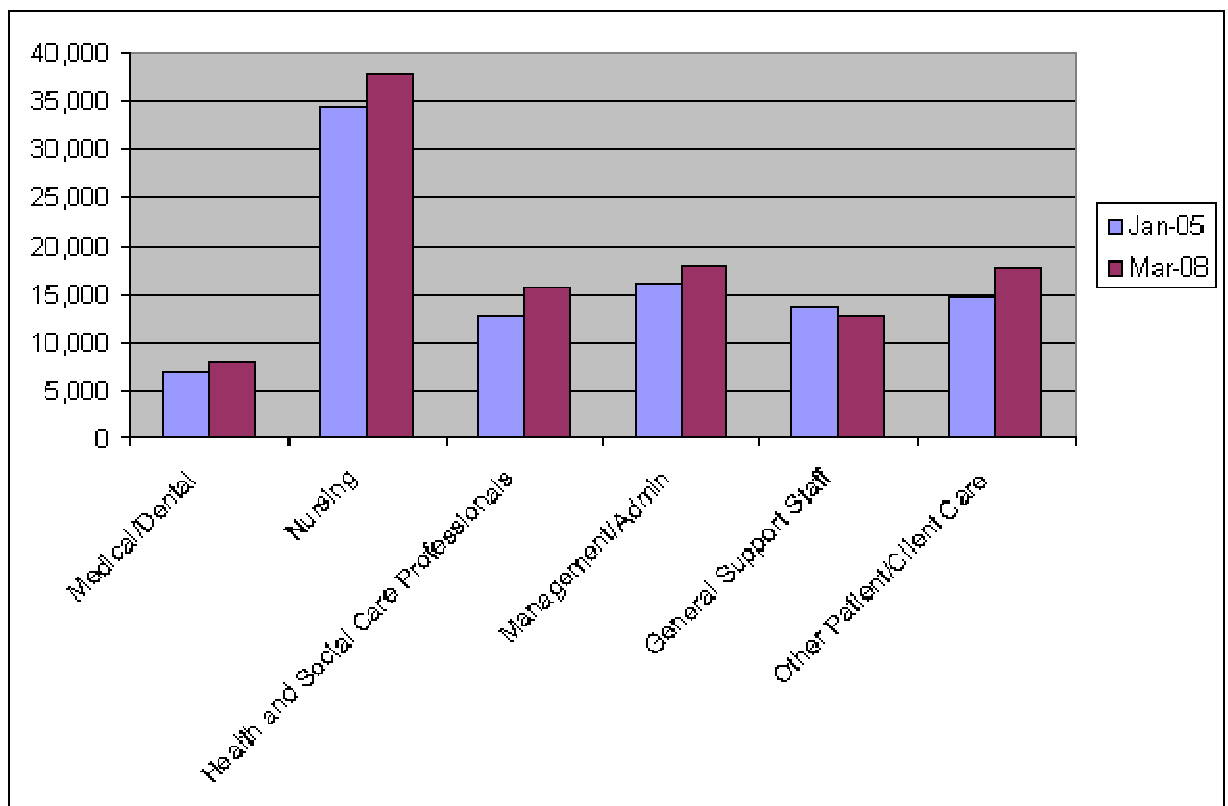
**Figure 10. Employment in the Department of Social Welfare/ Social and Family Affairs**



**Figure 11. Employment in Department of Health/Health and Children**



**Figure 12. Employment in the HSE 2005-8**



#### **4. Efficiency and effectiveness – the perennial challenge**

The structural changes outlined here document shifts in the institutional capacity and therefore policy capability of the Irish state. But what they do not tell us about is whether any of these bodies work effectively and efficiently. Nor do they tell us what the implications are of a twin trend of constant numbers in the core civil service employment alongside rising employment in an increasing number of agencies. In most countries, the creation of new agencies since the 1980s saw a parallel decline in core civil service employment, as policy functions were devolved downward and outward. In many countries this gave rise to new questions about accountability and democratic oversight, and issues about whether the indicators of efficiency were in fact the correct measurement tools. But the intention was, in general, to reorganize and reform state functioning (Roness 2007). As we have seen in section 2 above, the Irish experience has been, rather, to increase numbers employed both in the core civil service and in state agencies. This poses the questions as to what the generating principles are for the structural evolution of the Irish public service, what kind of public service reform initiatives have been undertaken, and what the consequences have been.

The rationale for the patterns of departmental reorganization and agency creation that we have noted is not always clear. It is far from clear that any coherent overall thinking lies behind organizational innovation. In fact the Irish administrative structure is quite fluid – it is characterised by the absence of uniformity or indeed binding rules about new agency creation. While setting up new bodies generally requires statutory authorization, there are many examples of bodies that function as state agencies but are not necessarily owned or controlled by the state (Scott 2008). One of the unresolved issues in the structure of civil service departments is the unsystematic nature of the organization of authority. For example, major branches of service delivery such as the Prison Service or the Central Statistics Office are not formally organizationally distinct from the Departments that oversee them. The development of formal structures to ensure independent oversight and access to a complaints procedure for the police service was late arriving in Ireland. This state of affairs can perhaps evolve more easily in a common-law system than in the more statute-bound administrative law tradition (Laegreid et al. 2008). Nevertheless, the phenomenon of often ad hoc and sometimes even chaotic organizational innovation is far from unique and is not even distinctive to common law jurisdictions. As Christensen et al (Christensen et al. 2007) have argued,

...it is only in exceptional cases that a public organisation's mode of operation can be understood solely as a result of instrumental processes and strategies by leaders, solely as a product of historical legacy or informal norms, or solely as an adaptation to environmentally determined myths. Instead the life of an organisation must be viewed as a complex interplay between planned strategies, cultural features and external pressure. In some situations, strategies, historical legacies and myths work together and lead to comprehensive change, while, in other situations, different circumstances can work against each other and thus help maintain an equilibrium.

The impetus for change and reform may come from a variety of sources, such as:

- external pressures from administrative doctrines dominating internationally,
- national features related to domestic political-administrative culture, and
- instrumental choice made through an active administrative policy.

Table 6 below summarized the main phases of administrative reform initiatives in Ireland, and the principal features of reform each one entailed.

**Table 3. Phases and drivers of administrative reform in Ireland**

<b>Period</b>	<b>International reform pressure</b>	<b>National political-administrative culture</b>	<b>Administrative policy</b>	<b>Type of government</b>
1958-68	Nascent Emerging influence (preparation for EU) Various Economic pressures	Hierarchical, conservative, 'village life' (but dominance of political class)	Emergence of managerial ideas (e.g. MBO)	Single party dominance
1969-79	'Interventionist' state, internationalisation of government	More complex admin. reorganisation, politically responsive bureaucracy	<b>Devlin Report</b> Enhancing capacity, flexibility	Mixed (single party and alternative coalition)
1980-89	Retrenchment	Reassertion of political prerogative	<b>1985 'White Paper'</b> Financial management, HR flexibility	Mixed (single party and alternative coalition)
1990+	NPM-ideas European obligations	Dominance of administrative class Blurring of accountability	<b>SMI</b> Managerial (e.g.MBOR), Structural devolution, 'bureau shaping'	Variety of left and right coalitions
2008	Post-NPM, OECD	Reassertion of political control & accountability	<b>OECD</b> Values-based management, longer-term focus	Coalition

In a bid to improve the quality of public services, the debate about public sector reform has tended to focus on two broad themes:

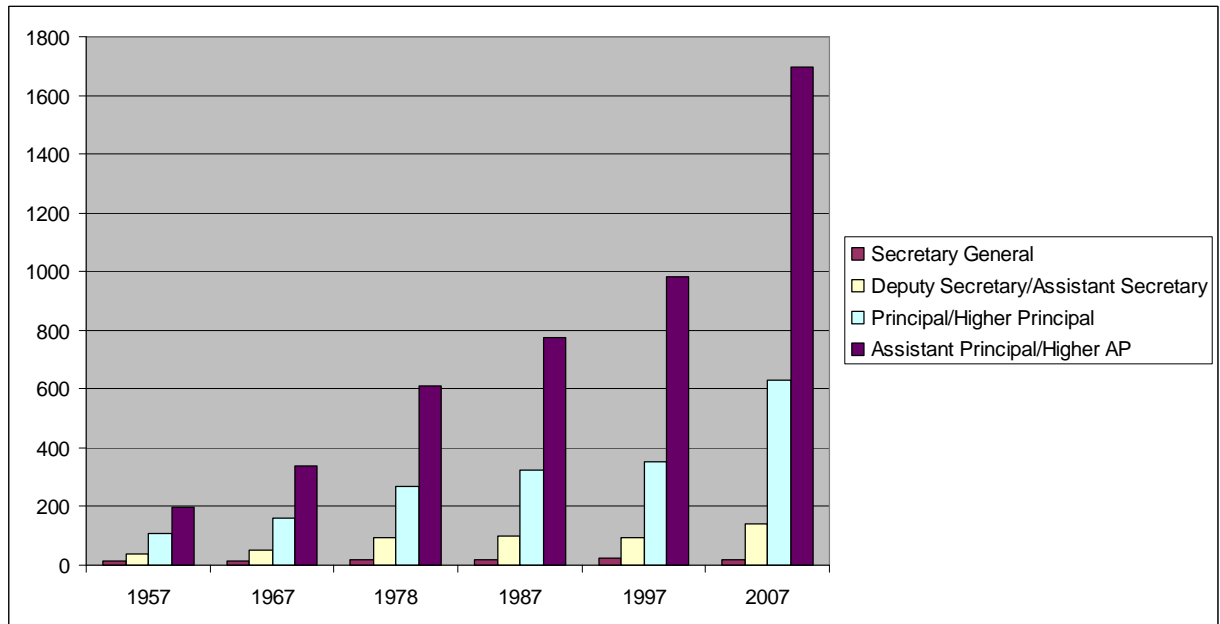
1. the creation of increased policy capability and competence at the senior levels, and
2. increasing the level of efficiency in the delivery of services.

Among the recommendations of a major review of the Irish public service, the Devlin Report, was the separation of policy from delivery functions within Departments. This line of thinking was consistent with many of the reform agendas in other countries that subsequently gave rise to classic New Public Management priorities. In Ireland, initial enthusiasm for the recommendations waned in the face of economic uncertainties. When Fianna Fáil returned to power in 1977, it gave a commitment to revitalise the experiment with policy-making across government. Priority was given to the development of planning and finance units (Stapleton 1991, p.315). This resulted in the creation in 1978 of a new Department of Economic Planning and Development, separate from the Department of Finance. But the experiment was not thought to have been a success. That Department was abolished two years later, following constant tensions between the two principal financial ministries. The general economic instability of the period militated against any further reforms. The Department of Social Welfare also adopted the model of separate policy and delivery divisions – delivery of services was a relatively uncomplicated and routinized function that was readily separable from the executive functions. But as a way forward for the Irish public service overall, Devlin proved a dead-end.

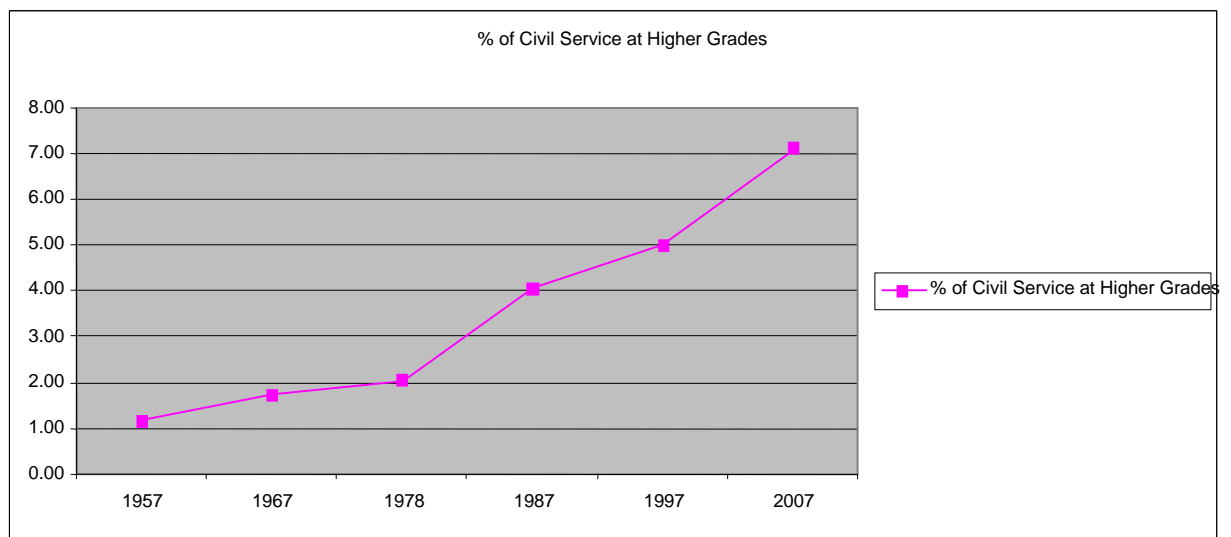
Efficiency considerations came into focus in Ireland in the wake of the New Public Management reforms that swept most strongly through Britain and New Zealand, and to a lesser degree across other European countries, during the 1980s and 1990s (Pollitt and Bouckaert 2004). But as this was undertaken by senior civil servants themselves, with no consistent political direction, no efficiency targets, and no budget sanctions, it is unclear whether or to what extent this can be considered a real adoption of NPM strategy at all (Hardiman and MacCarthaigh 2008).

Since the round of reforms introduced during the 1990s, under the Strategic Management Initiative, we can see from Figures 9 and 10 below that the internal hierarchical structure has changed considerably. The ratio of higher civil servants, that is, those in the traditional ‘administrative’ class, to the rest, has increased from almost 1% in 1958 to over 7% in 2007. The emergence of this pattern was also identified by Barrington (1982: 99) for the period 1957-82, when he revealed a quadrupling of the administrative class. While noting this growth in ‘the *thinking* part of government’ he also proposed that ‘...this has not been accompanied by increased thoughtfulness in the evolution of new policies and effective plans for its emerging dilemmas’.

**Figure 13. Profile of civil service grade structure, 1957-2007**



**Figure 14. Proportion of civil service at higher grade levels**



As with its economic transformation, the Irish state has recently experienced a belated period of considerable administrative reorganisation and reform. Yet the outcomes of these reforms are unclear, particularly in relation to the state's policy capacity, organisational coherence and accountability, and the nature of politico-administrative relations.

The period under consideration in this paper comes to its end with a new chapter in the state's administrative story beginning. In 2008 the OECD published a comprehensive government-commissioned programme to find a new trajectory for public service reform. Its analysis of the reform initiatives since the launch of the Strategic Management Initiative in 1994 as being 'primarily focused on putting

*processes in place*' (OECD 2008: 23), somewhat understates the bold objectives of that reform programme. The report findings paint a picture of a system that, while not over-enlarged or in crisis, is nonetheless fragmented, lacking in coherence and without a common values-base.

## **5. Conclusions**

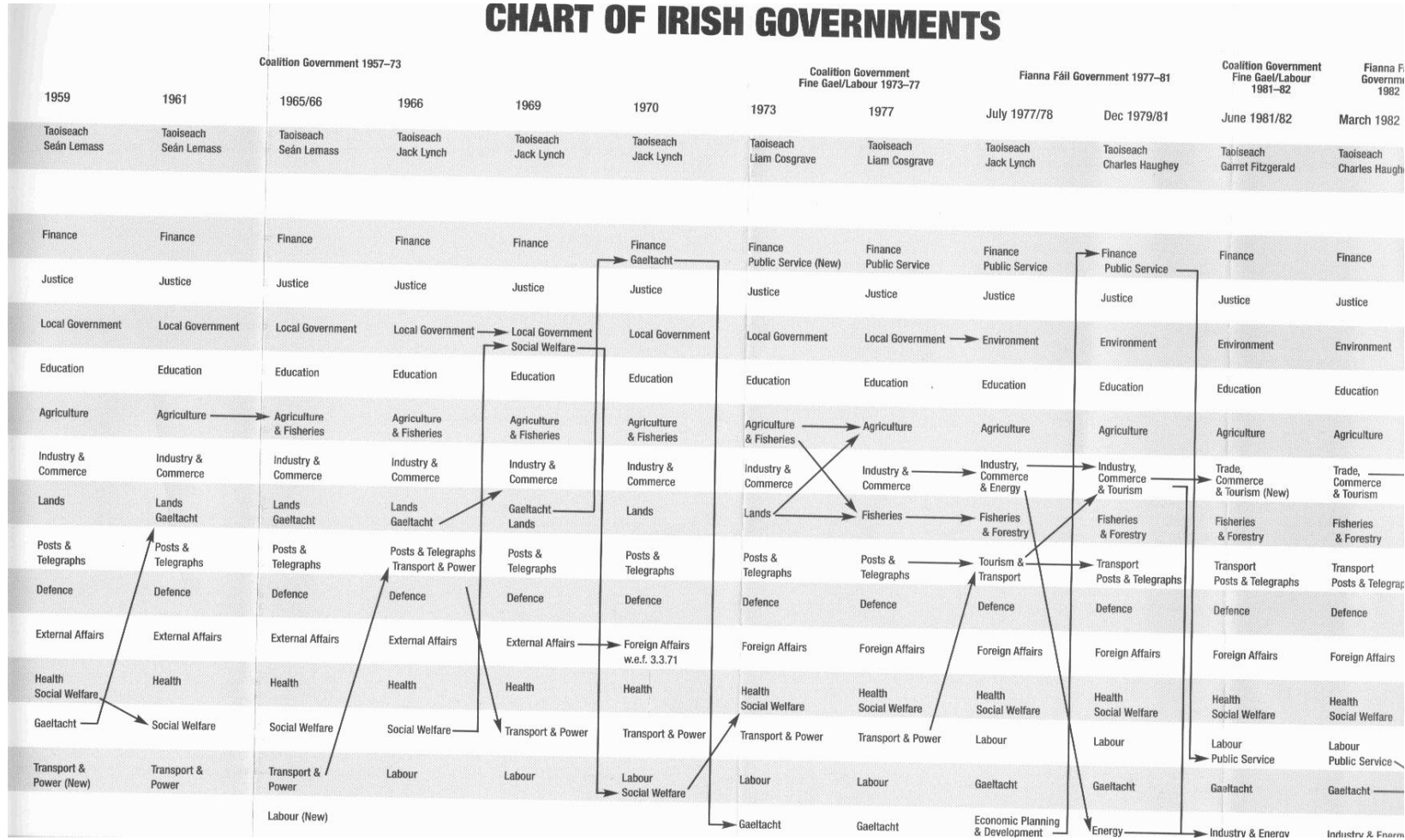
The 1958-2008 period has been one of tumultuous social, political and economic change in Ireland. At the primary level of departmental organization, there is clear evidence of greater merging and de-merging with the formation of new governments after elections. Our analysis of the public administration system and various reform programmes identifies considerable continuity in reform objectives but uncertainty concerning their means of achievement. Furthermore, not all changes have been driven by reform objectives. The marked increase in the establishment of new state agencies was not planned and occurred during a period of substantial reform designed to provide greater coherence and efficiency within the bureaucracy rather than increased organisational fragmentation. Also, while the majority of more recently established agencies have been predominantly in the 'softer' areas of government activity, there is also evidence that the state's role is evolving into new fields and forms of activity such as adjudication and the provision of advice on a wide variety of issues.

In broad terms, the 1958-2008 period witnessed the administrative system responding to the need for greater state involvement in industrial development, and latterly in the provision of social welfare services. An examination of the departments and related agencies in these fields demonstrate the responsiveness of the administrative system to these national imperatives. We also note that a wide range of commercial enterprises remain in state ownership while a small portion have been privatised and subjected to state regulation. This is part of a wider tendency for strong continuity in existing policy repertoires. It appears to be particularly difficult for the Irish state to reconfigure existing ways of doing things, or to exit from spheres of activity to which it is committed. And it seem to be particularly difficult, outside relatively short phases of extreme fiscal pressure, to shut down agencies and redeploy staff.

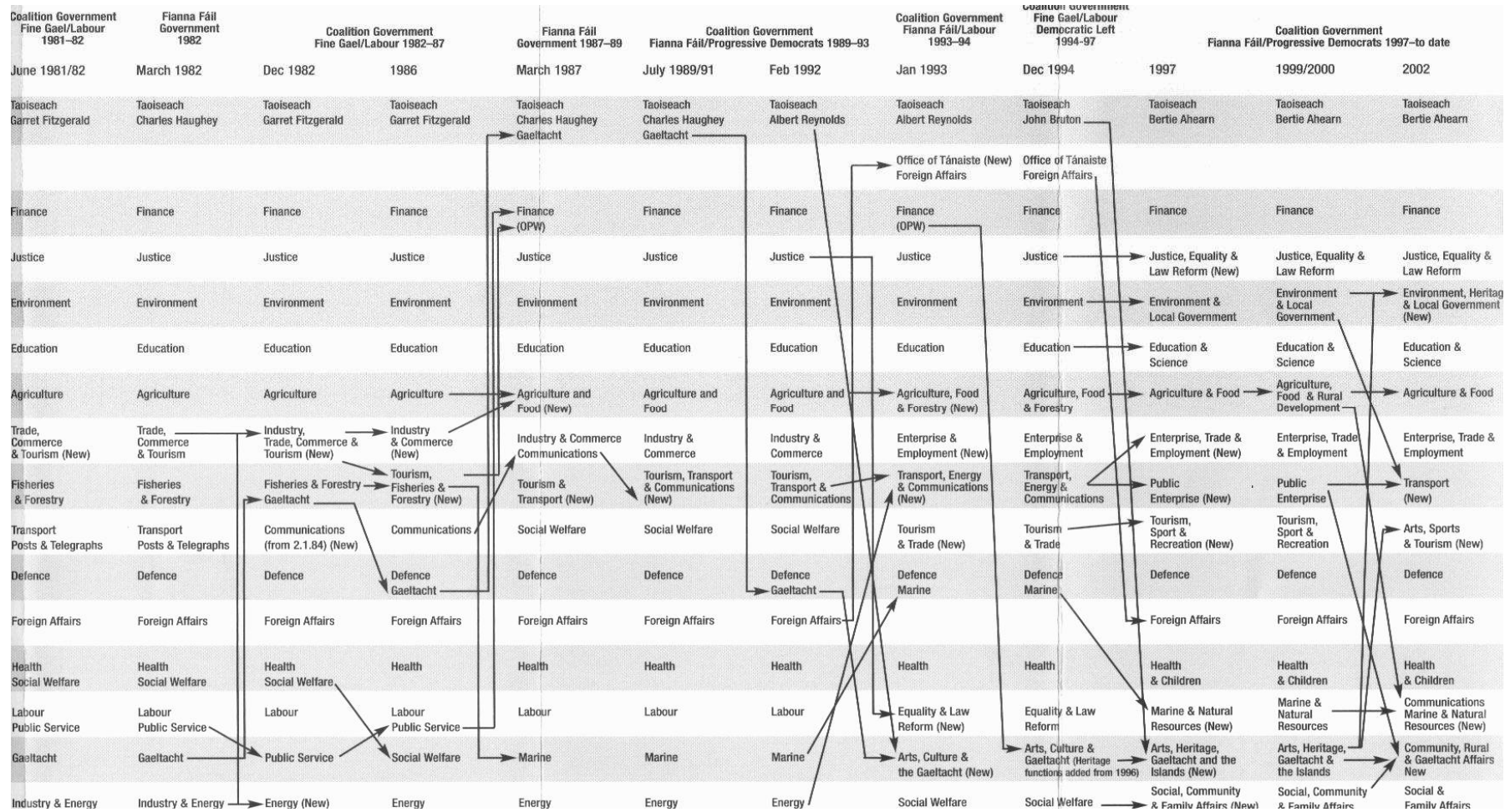
Administrative reform has remained largely outside of ideological or partisan politics, and the ad-hoc institutional evolution over the period in question represents responses to various internationally propagated views on public sector reform as well as domestic political-administrative culture and administrative policy. The narratives of reform have been marked by their consistency over time – increased capacity and efficiency – but also by their relative inability to break with the dominant politico-administrative culture and a framework of accountability that has not fully adapted to the requirements of a fragmented bureaucracy. Key characteristics of the Irish administrative system, including a hierarchical culture, persist, though networks are increasingly embedded and the boundaries between state and society continue to blur.



*Appendix 1. Departmental reorganization, 1959-1982 (Uí Mhaoldúin 2007)*



## Appendix 2. Departmental reorganization, 1982-2002



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