

Symptom or Remedy? Mediating Characteristics of the Irish Central Bureaucracy and their Influence on the Strategic Capacity of a "Small" State

Bernadette Connaughton
University of Limerick, Ireland

ABSTRACT

Effective public management or the "art of the state" is fundamental to the state achieving its ambitions – economic, environmental, political and social. Central to serving the state in action are the actors, structures and processes that compose the central bureaucracy. In a "small" state, the performance of relatively few players within distinctive institutional arrangements can be critical for steering effective economic and social-policy development. The Irish case is representative of challenges a small state encounters in the pursuit of effective public-sector reform and participation in an enlarged European Union and globalised economy. It is argued that characteristics that set small states apart from large ones – a strategy of greater international liberalisation, a trajectory of social partnership, centralisation of policy-making, personalism, fewer specialists and a predisposition to informal policy coordination are explicitly reflected in the Irish case. The discussion aims to explore how these characteristics have been mediated by the institutional development of the Irish bureaucracy and their influence on the policy and administrative capacities of the state.

Key Words: bureaucracy, capacity, culture, Europeanisation, institutions, Ireland, co-ordination, social partnership, reform, small states.

1. Introduction

Traditional public-administration theory does not draw distinctions between "large" and "small" in its core principles. Central to this theory is the Weberian model of bureaucracy which advocates a clearly defined division of labour, an impersonal authority structure, hierarchy of officers, dependence on formal rules, specialisation of bureau activity, employment based on merit and the distinct separation of the officer's organisational and personal lives (Hughes 2003, 21-23). A hypothesis assuming that administrative structure and behaviour in a small state is shaped and operates either synonymously or in accordance with a scaled-down version of the bureaucratic model in larger states is likely to be disproven. The bureaucratic struc-

Symptom or Remedy?

tures of smaller states more typically reflect derivations of the Weberian model (Sutton 2008), and its principles exhibit adaptations in features like greater personalism, less *lourdeur administrative* and more informal policy co-ordination. Likewise, the assertion that administrative reform in both large and small states is likely to converge towards one common new public-management model is also improbable (Kickert 2002). This is also demonstrated in the variety of responses and the intensity of their application in reforming specific institutional contexts (Pollitt and Bouckaert 2004). This discussion aims to explore several mediating characteristics of the Irish bureaucracy – informality, personalism, pragmatic policy style, limited resources – and their role in shaping the policy and administrative capacities of the state. Ireland is an island state and is composed of two jurisdictions, Northern Ireland and the Republic of Ireland. This paper will concentrate on public administration in the Republic of Ireland (from herein referred to as Ireland). Ireland is taken as a case to illustrate the challenges a small state encounters in the pursuit of effective public-sector reform and participation in an enlarged European Union and globalised economy. The Irish state is not typically “small” in comparison with selected demographic or socio-economic features of the small, island states within the Commonwealth or the Baltic states and Iceland in the EU/EEA. Yet the Irish state’s vulnerability to external shocks and several operational features of public administration fit well with the characteristics of small states espoused in the international literature. It is asserted that such characteristics – informality, personalism, localism, limited resources – have mediated adaptations to the Westminster-Whitehall model of government and administration, interactions in the EU policy-making process and public-management reform in a typically “path dependent” fashion. These traits are explored by considering their influence upon the actors, structures and processes in the Irish central bureaucracy and their influence to enhance the strategic capacity of the state.

2. Small states – reflections from the literature

The study of small states has acquired greater interest in recent decades prompting commentary that, “small states today enjoy more international prestige and visibility than at any other time in history” (Hey 2003, 1). In a European context, this development can be explained by regional political and security changes prompted by the end of the Cold War, the dissolution of larger states such as Yugoslavia and the USSR into “new” state formations, and small state membership in international organisations and the European Union. One of the challenges in small-state studies, however, is the absence of a general theory of small states (Kelstrup 1993). Central to this is the challenge of definition (Thorhallsson and Wivel 2006; Crowards 2002; Hanf and Soetendorp 1998) as a unified, “one size fits all” explanation of what constitutes a small state remains elusive. For example, in the absence of unequivocal criteria, Thorhallsson and Wivel (2006, 654) consider that the simplest way of defining small states in the EU is to see them as those states that are “not a great power”. In this vein, it may be asserted that a lack of consensus over definition both complicates and encourages small-state studies.

The theoretical literature on small states, however, does exhibit a general consensus concerning their principal socio-economic and geographical characteristics.

The selected criteria include territory, population (as an indication of human capital), military strength, total income, raw materials or resources, geographical remoteness and isolation (landlocked or island states) (Katzenstein 2003; Crowards 2002; Hanf and Soetendorp 1998). There is rather less agreement as to the extent to which these characteristics affect their economic structure and growth performance (Armstrong and Read 2002). What is generally argued is that the economies of smaller states are more open and dependent on other economies than the economies of larger states (Katzenstein 1985; 2003). Size can prevent them from diversifying into a wide range of activities, and smaller states have to seek out their specialisation and economies of scale in export markets because of their small domestic markets. Arguably an interest in what classifies as “small” states and how they perform also emerges from the global economic and financial crisis catalysed by the bankruptcy of Lehman Brothers in September 2008. Small states are likely to be more vulnerable to exogenous economic, political, ecological and strategic factors given their greater exposure than larger states (Briguglio 1995). The prior strong growth performance of some small states suggests, however, that it is possible to at least partially offset vulnerability and increase resilience by means of appropriate endogenous policies (Crowards 2002; Armstrong and Read 2002). Such policies can be strongly shaped by the state’s relationship with social forces. In revisiting his earlier work, Katzenstein (2003, 11) has stressed that a perception of vulnerability, economic and otherwise, is significant politically in small states. In *Small States in World Markets* (1985) he argued that a “perceived vulnerability” generated an ideology of social partnership that cemented the corporatist politics of the small European states. The partnership ideology expressed by small European states, however, departs from that of larger states. It espouses different social purposes and institutional adaptations.

The literature on small-state studies has also extended to embrace the study of public administration though this remains more episodic in comparison to examinations of economic performance (see Sutton 2008; Randma 2002). It has concentrated on qualitative rather than quantitative factors and identified certain characteristics that influence the structure and processes of government and shape the political culture and behaviour of their citizens. These features include an emphasis on informal relationships and structures, multi-functionalism, problematic management of change (Randma 2002), exaggerated personalism, donor dependence, inadequate service delivery (Sutton 2008), specialist recruitment difficulties and public officials who may be much more likely to be subjected to conflicting pressures (Farrugia 1993). In an evaluation of the goals for reform established in 1989 for the Maltese public service, Pirota (1997, 197) argues that a small state’s size encourages certain dysfunctional characteristics of the political culture and aggravates the difficulties inherent in administrative reform. Despite attention to rhetoric, there is no guarantee that administrative reform will become meaningful unless the political and cultural problems that assail small or micro states have been faced.¹

¹ For instruction, Pirota (1997, 2006-2007) cites a Maltese example whereby the chairman of a parastatal company, chosen because of his proven managerial expertise, did not have his chairmanship renewed as a result of his opposition to political patronage in appointments and promotions and his readiness to resist ministerial interference in matters of administration.

Symptom or Remedy?

A more positive reflection of the role of public administration in small states is offered by Thorhallsson's (2000) study on the role of small states in the European Union. He argues that the distinctive features and modus operandi of small bureaucracies can permit the setting of clear priorities, facilitate a flexible stance in negotiations and promote constructive working relationships with the European Commission. These characteristics can make these bureaucracies competitive with those of large states, and the sizeable political over-representation in the EU decision-making process buttresses identities and interests that predispose the small member states toward the EU (Thorhallsson and Wivel 2006; Thorhallsson 2000). Small-state bureaucracies remain cognisant that they do not have the administrative capacity to concentrate on preventing particular decisions that may not be in their favour per se, but more directly concern other member states. What the literature demonstrates is that while definitions of small states can be ambiguous, these states do share particular attributes that can be designated as both strengths and weaknesses. The following sections aim to present Ireland as a country that shares important characteristics with the small-state genre and to show that these features have, positively and negatively, played an important role in mediating reform processes since Irish independence in 1922.

3. Interpreting the Irish state – the paradox of small size

Ireland fits the small-state classification in terms of its geographical location in Europe as “an island behind an island”. In terms of demographic, economic and social factors, the Irish profile is more paradoxical. On the one hand, if a population size of less than two million people is taken as the main criterion on how best to distinguish between small and large states (Randma 2002, 41), then the Irish population at 4,156,119 (July 2008) is atypical of this categorisation. On the other hand, the structural openness of the Irish economy and the significant role of trade through export-led growth as opposed to indigenous markets correspond well with the characteristics of small states. Prior to the mid-1990s, however, Ireland's economic performance in general was unremarkable regardless of endogenous or exogenous factors, and the country grappled with the ramifications of an economic crisis that had consumed the previous decade. Externally Ireland's economic outlook was regarded in a subdued light as evidenced in the European Commission report on “One Market, One Money” in 1990. In this report, Ireland was classified as a peripheral economy because of its distance from and lack of direct road links to the continental markets that made up most of European purchasing power and had a relatively low “market potential” by conventional indices.

Despite this non-positive outlook, active state policies, a maturing EU membership and the changed rules of the international market facilitated Ireland's elevation to an unparalleled success story (Rees, Quinn and Connaughton 2009; Kirby 2009; McSharry and White 2001). The “Celtic Tiger” era of Ireland's development witnessed the country's metamorphosis of economy and society, as the Economist magazine put it, “from basket case to ‘emerald tiger’ in ten years” constituting “one of the most remarkable economic transformations of recent years” (*Economist*, 17

May 1997).² The outstanding levels of economic growth prompted volumes of commentary that sought to comprehend this atypical success. Observations included explanations of whether the Irish economy looked more like that of a region than that of a large country given its size and dependence on trade, prompting some commentators to refer to Ireland as “occupying a sort of half-way position” (Krugman 1997, 41). For over a decade, a rising population, immigration rather than traditional emigration, plentiful jobs, low inflation and low interest rates characterised the boom. By 2007, the hey-day of the Celtic Tiger was firmly over, as domestic economic growth faltered in the light of escalating energy prices, a downturn in global markets and a drop-off in domestic consumption and production.

The Irish state’s vulnerability as a small open economy became starkly more evident in the global financial crisis in 2008. The reverberations felt by both the global credit crunch and a domestic housing-bubble collapse, however, arguably obscured the fact that before the acute crises of 2008, the Irish economy was already in difficulty. A looser rein on public finances and a spiraling loss of competitiveness, the origins of which were apparent from the late 1990s, threatened its position as premier European host to inward direct investment. A disproportionate dependency on the construction industry and property sector characterised development. From 2003 in particular, the close correlation between credit expansion in the economy generally and house-price inflation suggested that property-price movements were increasingly driven by banks’ lending practices rather than the state of the “real” economy (O’Criodain 2009) leading to the dramatic fall-out in 2008. All in all, the economy has been propelled back to the dire economic climate of the 1980s, a situation worsened by the global recession and intense pressures on the Irish financial system. The case of Ireland appears to comply with explanations that successful small states are likely to be more vulnerable to exogenous economic shocks and higher risks as their growth path is more unstable than that of larger states. The resilience to the impact of such shocks will greatly depend on a combination of endogenous resources and appropriate policies. A dependence on favourable external factors in the medium term can induce a “phantom of liberty” since small states are less likely to harness internal sources of growth vis-à-vis larger states (Armstrong and Read 2002, 435).

Over time, the Irish state has been compared with the East Asian developmental states that faced obstacles to which an active state with a “strategic planning capacity” was critical (O’Malley 1989, 237). Despite this, dual active industrial policies have been pursued to both court foreign direct investment and address the weaknesses identified in indigenous industry. However, a rather one-sided dependency on foreign-owned industry that treats Ireland as an export platform has endured. For example, foreign companies generated up to 74 per cent of total Irish exports in 1998 (Gallagher et al. 2002, 64). A primary vehicle for domestic economic and social policy coordination is social partnership. This is a national framework which reflects

² The term “Celtic Tiger” is an analogy to the reference “East Asian Tigers” applied to South Korea, Singapore, Hong Kong, Taiwan and other countries of East Asia during their period of rapid growth in the 1980s and 1990s. By the mid-1990s, Ireland was one of the fastest-growing economies in Europe, outperforming its European neighbours, with Irish per capita GDP having grown from 66 per cent of the EC average in 1972 to 115 per cent by 2000.

Symptom or Remedy?

characteristics of both corporatist industrial relations and principles of deliberative democracy. The former is evident in the shape of national wage agreements, which have been running since 1987, and the latter is illustrated in the development of open forms of policy-making which involve all relevant stakeholders at every stage of the policy process (O'Donnell and Thomas 2006). Ireland's model of social partnership has its genesis in the public-finance calamity of the 1980s and the crisis of confidence in the capacity of the political system to deal with it. It further developed into a *modus operandi* emulated at the regional and local levels in development policies fortified by EU structural funding. This experience resonates with Katzenstein's (2003, 24) view that a resurgence of corporatism in European states may align to Europeanisation processes and "a manifestation of how random, exogenous shocks and historical crises activate deeply seated institutional memories and practices in small states with an indigenous tradition of corporatist politics or encourage processes of imitation in states lacking such a tradition". Although challenged by the circumstances of economic recession in 2009, the institutionalisation of interest-group activity in social partnership is interpreted as a new form of governance in Ireland and a vehicle for prescriptive reform.

Indicative from the academic literature is that a well-functioning public administration enhances the policy capability of a small state and augments its capacity to manage reform challenges and EU membership (Randma 2002; Thorhallsson 2000). Small size and a dependence on the world markets lead to a centralisation of domestic structure and define the character of the policy process (Katzenstein 1985 cited in Thorhallsson 2000). Ireland is regarded as one of the most centralised liberal democracies (Lijphart 1999). A deliberately strong central executive was established upon independence in 1922 in contrast to the erosion of the autonomy of local government. The inheritance of the Westminster-Whitehall system of government and administration was significant since it provided stability, continuity of personnel and procedure. The Ministers and Secretaries Act 1924 became the legal basis for the civil service, and this exacerbated the characteristics of centralisation and control in the policy-making process. The Minister in charge of each Department was designated a "corporation sole", whereby the Minister would essentially be the Department and the acts of the Department would be the acts of the Minister for which he/she would be responsible to the Dáil.³ From a legal point of view, the civil service played a subservient role, and thus parliamentary control of the civil service developed as indirect in nature, occurring through the doctrine of ministerial responsibility and the government (Connaughton 2006; MacCarthaigh 2005). Centralisation was further accentuated by the copper-fastening of what Fanning (2007, 10) describes as the "fundamental principles" of the role of the British Treasury and their emulation by the Irish Department of Finance. In the first administration the Minister of Finance

³ In 1937, the constitution of the Irish Free State (1922) was replaced by the current constitution *Bunreacht na hÉireann*. Its main features included an emphasis on the republican and unitary nature of the state, a bicameral legislature – the *Oireachtas* composed of an upper house, *Seanad Éireann*, and a lower house, *Dáil Éireann*, together with the government and independent court system. Their structure and operation were consciously modeled on the British institutional framework. The head of government in Ireland is the *Taoiseach* and the head of state is the President who is elected by the people every seven years.

was also head of government which afforded immense advantages to the senior officials seeking to root the British legacy since the general civil service organisation and regulation was vested in the Department.

Despite the advantages of inheriting a functioning administration and its consolidation through centralisation, the structural features of the electoral system did not foster a professional cadre of political policy-makers and cultivated personalism. The multi-seat single transferable vote proportional representation system (PRSTV) produced national politicians that were preoccupied with local electoral survival and not national policy. This in turn reinforced bureaucratic continuity since senior civil servants served essentially inexperienced governments and ministers who were reliant on their expertise. The Parliament (Oireachtas) developed along a trajectory that mirrored the demise of the legislature in other liberal democracies. Its oversight mechanisms were weak, and legislators were predominantly resident in their constituencies in order to prioritise constituency work. This had the effect of neglecting proactive reform as little effort was made to match levels of responsibility with levels of ability in the system (Fanning 2008, 201). For example, it was claimed that the civil-service system was unsuitable for running the various commercial enterprises required for managing the serious economic challenges and infrastructural deficits the new Irish state encountered (Dooney and O'Toole 1998). As a result, commercial and non-commercial state-sponsored bodies (SSBs)⁴ were created as instruments of development. Their organisation took the form of ministers being placed at one remove from these bodies, namely that ministers were responsible for policy but not for the detail of operations. Although established for practical reasons, they emerged unsystematically and led to another tier of administrative bodies in addition to government departments and local authorities (Quinn 2008; Chubb 1992). Hence, while central control has remained a principal feature of the public administration, it is not reflected in a streamlined institutional framework. As demands on the public service have increased, so too have the requirements for specialist skills. Further agency development reflects this while studies indicate that over six hundred agencies are in operation in Ireland as a result of new regulatory functions, NPM approaches, political consideration and policy transfer (Quinn 2008; Verhoest et al. 2007). The heterogeneity of agencies poses challenges to the capacity of departments to monitor and control them since no overall mechanism is in existence for review. The fact that so many agencies have the responsibility to advise and contribute to policy, in addition to the usual practice of being delegated service delivery or regulatory functions, differs from the practice of other countries (Verhoest et al. 2007).

What can be gleaned from these introductory examples is that several characteristics of small states highlighted in small-state studies appear to resonate with the Irish case. Regarding the political-administrative system, although the "small" Irish state inherited a specific institutional framework from its "large" colonial neighbour, the policy-making model and institutional change became characterised by incremental adaptation. The objective of the following discussion is to survey more spe-

⁴ Examples of commercial SSBs include the ESB (electricity supply) and Bord Gais (gas). Non-commercial SSBs include Teagasc (agricultural advice and research), Forfás (national policy and advisory board for enterprise, trade, science, technology and innovation), Fás (training), Bord Fáilte (tourism).

Symptom or Remedy?

cific traits of the *actors, institutions and processes* that perform the work of the central bureaucracy and ascertain how they effectuated reform processes for economic and social modernisation and increasing integration into the European and global economy. It is argued that many of the British norms and traditions, such as adherence to apolitical, impartial, meritocratic principles and the idea of public service which manifested distinct modes of handling problems and solutions remain assimilated into the administration. However, these facets of the British “gentleman amateur” civil service and administrative formality became mediated by distinctive features of policy-making in small central bureaucracies, namely informality, multi-functionalism, personalism, limited capacity and resources.

4. Discussion

The senior civil service is a dominant actor in a small central bureaucracy in both policy advice and implementation roles. Despite this, small states can face a dilemma in attempting to recruit a high-quality civil service from a limited pool of candidates (Streeten 1993). A small geographic size can also encourage an unusually high rate of political participation among the population, which makes features of personalism and partisanship pressures more likely (Pirota 1997). The inheritance of the Westminster-Whitehall model determined that the Irish system drew a clear distinction between the political and administrative dimensions of government. It also presented distinctive procedures for the recruitment of a particular caste and type of senior civil service. Evidence of working relations between ministers and senior bureaucrats suggests that efforts to uphold the politics-administration dichotomy were consciously sustained (Fanning, 2007). The recruitment of the “gentleman amateur” was, however, adapted in line with cultural aspects of the Irish state and society and the resource realities facing a small administration. The core Irish civil service continued to be characterised by a generalist intake, and recruitment was organised by a Civil Service Commission established in 1924 which embraced the meritocratic ethos. This provided an asset to the fledgling state since it facilitated the long-term values of a professional and competent civil service rather than patronage despite a divisive civil war background. The social profile of these civil servants was very different from their British counterparts, and over time, the service became composed of principally young men from similar backgrounds in rural Ireland, typically educated by the Christian Brothers⁵ and from families that were unable to afford third-level education. They were described as intellectually able and hard working, but rather narrowly practical in their approach and deeply conservative (see Chubb 1992). As a consequence, policy-steering was shaped by the conventions of the political and societal culture in a small, insular state and informal approaches rather than clear strategic planning and rational structures.

⁵ The Christian Brothers were founded in 1808 to provide education for poor boys but grew to provide education for all classes and especially at the second level.

In the following decades, the cultural imprints of the central bureaucracy and how it worked clearly influenced the major economic and social policies of the time. The policy-making environment was also distinguished by the authority of the Catholic Church and a misguided economic philosophy of “self-sufficiency”. Despite the inspiration of talented individuals like T.K. Whitaker, a Secretary of the Department of Finance, there was no drive or encouragement to re-think the system on behalf of its civil servants.⁶ A lack of diversity and limited opportunities for exposure to new thinking given the geographic peripherality and cultural traits arguably conforms to symptoms of the more negative attributes of a small-state administration. For example, Barrington (1974) argued that the Irish civil service was anti-intellectual and too representative of a small homogeneous society since Irish administrators tended to be the children of small farmers, small shopkeepers and the petit bourgeois, not drawn from some hereditary or economic elite (cited in Fanning 2008, 204). The change in economic strategy from 1958 and the subsequent application for EEC membership clearly prompted the necessity to inject more capacity and specialist skills into the administration. But the expanded role of the state to planning did not translate into new departures in institutional arrangements or personnel equipped for proactive problem-solving within government departments. An Institute of Public Administration (IPA) was established in 1957 to assist with training and critical thinking but by the early 1970s, it was acknowledged that the civil service had lost its influence to attract the top ranks of school leavers and had little ability to attract the small pool of university graduates (Fanning 2008, 202). All in all, this trajectory did not inspire confidence that “elitist claims of modern administrators [were sufficiently able] ... to represent the public interest when it came to understanding complex issues” (ibid.).

In the subsequent decades, state investment in third-level education did much to raise the profile and expertise of the central bureaucracy but it may be argued that the system rigidities inherited from Whitehall persisted. Although the stereotypical Christian Brothers⁷-educated civil servant may be a feature of the past, the generalist tradition has prevailed. The crisis in the public finances faced by Ireland in 2008/2009 demonstrates the necessity for senior officials to have the prerequisite specialist expertise to guide a modern economy and society. It is obvious that the public sector is not responsible for what has happened in Ireland or internationally in the banking sector. Nor can it insulate the state from the effects of the global downturn. But a renewed focus on public-sector rationale and effectiveness has returned, which needs to be reflected in public bureaucracies that are staffed with recruits hired for task *and* for service. A capacity review of the Department of Finance in July 2009 highlighted areas where the Department needs to address reform and re-organisation in order to cope more effectively with sudden changes in the economic and financial landscape

⁶ T.K. Whitaker, appointed in 1956, is credited with the introduction of the *Programme for Economic Expansion* adopted in 1958. Whitaker’s policy called for the dismantling of tariffs, the adoption of incentives to stimulate industrial investment, government spending to be used to support productive enterprises and more support for agriculture. The objective was to modernise the economy by refocusing on indigenous industry, the promotion of export markets and attraction of inward investment to Ireland. The initiatives taken by Whitaker and his colleagues reflected a whole new way of thinking about Irish development and heralded a new era of state building.

Symptom or Remedy?

and challenges to the Irish economy. The recommendations included the development of more enhanced policy-analysis skills and greater attention to specialist management training tailored to the civil service as opposed to generic management-skills training (Department of Finance 2009, 53).

Access to specialist skills, including economic forecasting, was a specific recommendation. An audit of the number of qualifications held by staff of all grades in various disciplines at the diploma, primary-degree and masters levels indicated that only twelve out of a total of five hundred and fourteen qualifications were in economic policy analysis/policy studies (*ibid.*, 59). Despite the other range of skills available, the number of economists within the Department is not sufficient, and this expertise should be available in-house as well as procured from or triangulated by external experts. In the past, the administrative side of the civil service has opposed the recognition of professional grades (such as economist), thus precluding such specialists from a normal career trajectory in the department (FitzGerald 2009). In light of the vulnerability of the Irish economy in the global recession, appropriate expertise of this nature cannot be compensated by the collective and institutional civil service memory, and the review acknowledged that the Department should be more pro-actively engaged with strategic issues.

A more positive example of how the civil-service performance has been mediated by small-state administrative features is the engagement with the EU membership. In contrast to the insular disposition of the service in its early decades, Europeanisation has prompted discourse, interaction, networking and socialisation between Irish civil servants and their opposite numbers in other member states which itself is an important instrument of policy-making (Laffan and Tannam 1998). Due to the small and cohesive nature of the Irish civil service, the same officials return to participate in EU meetings, and the Permanent Representation is not wholly composed of diplomats from Foreign Affairs but also staffed from line departments. In addition, the experience of being selected to work with Irish Commissioners in Brussels or in EU agencies shaped the personal career outlook of civil servants. To some extent, insights from abroad facilitated the transfer and absorption of ideas and practices or provided an argument for introducing change within the Irish administration (Connaughton 2009). For example, the continental idea of the Commissioner's personal cabinet was loosely experimented with by the Labour Party in the early 1990s through the introduction of a programme-manager system and the subsequent growth in the number of special advisors.⁷ The important role of the senior civil-service echelons to acts as "change agents" is also echoed in the OECD review of the Irish public sector published in 2008. The report recom-

⁷ The programme managers were perceived as a combination of advisors and managers operating along the lines of an underdeveloped ministerial cabinet system and within the blurred borders between politics and administration. Prior to the introduction of this system was a tendency to loosely refer to advisors as constituting a ministerial cabinet. Only the Tánaiste (Deputy Prime Minister) Dick Spring (1993-1997) from the Labour Party had what could conform to a cabinet since all his political staff were outsiders. In the continental European style, the programme-manager system could not be interpreted as a cabinet, and its emphasis was on a coordination mechanism for implementation. Although distrust between coalition partners was a rationale in the establishment of this system, the Labour Party was influenced by developments in advisory functions abroad.

mended that an integrated Senior Executive Service be created to consolidate and actively promote reform in a coordinated way (OECD 2008). This implies driving change downwards through the civil service, encouraging mobility and appropriate skills deployment in addition to fostering a progressive culture amongst the bureaucratic elite themselves. In taking these steps, the Irish case could learn from initiatives undertaken in the Netherlands and Finland to develop the competencies and career-planning of top managers in the civil service. The new Finnish model in particular is an example of quite radical attempts to create a strong and managerially professional top civil service in a “post” NPM environment (Temmes 2008, 236), thus enhancing policy and administrative capacity.

As illustrated in the small-state literature, structures and processes are more typically informal in contrast to the more formalised institutional structures and repertoires of large states. In Ireland, a relatively small central administration nurtured the development of informal coordination mechanisms in the communication between senior civil servants situated across departments. Senior civil servants are more likely to know their counterparts in other government departments than in larger states, and this facilitates less formal methods of communication such as telephone or email rather than establishing formal committee structures (Laffan 2001). This sits somewhat uneasily with the role of the minister and his/her relationship with parliament as envisaged in the Ministers and Secretaries Act 1924 discussed above. The Act reflects the formal Westminster-Whitehall model which remains a foundation for the whole structure of government and affects how the civil service operates. The shifts from government to governance and the reality that contemporary policy-making involves more complex interactions between politicians, public officials, state agencies, non-governmental organisations and interest groups, however, adds additional challenges to a model that espouses both the features of the conventional bureaucratic model and more informal, personalist approaches. How has the Irish central bureaucracy responded, and does this correspond with observations of small state administrations in the literature?

Back in the 1960s, the economic growth that took root quickly exposed an institutional framework that was poorly adapted to coping with change and trapped in its own internal logic. Strong proposals were presented in 1969 by the Devlin Committee⁸ to create policy-making units in departments and overcome bureaucratic inflexibilities with better management practices. These recommendations were not implemented as a majority of the bureaucratic elite saw no need for reform, and the political will to push them forward was absent. For the tiny but increasing number of politicians and administrators who were promoting reform, senior officials as a collective were regarded as an obstacle for development (Chubb 1992, 238). By 1994, a more positive engagement with reform had emerged in the acknowledgement that many aspects of the human-resource and financial-management systems were

⁸ In 1968, the Taoiseach (Prime Minister) Sean Lemass had appointed the Public Services Organisation Review Group (Devlin Committee) to report on the most appropriate administrative structures to devise and implement policies to guide state decision making in an era of change. This was the first comprehensive attempt since the Ministers and Secretaries Act 1924 to consider how the public sector might be reorganised and managed.

Symptom or Remedy?

outdated and unsuited to contemporary requirements. Although participation in the EU and the initiation of the social partnership process precipitated innovation, this was not mirrored in all departmental structures and horizontal coordination. There was little evidence within the Irish system of the more pronounced aspects of managerialism implemented in other Westminster type systems under the banner of new public management (Connaughton 2008; Millar and Verheijen 1997). This recognition was not promoted by the political class but ironically from within the bureaucracy. The impetus for change that catalysed the ongoing Public Services Modernisation/Transforming Public Services programme derived from the concerns of senior civil servants about the performance of the system over which they presided rather than a politicised attack. Small-state attributes such as greater social homogeneity and cohesion (Armstrong and Read 2002) correspond perversely in this instance since a uniform civil-service elite was able to either block or champion reform. The modernisation reforms of the Irish public service remain a broad and on-going agenda in areas such as, for example, better regulation, accruals accounting and quality customer service. Efforts to steer the service towards professional, performance-oriented management are underpinned in a raft of legislation commencing with the Comptroller and Auditor General (Amendment) Act 1993.

As with other bureaucracies, large and small, silos and stovepipes are features of the Irish administration. Nonetheless, various government departments have demonstrated over time that they are willing to form alliances with each other and other organisations in efforts to find solutions to particular challenges. This is evident in Ireland's experience of EU-policy coordination and the articulation of vital national interests such as the Common Agricultural Policy or structural funding. Such a selective problem definition contributes to making the inter-organisational relations in a small-state administration very personal (Katzenstein 1985 cited in Thorhallsson 2000). This, coupled with informality, has contributed to flexibility within negotiations and expedited the formulation of clear Irish priorities and positions. Given the small number of officials involved in decision-making, positions are reached relatively quickly and assembled coherently which has aided Irish adaptation to multi-level governance (Laffan and O'Mahony 2007, 167). In addition, despite the contrast with the formal continental-style model of bureaucracy operated by the European Commission, Irish officials have developed close working relationships with Commission officials. This experience corresponds with Thorhallsson and Wivel's (2006, 659) perspective that small states "have extensively prioritised between EU policy areas as well as within particular policy areas, in order to have necessary 'administrative force' to press for their interests." What is also evident from the Irish experience of interacting with the "Brussels machine", however, is that informality is an advantage that can only go so far. It cannot possibly compensate for the resources necessary for dealing with expansions in the EU policy regime. This can be illustrated by the "No" vote in the first Nice Treaty referendum in June 2001, which precipitated an external shock to the Irish administration and resulted in a more formalised and upgraded EU coordination. It was apparent that the "must do" and "can do" culture emanating from personalism and informal networks needed to become implanted within new insitutionalised procedures that also embedded the participation of the national legislature.

A greater propensity for formalisation is also apparent in the social partnership arrangements which have become more institutionalised over time. Katzenstein (1985 cited in Thorhallsson 2000, 17) argues that cooperation defines corporatism in small states which is characterised by centralised and concentrated interest groups. Commentators have attempted to investigate whether social partnership fits with theories of neo-corporatism and acknowledge that it has unique features in Ireland (O'Donnell 2008). In practice, partnership has a long history in an indigenous context as demonstrated in, for example, community development or the participation of the Catholic Church in ad-hoc partnerships with the state to deliver social services. The Irish social partnership model was initially built upon bargaining and cooperation between employers' and employees' leaders and the government elite who participated in the formulation of broad policy objectives for economic rescue and their implementation. The changing focus of the agreements struck through this process reflect how the economic and social environment in Ireland has transformed since 1987 from the management of bust to boom (back to bust) and the different range of associated challenges. Social partnership has evolved into a form of policy-making that according to Hardiman (2006, 368) more accurately reflects "flexible network governance" since it created a complex and flexible network of bipartite and tripartite negotiating capabilities, policy working-groups, and consultative mechanisms.

Although informal methods of coordination can assist in bargaining and reaching a consensus on conflicting objectives, formal structures underpin the social partnership methodology. A strategy report that is prepared by the National Economic and Social Council (NESC), an advisory body that predates the social partnership agreements, is the main input into the negotiations between partners. The thrust of NESC's role is to ensure that these concerns are dealt with in an integrated and interdependent fashion.

The administrative system provides continuity and coordination of these agreements through the Department of Taoiseach (Prime Minister), and the Secretary General of that Department is also the Chair of NESC. It is noteworthy that despite an emphasis on wide consultation and inclusion, "all roads" lead back to the Taoiseach's Department, which to a significant degree undertakes the role of "guardian" of the partnership agreements and process (O'Donnell 2008, 76). Partnership may provide a normative model for problem-solving, but control remains centrally vested in government, and there are limits to how much policy discretion is devolved to social policy networks (Hardiman 2006, 365). The heightened difficulties of the economic situation since Autumn 2008 has focused attention on government's ability to take decisive action. The Government's decisions for cutting public-sector expenditure, introducing new taxes and public sector pay cuts have significantly strained relations with social partners, in particular the unions, leading to a collapse in the negotiations with social partners in December 2009. Hence, while several features of what Katzenstein (1985) promotes as the "defining characteristics" of the "strong corporatism" in small states are visible, indigenous structures mediate and distinguish the Irish social-partnership model, and the sustainability of its current mode is questionable in the wake of recession.

5. Concluding remarks

In 1992, a Norwegian sociologist called Lars Mjoset delivered a report to NESC and reached the conclusion that Ireland had a very poor national system of innovation. What was implied here was not just technical innovation but a broad capacity to initiate and manage change (cited by McCarthy 2006, 80). Despite this critique of the capacity of the system, Ireland managed to take advantage of EU membership and market access to pursue national economic policies that proved successful in promoting economic growth and restoring confidence in the Irish economy for investors by the early 1990s. Active state policies steered by dedicated public servants played an important role in these developments in tandem with EU membership and a favourable international environment. Attempts to complement these developments have been apparent since the mid-1990s through an ongoing public-sector reform programme tasked with modernising the public service to be better equipped to deal with a contemporary economy and society.

In 2010, the Irish state finds itself in deeply changed economic circumstances and must reflect on how it can enhance its strategic capacity through the right policy choices and effective implementation. The central bureaucracy has an important role to play in assisting the political leadership with these challenges. As with other states, large or small, the central bureaucracy of the Irish state illustrates the distinctive individuality and idiosyncrasies of the actors, structures and processes within its habitat. The inheritance of the Westminster-Whitehall system of government has been influential in shaping the political-administrative system; as has EU membership which requires the civil service to participate directly in its complex policy process, engage with EU initiatives and defend Irish interests. Over time, both EU membership and public-sector reform have prompted a greater formalisation in structures and procedures with the government departments. These adaptations and reforms have been mediated over time, however, by more deeply rooted attributes of a small patriarchal society and political culture. Through examples this article has attempted to demonstrate that, despite a paradox of fit with elements of the analysis devoted to defining small states in the literature, Ireland has much in common with several characteristics and challenges presented to explain their experiences. This is demonstrated in a strategy of greater international liberalisation, the emphasis on consensus and cooperative forms of policy-making, a predisposition to informal policy coordination, fewer specialists as opposed to generalists in the senior civil service, and a centralisation of policy making.

REFERENCES

- Armstrong, Harvey W. and Robert Read. 2002. "The Phantom of Liberty? Economic Growth and the Vulnerability of Small States." *Journal of International Development* 14, 435-458.
- Barrington, Thomas J. 1974. "Some Characteristics of Irish Public Administration". *Administration* 22, 221-233.
- Briguglio, Lino. 1995. "Small Island Developing States and Their Economic Vulnerabilities." *World Development* 23 (9), 1615-1632.
- Chubb, Basil. 1992. *The Government and Politics of Ireland*. 3rd edn. London: Longman.
- Commission of the European Communities (CEC). 1990. *One Market, One Money: An Evaluation of the Potential Benefits and Costs of Forming an Economic and Monetary Union*. Brussels: DG Economic and Financial Affairs.
- Connaughton, Bernadette. 2009. "Political Institutions and Administrative Adaptation." In Nicholas Rees, Brid Quinn and Bernadette Connaughton. *Europeanisation and New Patterns of Governance in Ireland*. Manchester: MUP, 53-79.
- Connaughton, Bernadette. 2008. "Ireland: Modernisation as Opposed to Radical Reform." In Jerri Killian and Niklas Eklund (eds). *Handbook of Administrative Reform: An International Perspective*. Boca Raton: CRC Press, 95-113.
- Connaughton, Bernadette. 2006. "Reform of Politico-Administrative Relations in the Irish System: Clarifying or Complicating the Doctrine of Ministerial Responsibility?" *Irish Political Studies* 21 (3), 257-276.
- Crowards, Tom. 2002. "Defining the Category of 'Small' States." *Journal of International Development* 14, 143-179.
- Department of Finance. 2009. *Department of Finance Capacity Review, July 2009*. Dublin: Government of Ireland.
- Dooney, Sean and John O'Toole. 1998. *Irish Government Today*. 2nd edn. Dublin: Gill and MacMillan.
- Economist* (US). 1997. "Green is Good (Economic Expansion in Ireland, Europe's Tiger Economy)." *Economist* 17 May 1997.
- Fanning, Ronan. 2008. *The Quest for Modern Ireland: The Battle of Ideas 1912-1986*. Dublin: Irish Academic Press.
- Fanning, Ronan. 2007. "Picturing the Public Service in 1922." In Mark Callanan (ed.). *Ireland 2022 Towards One Hundred Years of Self-Government*. Dublin: IPA, 6-15.
- Farrugia, Charles. 1993. "The Special Working Environment of Senior Administrators in Small States." *World Development* 21 (2), 221-226.
- Fitzgerald, Garret. 2009. "Opposition to Civil Service Economists a Costly Error." *The Irish Times* 10 January 2009.
- Gallagher, Liam A., Eleanor Doyle and Eoin O'Leary. 2002. "Creating the Celtic Tiger and Sustaining Economic Growth: A Business Perspective." In Daniel McCoy, David Duffy, Jonathan Hore and Conall MacCoille. *Quarterly Economic Commentary*. Dublin: ESRI, 63-81.
- Hanf, Kenneth and Ben Soetendorp (eds). 1998. *Adapting to European Integration:*

Symptom or Remedy?

- Small States and the European Union*. London: Longman.
- Hardiman, Niamh. 2006. "Politics and Social Partnership: Flexible Network Governance." *The Economic and Social Review* 37 (3), 343-374.
- Hey, Jeanne (ed.). 2003. *Small States in World Politics*. Boulder, Colorado: Lynne Rienner.
- Hughes, Owen. 2003. *Public Management and Administration*. 3rd edn. Basingstoke: Palgrave.
- Katzenstein, Peter. 2003. "Small States and Small State Revisited." *New Political Economy* 8 (1), 9-30.
- Katzenstein, Peter. 1985. *Small States in World Markets: Industrial Policy in Europe*. Ithaca: Cornell University Press.
- Kelstrup, Morten. 1993. "Small States and Political Integration." In Teija Tiilikainen and Ib Damgaard Petersen (eds). *The Nordic Countries and the EC*. Copenhagen: Copenhagen Political Studies Press, 136-162.
- Kickert, Walter J.M. 2002. "Public Governance in Small Continental European States." *International Journal of Public Administration* 25 (12), 1471-1491.
- Kirby, Peadar. 2009. *The Competition State: Lessons from Ireland*. Limerick Papers in Politics and Public Administration 2009, No.1.
- Krugman, Paul. 1997. "Good News from Ireland: A Geographical Perspective." In Alan W. Gray (ed.). *International Perspectives on the Irish Economy*. Dublin: Colour Books, 38-53.
- Laffan, Brigid. 2001. *Organising for a Changing Europe: Irish Central Government and the European Union*, No. 7. Dublin: The Policy Institute, Trinity College Dublin.
- Laffan, Brigid and Jane O'Mahony. 2007. "Managing Europe from an Irish Perspective: Critical Junctures and the Increasing Formalisation of the Core Executive in Ireland." *Public Administration* 85 (1), 167-188.
- Laffan, Brigid and Etain Tannam. 1998. "The Rewards of Pragmatism." In Ken Hanf and Ben Soetendorp (eds). *Adapting to European Integration: Small States and the European Union*. London: Longman, 69-83.
- Lijphart, Arend. 1999. *Patterns of Democracy: Government Forms and Performance in Thirty Six Countries*. New Haven, CT and London: Yale University Press.
- MacCarthaigh, Muiris. 2005. *Accountability in Irish Parliamentary Politics*. Dublin: Institute of Public Administration.
- McCarthy, Dermot. 2006. "Contextualising the State's Response to Global Influences." In Des Jacobson et al. (eds). *Taming the Tiger: Social Exclusion in a Globalised Ireland*. Dublin: New Island Press, 74-84.
- McSharry, Ray and Padraic White. 2001. *The Making of the Celtic Tiger: The Inside Story of Ireland's Boom Economy*. Cork: Mercier Press.
- Millar, Michelle and Tony Verheijen. 1997. "Public Management Reforms in Ireland." In David Coombes and Tony Verheijen (eds). *Public Management Reform: Comparative Experiences from East to West*. Brussels: European Commission, 249-264.
- Organisation for Economic Cooperation and Development (OECD). 2008. *Ireland: Towards an Integrated Public Service*. Paris: OECD.
- O'Criodain, Daire. 2009. "The Central Bank and National Crisis." *Studies* 98(389), 7-18.

- O'Donnell, Rory. 2008. "The Partnership State: Building the Ship at Sea." In Maura Adshead, Peadar Kirby and Michelle Millar (eds). *Contesting the State: Lessons from the Irish Case*. Manchester: Manchester University Press, 73-99.
- O'Donnell, Rory and Damian Thomas. 2006. "Social Partnership and the Policy Process." In Sean Healy, Brigid Reynolds and Micheal Collins (eds). *Social Policy in Ireland: Principles, Practice and Problems*. 2nd edn. Dublin: The Liffey Press, 109-132.
- O'Malley, Eoin. 1989. *Industry and Economic Development: The Challenge for the Latecomer*. Dublin: Gill & Macmillan.
- Pirotta, Godfrey A. 1997. "Politics and Public Service Reform in Small States: Malta." *Public Administration and Development* 17, 197-207.
- Pollitt, Christopher and Geert Bouckaert. 2004. *Public Management Reform: A Comparative Analysis*. 2nd edn. Oxford: Oxford University Press.
- Quinn, Orlaigh. 2008. *Advisers or Advocates? The Impact of State Agencies on Social Policy*. Dublin: Institute of Public Administration.
- Randma, Tiina. 2002. "A Small Civil Service in Transition: The Case of Estonia." *Public Administration and Development* 21, 41-51.
- Rees, Nicholas, Brid Quinn and Bernadette Connaughton. 2009 (forthcoming). *Europeanisation and New Patterns of Governance in Ireland*. Manchester: MUP.
- Streeten, Paul. 1993. "The Special Problems of Small Countries." *World Development* 21 (2), 197-202.
- Sutton, Paul. 2008. *Public Sector Reform in the Commonwealth Caribbean: A Review of Recent Experiences*. *Caribbean Paper No. 6*. Ontario: Centre for International Governance Innovation.
- Temmes, Markku. 2008. "Civil Servants at the 'Summit': A Comparison between the Nordic Countries." In Bernadette Connaughton, Georg Sootla and B. Guy Peters (eds). *Politico-Administrative Relations at the Centre: Actors, Structures and Processes Supporting the Core Executive*. Bratislava: NISPACEE, 225-243.
- Thorhallsson, Baldur. 2000. *The Role of Small States in the European Union*. Aldershot: Ashgate.
- Thorhallsson, Baldur and Anders Wivel. 2006. "Small States and the European Union: What Do We Know and What Would We like to Know?" *Cambridge Review of International Affairs* 19 (4), 651-668.
- Verhoest, Koen, Anne-Marie McGauran and Peter C. Humphreys. 2007. "To Agencify or not to Agencify? A More Systematic Approach to the Creation of Irish Agencies". *Administration* 55 (1), 149-180.

BERNADETTE CONNAUGHTON is a Lecturer in Public Administration in the Department of Politics and Public Administration, University of Limerick. Her teaching and research interests include environmental policy, Europeanisation, the Irish public policy process and political-administrative reform in a comparative perspective. Correspondence: Bernadette Connaughton, Department of Politics and Public Administration, University of Limerick, Ireland; E-mail: Bernadette.Connaughton@ul.ie.