



EUROPEAN COMMISSION

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Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

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Ladies & gentlemen,

This year's **EPSA** carries the theme of "**Weathering the Storm – Creative Solutions in a Time of Crisis**".

Indeed, there is continued pressure on public administrations, as several Member States are facing their fifth year of austerity.

All over Europe, administrations are expected to "**deliver more with less**" – and contribute actively to lead us back to growth.

Moreover, public administrations are expected to adapt to the changing needs of an online society and deliver better services to meet the demands of today's business and citizens.

Indeed, there is clear evidence that the quality of institutions is a key aspect of ensuring a country's long term competitiveness. After all, when the **World Economic Forum** assesses country competitiveness, "**the quality of institutions**" is the first of twelve pillars of assessment.

To meet these expectations, public administrations in many European countries still need to develop a pro-active culture of openness to change, experimentation and innovation.

At the same time, in many of our Member States, the administrations face budget cuts, reduced public sector wages and lower staffing levels.

Recent research by the **European Foundation for the Improvement of Living and Working Conditions**¹ on the public sector shows that since 2008, fifteen Member States had **employment cuts**, and sixteen Member states had **wage cuts or freezes**. Eight countries faced a **reduction in training and skills development**.

Reforms induced by the crisis tend to mainly focus on the "**quantitative**" aspect - in form of cutting budget, staff and wages.

They often neglect the more "**qualitative**" aspects – in terms of: trying to improve the working methods; the way policies and services are delivered; and the involvement of stakeholders.

If we don't manage to build, rebuild or improve these quality aspects of governance, **trust in government and public administration** risks eroding.

Fluctuations in trust - often related to economic cycles - are common. But the current situation suggests a loss of trust in government that is deeper and more system-wide than in the past. In other words, it goes beyond mistrust of a particular leader or a specific institution. The overall picture is alarming and has potentially serious consequences for economic recovery and political stability.

We need to act and demonstrate that governments have learned from past experience. Key areas for action include:

- better anticipating risks and reducing uncertainty: this is **reliability**;
- providing innovative, efficient and citizen-oriented public services: this is **responsiveness**;
- strengthening the two-way communication with stakeholders: this is **openness and transparency**;

¹ Working Conditions in central public administrations, see:
<http://www.eurofound.europa.eu/docs/ewco/tn1303013s/tn1303013s.pdf>

- and safeguarding the public interest while preventing corruption: this is **integrity**.

From the EU side, our contribution to encouraging quality of public administration is also becoming more ambitious.

In the context of the *European Semester*, the theme of **modernizing public administration** has been one of five priorities of the last three editions of the *Annual Growth Survey*, including the one published two weeks ago.

The **AGS**, as we call it, sets out the priorities for action at the national and EU level on the path of sustainable growth and job creation for the next year.

For modernisation of public administration, the Commission has identified several priorities. This includes further deploying e-government services and increasing the use of ICT by public administrations; simplifying the business environment; reducing red tape through the introduction of lighter processes and regulatory regimes.

By the way, at EU level, **we also make our contribution** to this with the on-going regulatory fitness and performance programme - or **REFIT** for short - which **promotes simplification and streamlining of EU legislation**.

In 2013, more than half of the Member States received **Country Specific Recommendations** related to improving public administration and achieving better governance.

To implement these recommendations Member States should be inspired by the recent policy initiatives presented by the European Commission such as the **Social Investment Package**.

The Social Investment Package gives particular attention to the modernisation of social policies, including through the **implementation of innovative approaches** in the design of benefits and social services and in the simplification and better functioning of their administration.

At the same time, it gives attention to pursuing **innovation in the public sector** by supporting broader partnerships between the public, the private and the third sector in reorienting social policies. This confirms the key role of public authorities in promoting social innovation linked to the Europe 2020 agenda.

I should say here the EU rather analyses and points out the problems related to the public sector in Member States. What we maybe don't do enough is to point out all the efforts the administrations in Europe are already making to meet the challenges and demands on them.

This is why I find the EPSA so important. Through the EPSA, we are sending a positive signal by highlighting the efforts by public administrations to deliver better services to business and citizens.

EPSA shows that public administration is certainly not always part of the problem, but can be part of the solution. Through the EPSA we show that European administrations are not only hard working, but also innovative, creative and citizen-oriented.

An example that impressed me from this year's EPSA catalogue is the Spanish initiative, **Towards a Paperless Administration**. This initiative by the **Ministry of Finance and Public Administration** turns the right of Spanish citizens to communicate with public administrations electronically into a reality. In this way, they improved the quality of service.

As we celebrate the fourth EPSA this year, we realize that EPSA is much more than just a bi-annual award of excellence in EU public administrations.

In fact, by systematically collecting and structuring examples of good practices, EPSA has been building a considerable **knowledge base** of how European administrations get better organized and provide better services.

This provides a basis for carrying out meaningful analysis and comparisons of countries' innovative practices.

Through collecting and sharing these practices we are adding genuine European value, we encourage learning and we inspire a culture of public sector innovation.

In this year's EPSA, I am also pleased to note the **increasing number of EU co-funded initiatives** that were submitted - an increase by almost 10% compared to the last edition. And 5 EU co-financed projects are among the top-ranked 15 nominees.

The EU promotes public sector innovation through various mechanisms, in particular the PROGRESS programme. Between 2009 and 2011, around 13 million euros were allocated by PROGRESS to social policy experimentation projects. Five additional projects were funded in 2012 and another 5 will be funded under the 2013 call. These projects have been relevant for shaping public services and social administrations.

In addition, the Programme on Employment and Social Innovation (EaSI) will be providing from 2014 a new impetus to social innovation activities, including microfinance facilities and support to social entrepreneurs. EaSI will have an approximate overall budget of around 919 million €.

You are aware of course that the **European Social Fund** also has a long history of investing in administrative capacity building in EU Member States. For the funding period 2007-13, EUR 2.5 Billion were allocated to support to public administration and EUR 1.17 Billion to promoting partnerships with stakeholders.

For the new funding period 2014-2020, one of the **11 thematic objectives** for investment is **institutional capacity and an efficient public administration**.

We expect about half of our Member States to invest **European Social Fund** money through this thematic objective.

The new funding period requires a **stronger results orientation**. By introducing so called "**ex-ante conditionalities**", we want to ensure the success of EU funding.

For the public administration, the conditionality requires that investments are based on a **strategic approach**.

Looking through the EPSA collection of projects, I see many examples, where administrations are already very advanced on this path.

In this regard, the telling of stories and journeys of 'excellence' through EPSA provide a good indication of the drivers and conditions for success. The practices rewarded by EPSA can serve as inspiration to other public administrations for building a results oriented approach.

Ladies and gentlemen,

Let me **conclude** by saying that the path towards good governance requires a long term vision centred on a genuine consideration of the needs of citizens and business. Building trust should be a priority.

Consensus building and a strategic approach are the pre-conditions for successful reform. The active engagement of all stakeholders is needed.

The European Commission is a partner in this process, providing funding and guidance, as well as facilitating the exchange of knowhow and experience.

Through EPSA, we have a leading initiative, to show how pro-active, creative, innovative and citizen-oriented public administration in Europe can be.

I would therefore like to congratulate the EPSA team for their continuous effort to promote, disseminate and reward those "*in search of public excellence*" across the European territory. And I want to encourage EIPA and the national and local sponsors to keep up and further shape this excellent work.

Thank you.