

Public Sector Management in Jamaica: Realities and Challenges

Presented by Pat Sinclair McCalla, CEO, Public Sector Transformation Unit
Seminar on *“Innovative Experiences in Effective Public Management and
Regional Cooperation Strategies”*

Organisation of American States (OAS)

Friday, 21st September 2012

2.00 p.m. – 3.30 p.m.

Outline of Presentation

- ▶ The Contextual Framework
- ▶ Rationale/Goals for Public Sector Transformation
- ▶ Philosophy of Public Sector Transformation
- ▶ Approach/Process of Public Sector Transformation
- ▶ Elements of Public Sector Transformation
 - Governance, Human Capital considerations, Public Sector Efficiency and Physical Infrastructure – ***Realities and Challenges***
- ▶ Key Issues of Transformation
 - People and Technology
- ▶ Status/Outputs of Public Sector Transformation
- ▶ Conclusion

The Challenge

“The contemporary problem is how to organize the public sector so that it can adapt to the changing needs of society, without losing coherence of strategy or continuity of governance values.”

(OECD, 2005, 13)

The Contextual Framework: The Global Context

The world is moving at a fast pace:

- ▶ Economic Challenges
 - Global recession
 - Intense competition:
Jamaica's ranking globally re
"Doing Business"
- ▶ Political Challenges
 - International imperatives
 - Regional imperatives
- ▶ Social Challenges
 - Trust deficit
- ▶ Environmental Challenges
 - Built environment/natural
environment

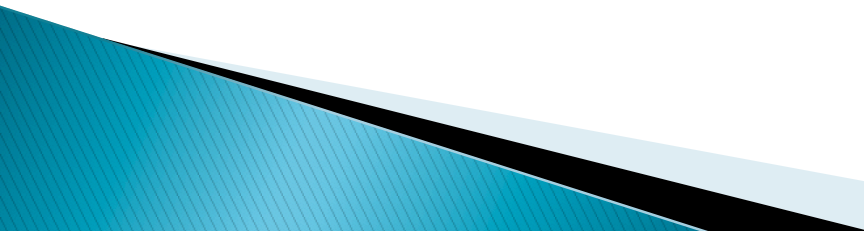
The Contextual Framework: The National Context

Fiscal Indicators:

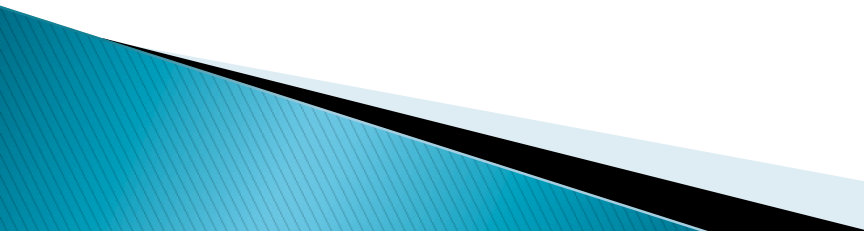
1. Huge fiscal deficit for 2010/2011 of \$74.2B.
2. A debt to GDP ratio of 130.7% for FY 2010/2011.
3. The interest payment of \$128.4B.
4. The public sector accounts for the second-largest expenditure on the Budget next to debt servicing.
5. Public sector wage bill of \$128B = 10.7% of GDP to be reduced to 9.0% by 2015/2016.
6. Public debt of \$1.6T - 128.3% of GDP for FY 2010/11.

(Source: Planning Institute of Jamaica 2011)


Rationale for Public Sector Transformation

- ▶ A bloated bureaucracy
 - ▶ Duplication and overlapping mandates and functions
 - ▶ Antiquated systems and structures
 - ▶ Complex processes resulting in high transactional costs
 - ▶ Silo operations
 - ▶ Archaic statutes
 - ▶ Lack of or insufficient use of ICT
 - ▶ Limited financial and material resources
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Public Sector Transformation

- ▶ Public sector transformation entails rationalisation and restructuring of government's functions with the introduction of new governance modalities to increase efficiencies and cost effectiveness.
 - ▶ It requires a radical change in structures, systems, processes and people.
 - ▶ It is manifested in improved performance, higher productivity, more efficient and effective service delivery, greater transparency, increased accountability, proper use of public funds and resources and greater responsiveness to the needs of the people we serve.
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Goals of the Transformation

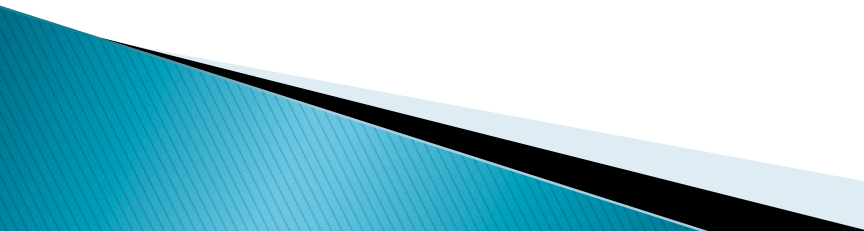
1. A smooth transition to a transformed Public Sector through change in ideas, attitudes, beliefs and behaviours.
 2. An enabling environment for effective governance.
 3. An effective accountability framework.
 4. Performance-based management.
 5. Quality customer service - improvement in service delivery.
 6. Proper resource management.
 7. Integrated, compatible Information Systems.
 8. The optimum size of the public sector for efficiency.
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Public Sector Transformation Philosophy

The transformation of the public sector is guided by the following:

- ▶ What Government must do and pay for
- ▶ What Government must pay for and does not have to do
- ▶ What Government should not do and should not pay for.

(Source: Osborne and Plastrik, 1997)



Approach/Process to Public Sector Transformation

- ▶ Consultative –
 - Permanent Secretaries/Staff
 - Parish consultations for development of the **Public Sector Master Rationalization Plan (MRP)**
 - Cabinet
 - Deliberations and Sign-off
 - Parliament (Green Paper) Public Administration and Appropriations Committee -
 - Deliberations/ Consultations and Recommendations
 - Returned to Cabinet for final Sign-off
 - Parliament (White Paper)
 - New Administration – January 2012 – Review of **MRP** (In-progress)

Key Transformation Issues

PEOPLE



TECHNOLOGY




Realities/Elements of Public Sector Transformation: Governance

- ▶ Rationalisation of public sector entities, to include mergers, contracting out, privatization/PPPs and abolition.
- ▶ Standardisation of regions
 - 4 Administrative Zones
- ▶ Shared services
 - 8 'back office' operations (HR, Finance, Legal, Procurement, Internal Audit, ICT, PR and Communication)
- ▶ Devolution of authority
 - Deconcentration.

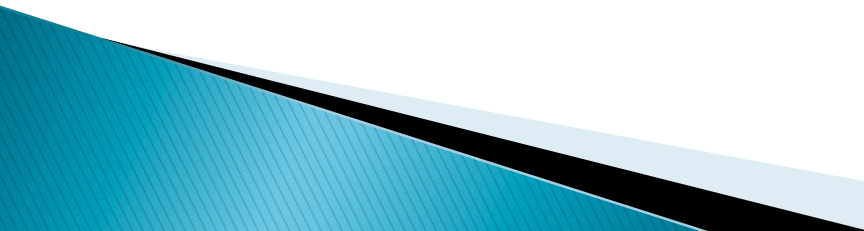
Realities/Elements of Public Sector Transformation: Human Capital Considerations

- ▶ Strategic Human Resource Management (SHRM)
 - Policy, Standards and Regulations
- ▶ Pension Reform
 - Non-contributory to contributory pension scheme
- ▶ Leave Standardization
 - 15 days vacation leave, 10 days sick leave, 5 personal days

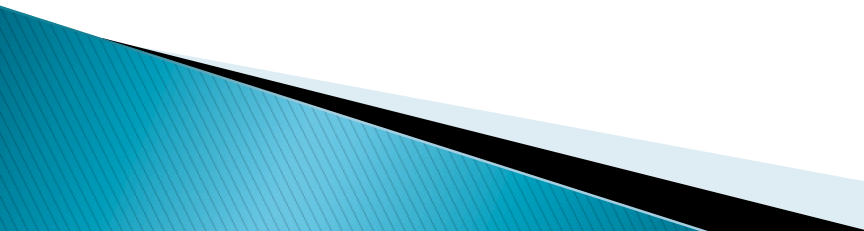
Realities/Elements of Public Sector Transformation: Public Sector Efficiency

- ▶ Public Sector Productivity
 - Total Factor Productivity Training
 - ▶ Science, Technology and Innovation (STI)
 - Roadmap
 - ▶ Information and Communication Technology (ICT)
 - GovNet (In-progress)
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Realities/Elements of Public Sector Transformation: Physical Infrastructure

- ▶ Space Rationalisation
 - Reducing rental costs (\$1.4b) over the next 5 years
 - Refurbishing of government properties
 - Building on government owned lands
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Outputs of the PSTU to Date

- ▶ Public Sector Master Rationalisation Plan (MRP).
 - ▶ Implementation Plan for the Restructuring of the Public Sector.
 - ▶ Implementation Strategy for the Restructuring of the Sector
 - ▶ Change Management Plan.
 - ▶ Establishment of IDTTS and Transformation Steering Committees in Ministries.
 - ▶ Standardization of Administrative Regions across the Sector.
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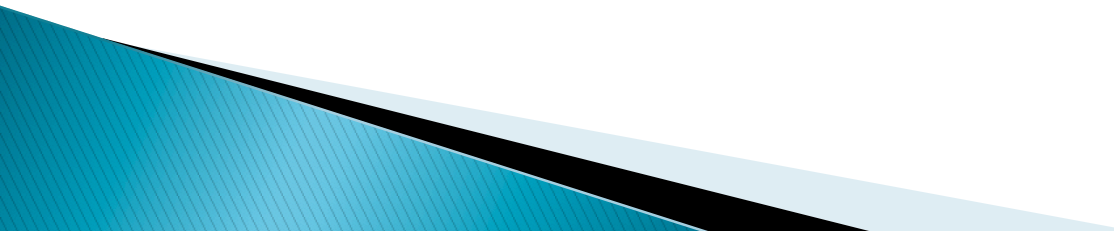
Outputs of the PSTU to Date

- ▶ International Development Partners' Sponsorship.
- ▶ Position Papers on various issues:
 - Public Sector Census
 - Financial Analysis
- ▶ Science, Technology and Innovation Roadmap.
- ▶ Public Sector Census.
- ▶ Employee Census System (E-Census), a web-based application that utilizes the data captured in the Public Sector Census to provide a quick and efficient means of keeping employee information current.
- ▶ Monitoring and Evaluation System (in progress).

Some thoughts on Regional Cooperation Strategies.

1. Establish a Community of Practice that will share innovative ideas and assist with problem-solving.
 2. Establish a small panel of regional experts in Public Sector Management who are available to assist countries throughout the region in various areas of governance and public management.
 3. Identify a pool of funds for:
 - Research and publications
 - Working visits
 4. Share best practices
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Some thoughts on Regional Cooperation Strategies.

- ▶ Share methodologies in public management for adoption and adaptation
 - ▶ Make accessible critical papers and projects that influence policies, programmes and projects.
 - ▶ Establish linkages between regional bodies and Governments to share information and expertise e.g. Caribbean Congress of Labour, CARICAD.
 - ▶ Assign students from UWI to public sector entities for on the job-training across the region.
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The Public Sector

“A strong and professionally functioning public sector holds a country together. It is the bridge between political representation of national aspirations and individual needs on the one hand, and the life experiences of all citizens on the other. It translates visions and needs into policy, policy into programmes and objectives, objectives into goals, goals into action, and action into results that should matter to people and meet the needs of the country.”

(Cabinet Office, 2003)



Sources

- ▶ Cabinet Office (2003). ***Ministry Paper No. 56 - Government at your Service: Public Sector Modernisation Vision and Strategy 2002 - 2012.*** Kingston: Cabinet Office.
- ▶ Government of Jamaica (2009). ***Ministry Paper No. 114 – 2011. Strategy for Restructuring the Public Sector.*** Kingston: Government of Jamaica.
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- ▶ OECD (2005). ***Modernizing Government: The Way Forward.*** Paris: OECD
- ▶ Osborne, David and Plastrik, Peter (1998). ***Banishing Bureaucracy: The Five Strategies for Reinventing Government.*** New York: Plume.

