



# **Public Administration Reform in Europe:**

## **Conclusions, lessons learned and recommendations for future EU policy**

*Alexander Heichlinger, Nick Thijs*

*Gerhard Hammerschmid and Karin Attström*

*July - 2018*



*Social  
Europe*

**EUROPEAN COMMISSION**

Directorate-General for Employment, Social Affairs and Inclusion

Directorate F – Investment

Unit F1 – ESF and FEAD: policy and legislation

*Contact:* [EMPL-F1-UNIT@ec.europa.eu](mailto:EMPL-F1-UNIT@ec.europa.eu)

*European Commission  
B-1049 Brussels*

EUROPEAN COMMISSION

**Public Administration Reform in  
Europe:  
Conclusions, lessons learned and  
recommendations for future EU policy**

Directorate-General for Employment, Social Affairs and Inclusion

“Support for developing better country knowledge on public administration and institutional capacity building” (VC/2016/0492)

***Europe Direct is a service to help you find answers  
to your questions about the European Union.***

**Freephone number (\*):**

**00 800 6 7 8 9 10 11**

(\* ) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

#### **LEGAL NOTICE**

This document has been prepared for the European Commission however it reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

More information on the European Union is available on the Internet (<http://www.europa.eu>).

Luxembourg: Publications Office of the European Union, 2018

ISBN: 978-92-79-93599-2

doi 10.2767/19089

© European Union, 2018

Reproduction is authorised provided the source is acknowledged.

For any use of materials which are not under the European Union copyright, permission must be sought directly from the copyright holder(s) indicated.

Public Administration Reform in Europe:  
Conclusions, lessons learned and recommendations for future EU policy

## Contents

1. SETTING-THE-SCENE: THE IMPORTANCE TO INVEST IN PUBLIC ADMINISTRATION.....	6
2. CHALLENGES AND KEY LEARNINGS FROM PUBLIC ADMINISTRATION REFORM PROCESSES IN THE 28 EU MEMBER STATES .....	10
3. THE ROLE OF THE EU IN SUPPORTING PUBLIC ADMINISTRATION REFORM .....	25
4. KEY REFLECTIONS AND RECOMMENDATIONS FOR FUTURE EU SUPPORT TO PUBLIC ADMINISTRATION REFORM AND CAPACITY BUILDING IN THE EU MEMBER STATES .....	32

## 1. SETTING-THE-SCENE: THE IMPORTANCE TO INVEST IN PUBLIC ADMINISTRATION

Europe's administrations currently face the triple challenge of: (1) delivering better with less i.e. meeting societal & business needs in times of tighter budgets; (2) adapting public service provision to demographic, technological and societal changes; and (3) improving the business climate through fewer and smarter regulations, reducing administrative burden and provision of better services in support of growth and competitiveness.

Good governance and quality of public administrations are recognizably in the interests of the citizens and Europe's Member States, to achieve best value from finite public funds and create a regulatory environment that promotes employment and growth. Worldwide, the evidence is irrefutable: high productivity, high income per head economies but also countries with highest quality of life and citizen satisfaction are having highly effective and efficient government institutions.

With around 75 million employees, the public sector is Europe's biggest single 'industry', employing around 25% of the workforce (around 16% in central government alone)<sup>1</sup> and responsible for almost 50% of GDP<sup>2</sup>. Given its scale and scope, public administration – the organisation and management of publicly funded resources – has enormous importance for the daily lives of citizens, but also the performance and prospects of businesses.

Research in recent years provided conclusive evidence that government quality matters for economic performance and that poor government in lagging areas of Europe represents a significant barrier to development. It has been pointed out that government quality not only affects economic growth, but also the returns of European cohesion policies (Rodríguez-Pose and Garcilazo, 2015), that it shapes regional competitiveness (Annoni, 2013), and that corrupt or inefficient governments undermine regional potential for innovation (Rodríguez-Pose and Di Cataldo, 2015) and entrepreneurship (Nistotskaya et al., 2015). Moreover, low levels of quality of government affect the attractiveness of regions to migrants (Ketterer and Rodríguez-Pose, 2015), regional environmental performance (Halkos et al., 2015), decisions on the type of public good investment (Crescenzi et al., 2016), as well as threaten inclusiveness and participation in political processes (Sundström and Wängnerud, 2014).

High quality institutions are characterised by "*the absence of corruption, a workable approach to competition and procurement policy, an effective legal environment, and an independent and efficient judicial system. [...] strong institutional and administrative capacity, reducing the administrative burden and improving the quality of legislation*" (European Commission, 2014, p. 161). Such a broad definition is also underpinned by influential academic work understanding good governance as the impartial exercise of public power, that is focusing on policy implementation rather than the content of policies or the democratic processes through which they were decided (Rothstein & Teorell, 2008).

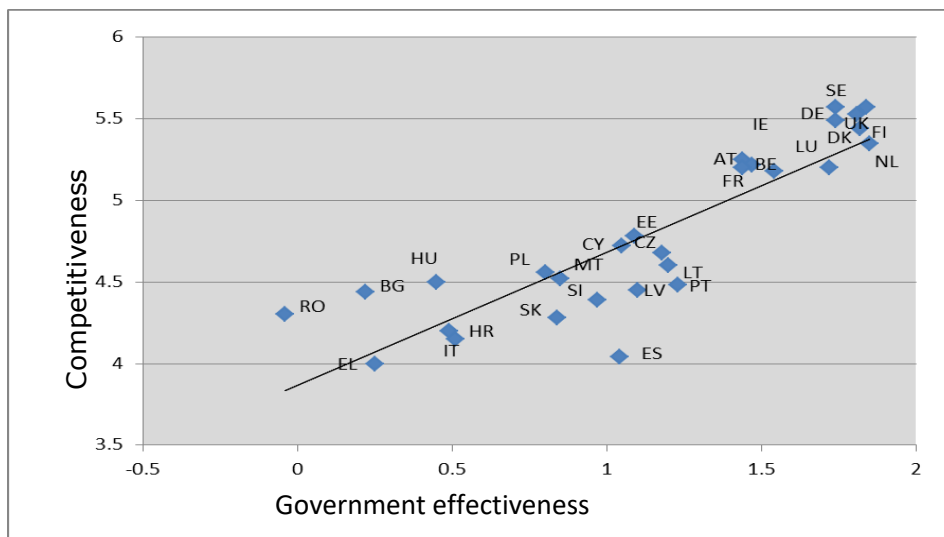
There is a growing consensus that in order to enhance prosperity, human well-being and the territorial cohesion of the EU, quality of governance or quality of institutions is a fundamental precondition. The quality of a country's institutions, both governmental and

---

<sup>1</sup> See Nick Thijs, Gerhard Hammerschmid and Enora Palaric (2017): A comparative overview of public administration characteristics and performance in the EU28. EUPACK synthesis report published by the European Commission, DGEMPL, Brussels November 2017.

<sup>2</sup> <http://ec.europa.eu/eurostat/web/national-accounts/data/database>

judicial, is a key determining factor for the well-being of its constituents. Administrative capacity is recognised increasingly as a pre-requisite for delivering the EU's treaty obligations and objectives, such as creating sustainable growth and jobs, and maximising the benefits from EU membership. By raising productivity prospects and expected rates of return and by lowering uncertainty, good governance -and especially an effective and efficient government- encourage investments and have a positive effect on development (Kaufman et al. (1999); Walsh and Yu (2010)). The graph below confirms a strong relation between government effectiveness (as measured by the World Bank Government Effectiveness Indicator) on the one hand and economic competitiveness (World Economic Forum indicator) on the other hand.

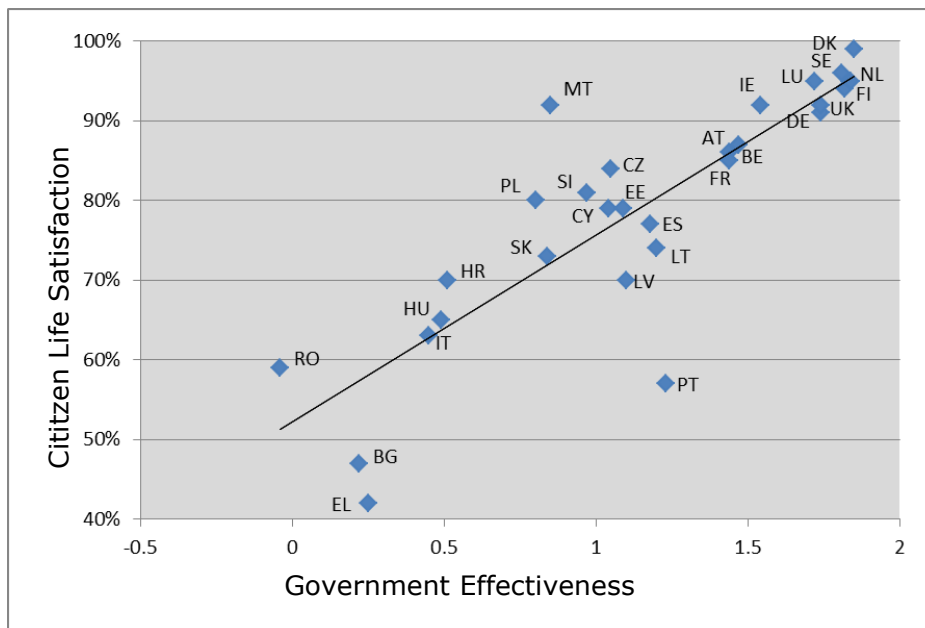


**Figure 1: Economic impact of government effectiveness**

Data source: World Bank Government Effectiveness 2015; World Economic Forum. The Global Competitiveness 2016-2017

Social scientists also stress the importance of effective government rules and regulations for the wellbeing of societies (North, 1990; Ostrom, 1990; Rothstein, 2011; Holmberg and Rothstein 2012) and there is broad consensus that good governance is a pre-requisite for long term and sustainable increase in living standards (Dellepiane-Avellaneda, 2010). Good governance does not only promote economic prosperity but also has strong direct implications for population health, people's access to services, social trust, political legitimacy and people's subjective wellbeing (Halleröd et al., 2013; Holmberg and Rothstein, 2012; Rothstein, 2011; Uslaner, 2008; Tavits, 2008; Svallfors, 2013). It offers an explanation to why living conditions vary between countries and regions with approximately the same GDP per capital. There is evidence for a strong correlation of government effectiveness not only with competitiveness but also with life satisfaction of citizens as measured by the Eurobarometer (Standard Eurobarometer 83, Spring 2015) which confirms the high relevance quality of government plays in shaping peoples' lives.

Public Administration Reform in Europe:  
Conclusions, lessons learned and recommendations for future EU policy



**Figure 2: Life satisfaction and government effectiveness**

Data Source: World Bank Government Effectiveness 2015; Standard Eurobarometer 83, Spring 2015

These days, government's public authorities must be able to adjust to the dynamic and often disruptive changes in the economy and society. In an increasingly 'connected' and digitalized but uncertain world, policies and structures that have been successful in the past might not be sufficient or appropriate to serve citizens and business in the future. The ability to reflect today's needs and to anticipate tomorrow's, becoming agile enough to adapt to new challenges, must become permanent features of the public sector. Most of all, administrations must build on a solid foundation of being ethical, efficient, effective and accountable.

Experience in Europe in the past two decades shows different administrative reform paths and results<sup>3</sup> mainly due to different degrees of reform capacity, sustainability of reform approach, coverage and a 'fitting context'. The incentives that triggered the "New Public management" wave of reforms in older Member States addressed domestically recognised needs to reduce the size of government and make administration more efficient. Change has been rationalised through accumulated management experience and exchange with peers. In new Member States, the "first wave" of reforms began with the EU-accession requirements<sup>4</sup> for establishing professional and de-politicised civil service systems. The limited internal capacity was compensated with externally managed

<sup>3</sup> Christopher Pollitt and Sorin Dan. 2011. COCOPS Policy Brief 1: The Impact of New Public Management (NPM) Reforms in Europe. see [http://www.cocops.eu/wp-content/uploads/2013/07/COCOPS\\_PolicyBrief\\_1\\_newlayout.pdf](http://www.cocops.eu/wp-content/uploads/2013/07/COCOPS_PolicyBrief_1_newlayout.pdf)

<sup>4</sup> <http://www.sigmaweb.org>



support. Limited strategic orientation and ownership of reforms<sup>5</sup> however led to mixed results<sup>6</sup>.

Assessments<sup>7</sup> also show that substantial differences in quality and capacity of public administration remain, with many Southern and Eastern European countries still demonstrating capacity and performance deficits with regard to key areas of good governance. There is also the danger that these differences tend to increase due to slow adaptation to technological change, low civic engagement and more limited use of evidence-based policy-making practices.

In the end everything turns around on the question of how government systems and public administration reform (PAR) is (successfully!) organized. How is it (successfully!) implemented and what factors (successfully!) support such system change? Finally, what influence and role had the EU so far in supporting reform, both quantitative and qualitative?

With the intention to enhance its knowledge and understanding of the status and reform dynamics of public administration in EU Member States, the European Commission carried out the project "Support for developing better country knowledge on public administration and institutional capacity building" (hereafter EUPACK – European Public Administration Country Knowledge). It was implemented by a consortium of the European Institute of Public Administration, the Hertie School of Governance and Ramboll Management Consulting, with the support of a wide network of country and thematic experts, between October 2016 and July 2018. The project looked also into the effects and effectiveness of EU and other external support for improving its quality, with a view to better targeting EU support in this area in the future.

This report summarises the key conclusions from the project<sup>8</sup>. In the chapters 2 and 3 the authors attempt to provide a synthesis reflection of the key trends and some answers to the questions outlined above, based on the results of the EUPACK research. Chapter 4 derives to some key recommendations.

---

<sup>5</sup> For more information see thematic evaluations of the PHARE programme.

<sup>6</sup> Meyer-Sahling, J. (2009), "Sustainability of Civil Service Reforms in Central and Eastern Europe Five Years After EU Accession", SIGMA Papers, No. 44, OECD Publishing; Randma-Liiv, T. and Drechsler, W. (2017): Three decades, four phases: Public administration development in Central and Eastern Europe, 1989-2017, International Journal of Public Sector Management, 30(6-7), 555-565; Also WB, Administrative capacity in the new EU Member States : the limits of innovation? See <http://documents.worldbank.org/curated/en/2007/06/8187914/administrative-capacity-new-eu-member-states-limits-innovation>

<sup>7</sup> See for example Sustainable Governance Indicators <http://www.sgi-network.org/2016/> or Public sector achievement in 36 countries [https://www.scp.nl/Publicaties/Alle\\_publicaties/Publicaties\\_2015/Public\\_sector\\_achievement\\_in\\_36\\_countries](https://www.scp.nl/Publicaties/Alle_publicaties/Publicaties_2015/Public_sector_achievement_in_36_countries)

<sup>8</sup> For other EUPACK results see: A Comparative Overview of Public Administration Characteristics and Performance in EU28 at <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8072>, as well as Public administration characteristics and performance in EU28 at <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8123&furtherPubs=yes>.

## **2. CHALLENGES AND KEY LEARNINGS FROM PUBLIC ADMINISTRATION REFORM PROCESSES IN THE 28 EU MEMBER STATES**

The overall state system, history and current politics and other cultural aspects of each EU member countries remain decisive factors in shaping commitment to reforms and to particular types of administrative modernization. This is also reflected in two of our key findings or challenges. First, there is a continuous high heterogeneity among the EU Member States which has substantial implications on the outcomes of public administration reform. Second, in many areas we still lack valid comparative data for a systematic assessment of public administration and the outcomes of public administration reforms. Most country findings emphasise the lack of systematic evidence and evaluations with regard to the success of administrative reforms. Most countries also lack a central mechanism for monitoring and reporting on the progress of reforms.

However, despite different starting points our analysis of the 28 EU Member States also shows interesting commonalities. The most striking one is the continuous high relevance and dynamic of public administration reform in the EU Member States, even in countries, which are performing relatively well. The trend of a rather high intensity of public administration reform, which has been observed for the years since the 1980s (Pollitt and Bouckaert 2017), also continued in the last decade and can be confirmed for all EU Member States.

With regard to the content of reform, despite all country differences, we see substantial commonalities in the topics of public administration reform. These are also increasingly influenced by agenda setting and support mechanisms of the European Commission (e.g. with regard to one stop shops, regulatory impact assessment, administrative burden, digitalisation and open government) especially in the Southern and Eastern European Member States. The following most common reform trends observed in the 28 EU MS seem to be the key components of a "European" approach to public administration reform:

- open government initiatives and reforms to strengthen external transparency such as freedom of information legislation, open data, procurement reforms and the establishment of anticorruption authorities;
- civil service reform with a focus on cutback measures to reduce size and costs of government employees, a strengthening of meritocracy, improving performance appraisals and introducing codes of conduct;
- e-government measures such as the establishment of portals and electronic signature solutions, the implementation of online services and development of one-stop-shops in order to improve service delivery;
- reforms to strengthen Centre of Government coordination capacity and the merger of agencies/independent bodies (mostly established in the NPM reform period);
- performance management and reforms to improve productivity and strengthen result orientation;

## Public Administration Reform in Europe:

### Conclusions, lessons learned and recommendations for future EU policy

- strengthening of evidence-based policy-making and better regulation through different tools such as regulatory impact assessment, ex-post evaluation or stakeholder consultation;
- the reduction of administrative burden on firms and citizens.

Reforms in most countries were driven by a combination of government changes (14 countries) and European integration pressures (18 countries). In a large number of countries (15) budget pressure and the financial crisis also served as a major driver of reform (see more below). The most important chance event mentioned in the reports was the independence of several countries whereas all other drivers such as citizen, business or trade union pressure do only play a very minor role in most EU Member States.

Drivers	Countries
European integration/EU	AT, BE, BG, CY, CZ, DE, EE, EL, ES, HR, HU, IT, LT, LV, MT, PL, RO, SI, SK
Government change	AT, BE, BG, DK, EE, EL, FR, HR, HU, IT, LU, MT, SE, UK
Budgetary pressure/crisis	CY, BG, DE (only local government level), DK, EL, ES, HU, IE, IT, FI, LT, NL, PL, SI, UK
International Organizations/Creditors	BE, BG, EL, IE, LT, LV, PT, RO, SK
Chance events	CY, CZ, EE, HR, LT and LV (all independence) IT (Tangendopoli corruption scandal)
Citizen pressure	DK, ES, PL, RO, SI
Demographic change	ES, IT, FI
Business pressure	CY, HR
Lower government levels	ES, IT
Trade Union pressure	CY, LU

**Table 1: Key drivers of public administration reform**

(Source: EUPACK )

It is difficult to identify common patterns. We can however notice that the reforms in a clear majority of 2/3 of the EU countries are of a rather **incremental nature**, instead of being the big-bang reforms. And with the exception of Anglo-Saxon and Scandinavian countries there is a clear **law based reform approach** in all other EU countries.

The most obvious observation on the nature of the reforms is clearly the top-down approach. Most of the changes have been **predominantly 'top-down'**, in the sense of

having been conceived and executed by executive politicians and/or senior civil servants. Public administration reform in Europe is thus mostly **in the hands of political/administrative elites**.

Responsibility for public administration reform in the majority of EU Member States is shared between different Ministries or organisations and we can find various approaches for the coordination of administrative reform. In many countries, we observe **rather frequent structural changes in bodies responsible for PAR** indicating the difficult role of such coordinating bodies.

Our country analyses and synthesis provides strong evidence that in overall public administration reform in the 28 EU Member States over the last decade has been a **rather mixed bag with both positive and negative evidence with regard to the overall success of reform agendas but also specific reform initiatives** presented in the case studies. As already noted by academic scholars (e.g. Pollitt and Bouckaert 2017) the country analysis also shows that the results of public administration reforms are remarkably difficult to pin down and the different country reports consistently emphasise the lack of systematic evidence and evaluations with regard to the success of administrative reforms. Most countries also lack a central mechanism for monitoring and reporting on the progress of reforms.

Based on our systematic country-comparative analysis of public administration reform dynamics along key dimensions of public administration reform (1. Transparency and accountability, 2. Civil service system and HRM, 3. Service delivery and digitalization, 4. Organization and management of government, 5. Policy-making, coordination and regulation) and a framework to assess country public administration capacity and performance developed as part of EUPAK, some more encouraging learnings could be drawn, summarized and illustrated from the study.

### ***Organization and Management of Government***

In the area of organisation and management of government, the last decade has been characterised both by the continuation of decentralisation and devolvement as well as a reduction of the number of local governments. At central government level, many MS have also tried to improve horizontal coordination and strengthen centres of government capacity, to reduce the number of agencies but also to strengthen performance management and target orientation. Lastly, many EU countries have reformed their budget procedures in order to better link it with strategic planning and government performance.

A key trend in the reform of the organisation of the central government in the EU MS has been the reduction of the number of agencies especially through mergers. Although we observe an important variety in terms of number of agencies across EU Member States, in many EU countries the wave of agencification in the 1990s and beginning of the 2000s has been followed by an opposite wave of de-agencification. This has been especially the case

## Public Administration Reform in Europe:

### Conclusions, lessons learned and recommendations for future EU policy

in Northern European countries such as Finland and Sweden<sup>9</sup> where agencies have traditionally been an important feature of central government even before the 1990s, and in Central and Eastern European countries where the number of agencies had grown significantly prior to the EU accession.

Parallel to the reduction of the number agencies, many EU MS have sought to improve the central steering and coordination capacity, using approaches such as strengthening Centre of Government organisations, strategic frameworks, performance measurement and management by objectives.

Within the dimension "Organization and management of government", the aspect "strategic planning capacity" indicates well to what extent country's governments are better prepared than others, since holistic and integrated PAR approaches can only be put into practice if clear visions, well-defined objectives and political commitment exist.

Based on this indicator, three Scandinavian countries (Denmark, Finland, Sweden) in addition to the UK and the Baltic countries Latvia and Lithuania seem to have the highest strategic planning capacity of government among all EU Member States. Southern Eastern countries such as Slovenia, Romania, Greece and Cyprus, but also Hungary, surprisingly Germany and Luxembourg score rather low on this indicator.

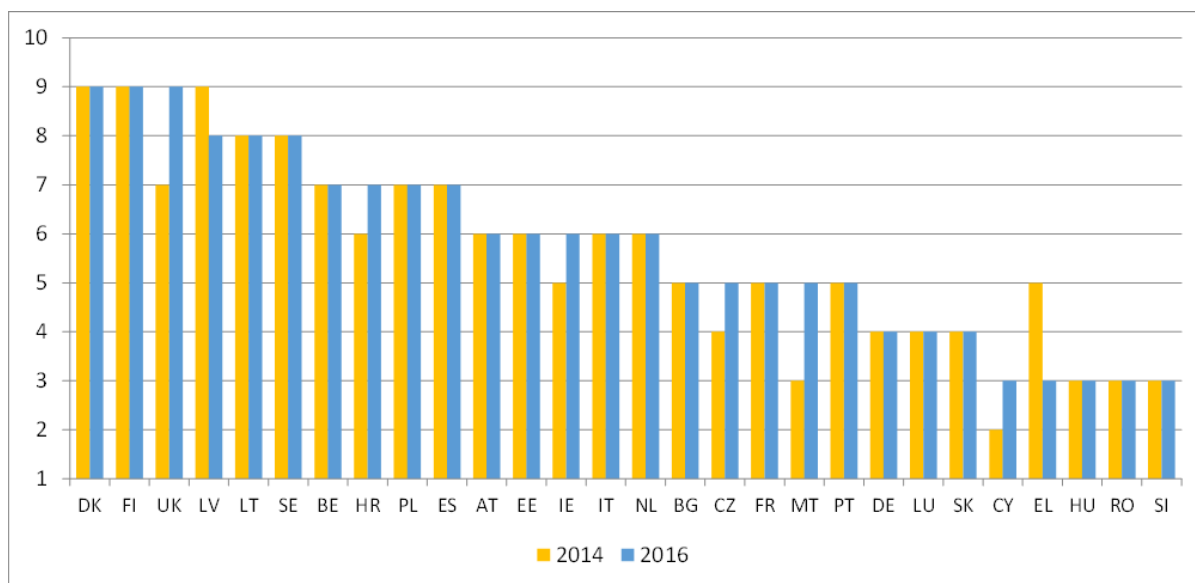
Strategic planning capacity needs to be complemented by an "implementation capacity" allowing governments to put their plans into practice. The Bertelsmann SGI "Implementation capacity indicator" combines both qualitative and quantitative assessments based on 7 dimensions (1) government efficiency, (2) ministerial compliance, (3) monitoring ministries, (4) monitoring agencies and bureaucracies, (5) task funding, (6) constitutional discretion and (7) national standards to assess implementation capacity.

While a rather strong correspondence exists with this indicator in relation to the strategic planning capacity, some interesting country differences occur. The EUPACK project shows that Sweden, Luxembourg, Poland, and also France and Germany, are ranked clearly higher with regard to "implementation capacity". Contrary, Croatia seems to be much stronger in strategic planning than in implementation.

---

<sup>9</sup> In Sweden the movement of agency mergers started early compared to most EU countries. In the last 20 years 280 agencies were turned into 12, and in 2015 21 regional police agencies and the central government police agency were merged into one central police agency (Government Bill 2013/14:110).

Public Administration Reform in Europe:  
 Conclusions, lessons learned and recommendations for future EU policy



**Figure 3: Strategic planning capacity (from 1 lowest to 10 highest)**

Source: Bertelsmann Stiftung; Sustainable Governance Indicators

As a learning point, having strong overarching strategies guiding the government and its administration towards a more sustainable and holistic reform (beyond a political legislation) is key for its success. These countries also illustrate a very active attitude towards their respective futures. The strong need for strategic space in order to create their futures instead of simply drifting into the future can boldly be highlighted in several country cases mentioned.

Surprisingly or not, an important element under the same dimension is that many reforms are or were driven by budgetary (constraints) reasons and the need to modernize the administration's accounting system and related spending reviews have increased following the economic crisis. The EUPACK analysis showed that many reforms were or are in the hands of the Ministry of Finance or ministerial departments (incl. the prime minister's office) with responsibility of/for budgetary issues.

We find evidence for a high intensity of such reforms in 12 countries and a moderate intensity in further 11 countries. Only three countries (CZ, EL, PT) show a rather low number of reforms in this area. Reforming organisation and management of government is driven both by the aim of service/policy improvement (16 countries) and cost-saving (10 countries). With regard to the progress of these reforms according to our country experts progress seems to be high in AT, CY, DK, EE, ES, FI, FR, IE, MT, NL and UK. A similar number of countries is characterised by a rather moderate/mixed reform progress but there are also some countries such as BG, CZ, EL, IT, LV and PL with only low reform

progress. In a surprisingly large number of countries (DK, EE, ES, FI, FR, IE, MT, NL, UK) high reform activity responds with high reform progress. Only in LT and SE did high reform activity result only in moderate or mixed reform success.

Many of these reforms aim to improve strategic and implementation capacity of government. A look at the government indicators, provided by the Bertelsmann Stiftung SGI system, indicates, however, a rather high stability of these two outcome areas despite the large number of reforms (see figure 18 and 19). With regard to strategic planning capacity, the SGI shows improvements for the period 2014-2016 for only six countries (CZ, CZ, HR, IE, MT and UK). In contrast, strategic planning capacity did deteriorate (EL, LV) in two countries only. With regard to implementation capacity a rather similar number of countries did improve (CY, DE, ES, IE, IT, MT) and deteriorate (EL, FR, LV, NL, PT, SE, SK) between 2014 and 2016.

### ***Civil service system and HRM***

In this context, an important (other) factor to the above for the implementation of PARs or in other words wider "change processes" and its level of success is related to another dimension, the type of "Civil Service System and HRM" in place, including the senior civil service (SCS) or top public management systems (TPM). Here elements of knowledge in the SCS and the relational resources determine the leaders' mobilization capacity of the persons in the system, i.e. the capacity to act collectively.

HRM measures can be separated in seven types:

- public employment (e.g downsizing),
- salary system,
- training system,
- cost-saving measures,
- working hours and working time,
- job security,
- employment status.

The EUPACK country analysis confirm that as many HRM reforms in the EU Member States have been aimed towards saving costs and increasing flexibility and have especially been prevalent in countries stronger hit by the financial crisis. A quite different direction and objective of reforms in HRM has been to increase professionalism, meritocracy and reducing politicisation, for example by introducing rules promoting meritocratic recruitment or by measuring staff performance.

Indicators such as impartiality, professionalism and closeness from the Quality of Government Institute expert survey serve well to assess this dimension. The Professionalism index –for instance- measures to what extent the public administration is professional rather than politicized. Higher values indicate a more professional public

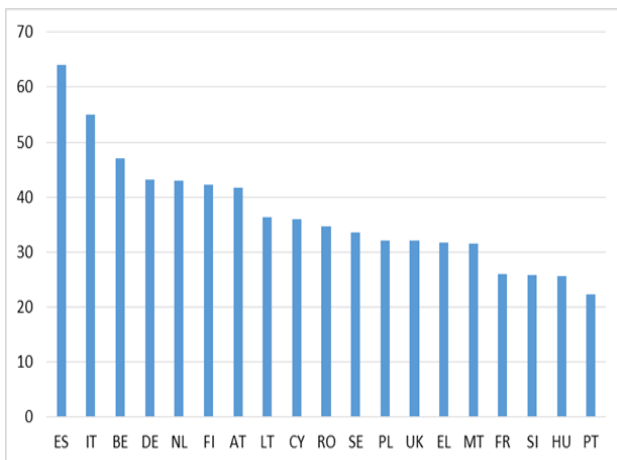
## Public Administration Reform in Europe:

### Conclusions, lessons learned and recommendations for future EU policy

sector. In overall this index shows in our case a rather high consistency to the impartiality indicator –“The more professional, more impartial or vice-versa the CSC is!”- with some interesting differences: Ireland in addition to the known Scandinavian countries ranks much better with regard to professionalism whereas Belgium and Malta are ranked significantly lower. Quite different developments for the period 2012 till 2015 show clear improvements for Germany, Greece, Latvia, Poland, Romania and Slovenia whereas the surveyed experts saw a decrease of professionalism in Bulgaria, Hungary and Slovakia.

A key challenge to address with regard to element is the effect of an ageing population on the staffing of public services. Since 2010 many European Member States are experiencing an increasing wave of retirement that will leave some public agencies with only a very thin layer of experience at the top. According to the OECD (2009, 72) “maintaining the government’s capacity to deliver the same level and quality of services remains a complex issue. Significant staff departures create an opportunity to bring staff with new skills into government, downsize the workforce where needed, decrease staff costs... and re-allocate human resources across sectors.” However, this can lead to loss of capacity and raises the question of how the public sector can position itself as attractive employer for young talent in an increasingly competitive job market.

As part of the EUPACK project, data was collected to provide additional insights on the EU Member States` civil service / HR capacity. The share of employees older than 50 years as key indicator for the increasing demographic pressure is worrying in many countries.



Member States such as Spain, Italy and Belgium will see between 47 and 64% of their public administration retire over the next 15 years. At the same time we find several countries (France, Malta, Hungary and Sweden) with a comparatively higher share of ‘younger’ employees. Italy is the country strongest affected by an aging workforce, with a high share of ‘older’ staff (55%) and a rather small share of a ‘younger’ generation (6.8%).

**Figure 4: Share of governments employees aged 50 or older**

Source: Thijs, Hammerschmid and Palaric (2017; EUPACK)

In a nutshell, PARs always are located in contexts where structural shifts can create opportunities for change. Public leaders have to be able to identify the arenas where key



resources and regulatory powers lie, where real change can be made, as well as embodying the capacity for sustained targeting of these fields in the rest of the system. As stressed before, solid strategic architectures (for reform) and their subsequent achievements are quantifiable evidence of their leaders' and managers' capacities to choose the right arenas for change and to target it sustainably. The most important factor for mobilising administrations towards desired reforms is having access to (e.g. new, young) skilled/professional/impartial 'change agents' or leading actors to operate at critical 'nodal points' in the civil service systems on the ways to 'power'. These are often individuals (can be seniors or "young talents"!) who can inspire and drive the organisation with their own values to reform.

With regard to the progress of civil service and HRM reforms according to our country experts progress seems to be high in BG, CY, EE, ES, HU, IE, NL, PT and UK. A majority of countries is characterised by a rather moderate/mixed reform progress and the only countries with low reform progress are CZ, LU and SE where these reforms have not been prioritized. In countries such as BG, CY, ES, IE or PT high reform activity responds with high reform progress. For other countries such as BE, FR, IT, LT or RO high reform activity led to only moderate or mixed reform success whereas countries such as EE, HU or UK were more successful in achieving rather high progress of reforms.

### ***Policy Making and Coordination***

In the area of "Policy making and coordination" a great part of reform in the EU MSs is influenced by the so called "better regulation agenda". Many EU countries have introduced a compulsory assessment of the impact of primary and/or secondary legislation as part of the policy-making process, and France was the first country to make this exercise a constitutional requirement in 2008.

While the Regulatory Impact Assessment (RIA) tool has spread widely across the EU in the last twenty years, more recently a number of EU countries have adopted other innovative instruments for evidence-based policy-making. The UK for instance has made efforts to strengthen experimentation, launching the What Works Centres in 2013 and creating the Cross-Government Trial Advice Panel in 2015 in order to bring together experts from across the civil service and academia to collaborate on capacity building for policy experimentation.

Besides efforts to improve the quality of legislation, virtually all EU countries have conducted initiatives to simplify legislation and reduce the administrative burden. Although the strategies adopted by each country in order to limit the regulatory burden on businesses and citizens vary, one very successful instrument has been the 'standard cost model' introduced first in the Netherlands.

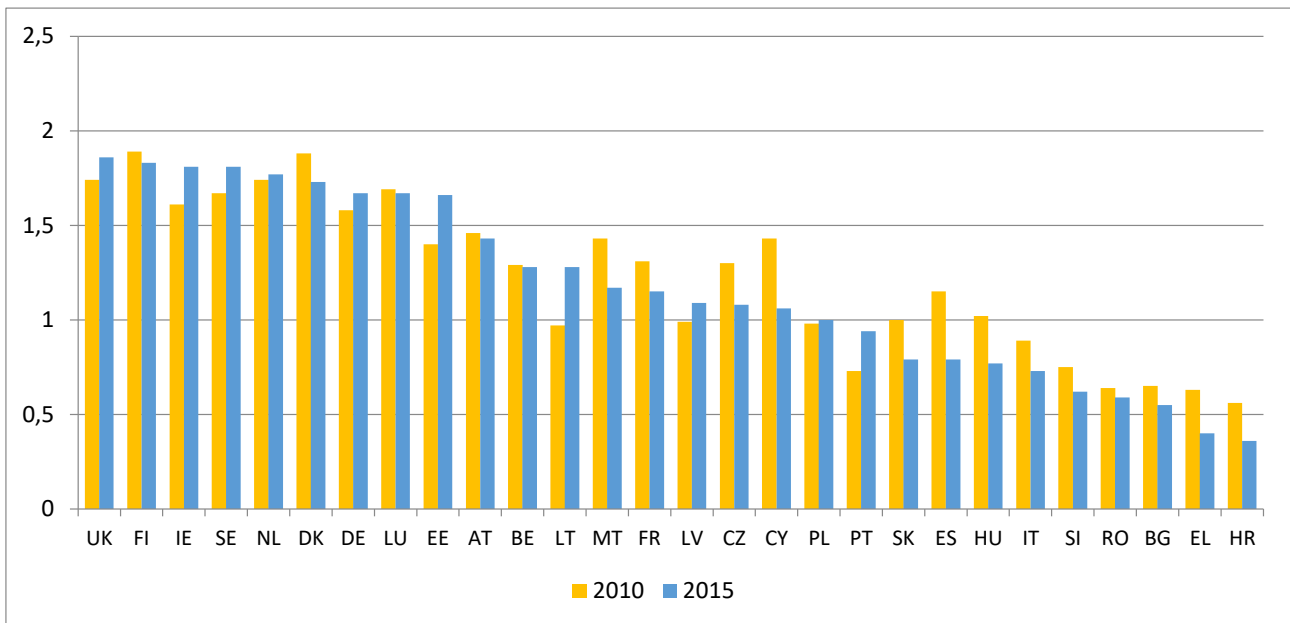
The indicator "regulatory quality and capacity" of a country's government in this context remains a key influencer of the success of today's PARs, again seen by top performers

## Public Administration Reform in Europe:

### Conclusions, lessons learned and recommendations for future EU policy

such as the Scandinavian countries, the Netherlands (as indicated above) and the UK followed by the group of continental European and Baltic countries.

With regard to regulation, the regulatory quality indicator collected by the World Bank captures perceptions of the ability of government to formulate and implement sound policies and regulations that permit and promote private sector development. This measure is constructed by using over 50 representative and non-representative items from 15 different sources. As the graph shows regulatory quality based on this indicators is highest in both the Anglo-Saxon countries (UK and Ireland) and the Scandinavian countries (Finland, Sweden, Denmark) but the also the Netherlands, Germany, Luxembourg and Estonia score rather high. Most of these countries also seem to have improved their regulatory quality over the period 2010-2015. In contrast, we can observe an even decreasing regulatory quality for the countries which already were characterized by a lower regulatory quality in 2010.



**Graph: Regulatory Quality from approximately -2.5 (weak) to 2.5 (strong)**

Source: World Bank Governance Indicators

The coherence of policy-making coordination is strongly affected by key characteristics of the state system. Based on the analyses from the EUPACK project coordination quality and fragmentation are an important challenge to be addressed in most EU countries. Although coordination is facilitated in a less fragmented administrative and political system, the two dimensions are not synonymous. This is also how the position of Lithuania needs to be explained. There is high coordination at the higher levels of hierarchy, lower at lower levels

of the ministerial hierarchy. On the other hand the overall system is highly fragmented in terms of divergence in the number of subordinate institutions accountable to the government and municipalities.

### ***Transparency and Accountability***

In terms of the dimension "Transparency and Accountability", governments increasingly acknowledge the role of open government reforms as catalysts for public governance, democracy and inclusive growth (OECD 2016). Due to shifting expectations and new technologies the opening up of government processes, proceedings, documents and data for public scrutiny and involvement is now considered a fundamental element of a democratic society.

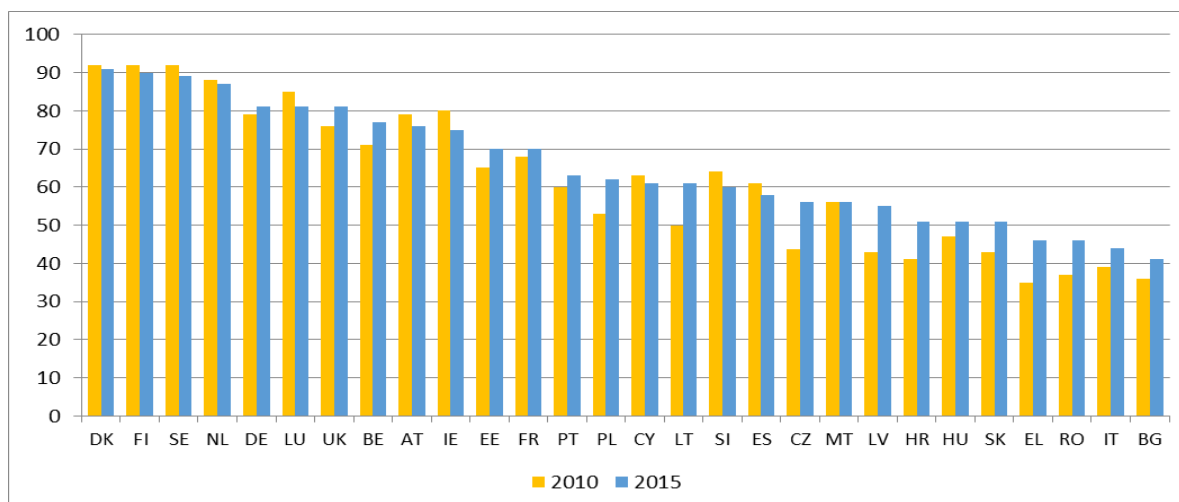
A lot of reforms have been launched and implemented in the 28 EU Member States making it one of the key areas of administrative reform especially in CEE and Southern European countries. In particular we can distinguish three main types of reform:

- measures to counter corruption and promote ethics among policy-makers and officials;
- measures to strengthen access to government information; and
- measures to increase government accountability.

However, the question is how far these measures had a positive impact on the administrative capacity to ensure transparency, participation, accountability and the prevention of corruption and how the public administration is performing in this area.

For instance, addressing corruption and the misuse of public sources continues to be an issue in several EU Member States. A commonly accepted indicator is the "Transparency International Corruption Perception Index" (CPI) based on 9 data sources. A look at this indicator shows substantial differences between the EU Member States with Scandinavian and Western European countries scoring the highest. It is also a positive sign that especially the countries already scoring lower in 2010 saw a substantial improvement over the last 5 years. This is especially the case in Latvia, Greece, Slovakia, Croatia and Lithuania. In overall however 11 countries have a score lower than 60, indicating a clear need for further policies and measures to tackle corruption.

Public Administration Reform in Europe:  
 Conclusions, lessons learned and recommendations for future EU policy



**Figure 5: Perception of corruption**

Source: Transparency International Corruption Perception Index

An indicator-based assessment of all 28 EU Member States conducted as part of the EUPACK project shows substantial variations with regard to transparency and accountability and that this area is posing a specific challenge in Southern and Eastern Europe whereas Denmark, Finland and Sweden are scoring especially high (see Thijs et al. 2017).

As a learning point in this context, higher transparency and accountability both improve better policies and promote public sector integrity, which is essential to regaining and maintaining citizens' trust in government.

With regard to the progress of accountability and transparency reforms progress seems to be highest in CY, ES, FR, HU, IE, LT, NL, PL and SE. For several countries such as BG, CZ, HR and IT high reform activity led to only moderate or mixed reform success. In contrast countries such as CY, FR, IE, LT or PL were more successful in achieving rather high progress of reforms.

**Service Delivery and Digitalisation**

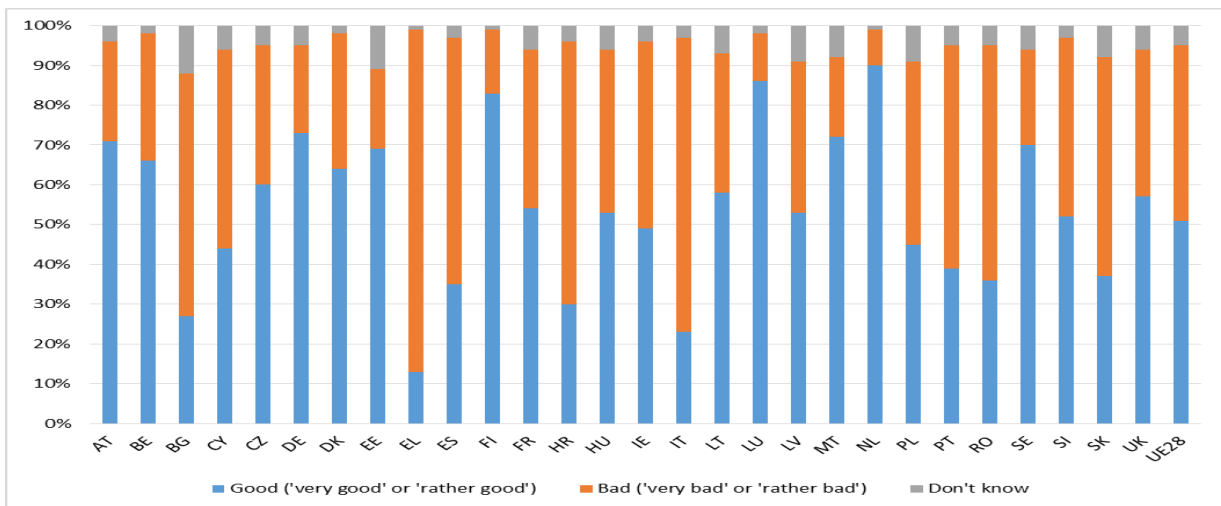
With regard to the last dimension “Service delivery and digitalization” we can observe a high level of initiatives and one of the main reform trends in the last ten years. These initiatives range from overall programs to raise the efficiency and quality of public services (via frameworks, standards such as CAF), increase access to services and customer orientation (e.g. citizen/service, charters, customer surveys, feedback, complaints, mystery shopping, design principles, evaluation/co-production, ombuds-services) and initiatives to enhance the businesses environment (e.g. starting a business, running a business, trading across borders, insolvency), eGovernment and ICT enabled innovation

## Public Administration Reform in Europe:

### Conclusions, lessons learned and recommendations for future EU policy

(digitalization of internal processes, digital services, interoperability/once only, facilitating contact with citizens and businesses, digital by default, risks of a digital gap, etc.) and public sector innovation (e.g. establishing innovation labs) in a broader sense.

A recent citizen survey conducted by Eurostat indicates that a majority of European citizens are positive about the provision of public services in their country: 52% say that it is "good" which is an improvement compared with the survey conducted in spring 2016. In 18 Member States more respondents have positive than negative opinions and satisfaction is especially high in Luxembourg, the Netherlands, Finland and Germany. However there are still 44% of all EU citizens not satisfied with public services and a clear majority of negative assessments in 10 Member States.



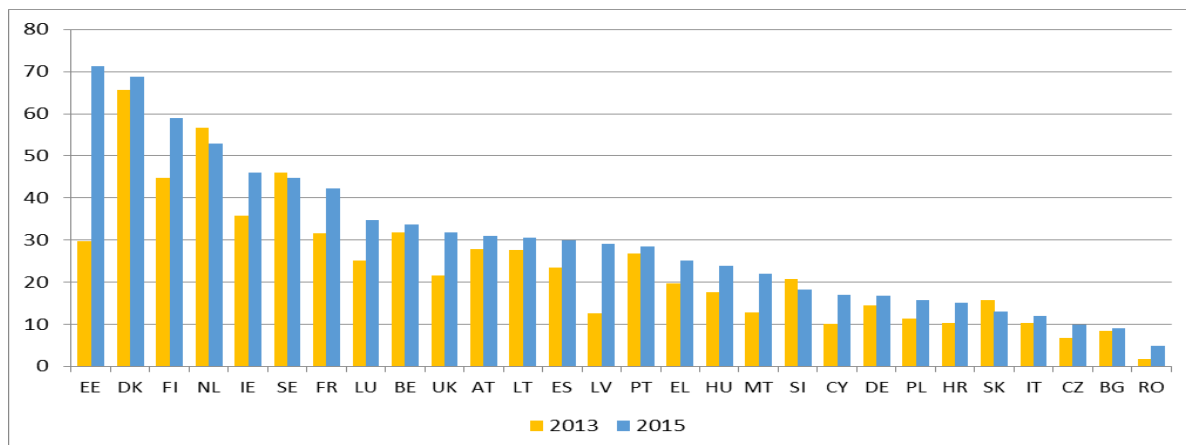
**Figure 6: Citizen Satisfaction with the provision of public services (in %)**

Source: Eurobarometer 87.3 May 2017 (QA1a.6)

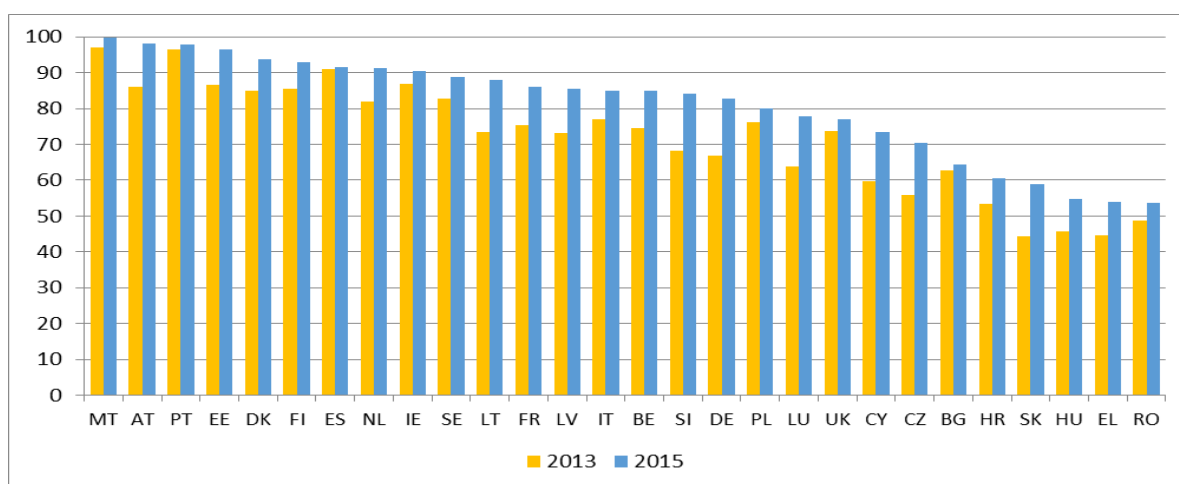
**E-Government and electronic services** and the creation of related **one-stop-shops** aiming at providing a single point of contact with the administration significantly have increased and improved in all EU MSs. Clear progress can also be observed with regard to digitalisation which has developed towards the most relevant reform agenda over the last decade. Data provided by the EC in the Digital Economy and Society Index (DESI) show that both the share of e-government users as well as the online service completion has substantially improved in most EU Member States between 2013 and 2015 (see figure 7 and 8). Only in the Netherlands, Sweden, Slovenia and Slovakia the share of e-government users has declined, whereas online completion improved in all EU Member

Public Administration Reform in Europe:  
 Conclusions, lessons learned and recommendations for future EU policy

States. Estonia is the country with the highest progress in these two indicators, followed by Latvia, Finland and France.



**Figure 7: E-government users in % of individuals aged 16-74 (source EC DESI)**



**Figure 8: Online Service Completion (source EC DESI)**

The latest “eGovernment Benchmark 2017” report<sup>10</sup> also shows significant improvement on cross-border availability of digital public services and accessibility of public websites from mobile devices in EU Member States. The top 5 overall performers are Malta, Denmark, Sweden and Estonia which are seen as countries that “lead the way forward to fulfil Europe’s ambition of creating a Digital Single Market.” The study also indicates a need for

<sup>10</sup> <https://ec.europa.eu/digital-single-market/en/news/new-study-egovernment-services-europe-improving-cross-border-availability-services>

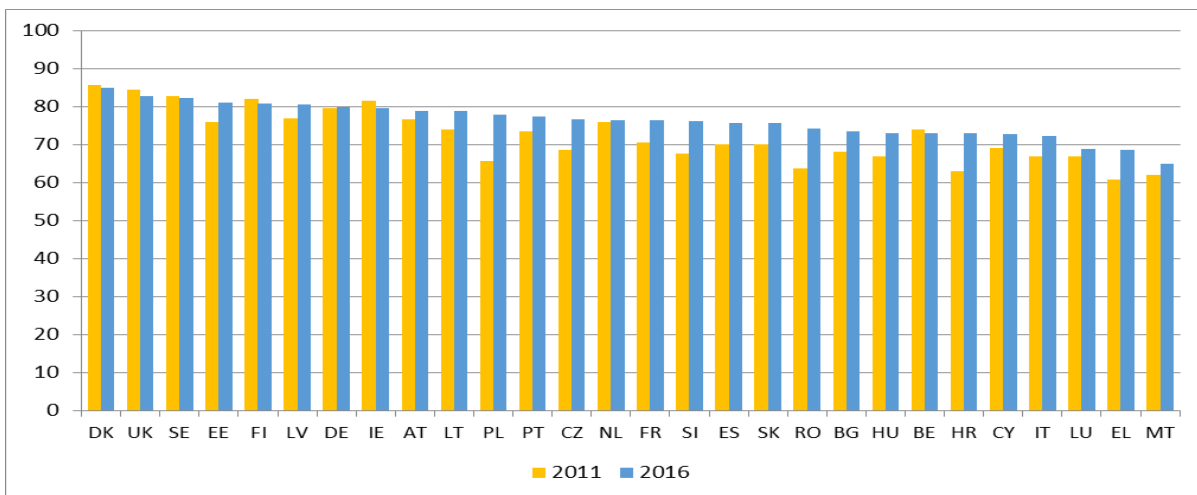
## Public Administration Reform in Europe:

### Conclusions, lessons learned and recommendations for future EU policy

improvement in transparency of public services delivery and use of supporting technology like eIDs or eDocuments. The report also confirms that user centricity is the most advanced dimension of online public services in Europe, emphasising the focus of governments to bring more public information and services online. Europe records a 12% increase in online availability of services and the gap between worst and best performing countries is also closing.

The spectacular progress Estonia made over the past years in this area is well known. This is confirmed in the EUPACK e-Government indicators used, too. With this evolution it positions itself at the top of the Scandinavian digital frontrunners followed by the Netherlands and Ireland. In addition to the countries mentioned Malta, Austria and Portugal are also the best ranked Member States in this area.

Another area with substantial improvements over the last decade is administrative burden. The commonly used World Bank Indicator "Ease of Doing Business" shows a rather positive picture of an overall improvement in nearly all EU Member States (especially strong in PL, CZ, RO, SI, ES, HR and EL) and a clear pattern of convergence over the period 2011 and 2016 (see figure 9).



**Figure 9: World Bank Ease of Doing Business Indicator** (Source: World Bank; see EUPACK report "A Comparative overview of public administration characteristics and performance in EU28"<sup>11</sup>)

Summarizing, it is important to stress that the interconnectivity of ICT-enabled solutions must be across all administrative entities (both horizontal and vertical) and linked to the reengineering of the back office of the administration - this being realised on a large scale. A stakeholder-centered governance and the 'needs of citizens first' approach combined

<sup>11</sup> <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8072>

## Public Administration Reform in Europe:

### Conclusions, lessons learned and recommendations for future EU policy

with all facets regarding full transparency measures of the administrative operations as well as decisive political leadership are needed in order to enhance efficiency and overall performance and success of digitalization in the public administration and its society.

Overall, we can find evidence for improvements in most EU Member States with regard to transparency but also service delivery and digitalisation. Progress seems to be substantially lower in the areas of civil service and HRM reform and policymaking and coordination. The area most difficult to assess is organisation and management of governments where no clear pattern is discernible.

We also find clear variations in the reform activity and reform progress but also with regard to prioritization of reforms. A rather high overall reform activities over the last decade (assessed based on the number and relevance of reform initiatives) can be found for IE, LT, LT, FR, HR, IT and MT whereas the reports indicate EL, LU and SK as rather hesitant reformers. Looking at single reforms, we find a rather high overall progress in CY, EE, FR, IE, NL, FI and ES and the lowest progress in IT, LV, RO and SI. For HR, IT and MT we find a combination of high reform activity and low progress, indicating substantial implementation challenges. In contrast, countries such as EE, ES, FI, FR, IE and NL seem to be rather effective in the implementation of their reforms.



### **3. THE ROLE OF THE EU IN SUPPORTING PUBLIC ADMINISTRATION REFORM**

Without doubts, the EU over the last years has an increasing influence in various topics of public administration and its reform, especially in Eastern Europe since accession started back in 2004. As stated earlier, EU integration was (and is) a major driver of change and reforms in countries that aim to join the European Union. The financial support provided by the EU has been rather of instrumental nature and a driver for change in many countries, however often with a stronger focus on “absorption” than on real improvement. This per se is not negative, but logical due to the (lack of) maturity of some the respective benefiting public administrations, where such administrative reform largely depends on external (EU) funding. However, more difficult reforms were not always carried out or more rarely funded, i.e. the most important issues often remain under-resourced.

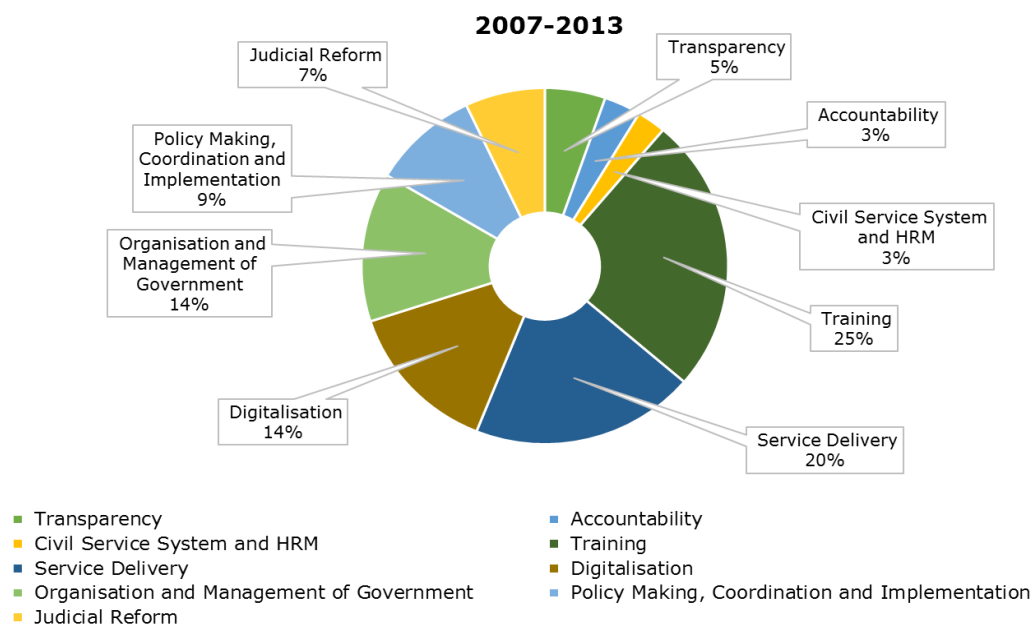
In the public administration projects mapped and categorised in the EUPACK, the largest shares of ESF support for reforms went towards service delivery and digitalization – which is also the area with evidence for substantial improvements –, while other core functions such as organisation and management of government, civil service systems and HRM received less support.

The largest share of funding went towards training<sup>12</sup>. A similar pattern was seen in projects under the current programming period (projects decided/planned until end March 2017) with the main change being an increased focus on digitalisation (39% of planned amounts at end March 2017). See the figure below for the EU support to public administration in 2007-2013 funding period.

---

<sup>12</sup> Training is not a dimension, but since many projects funded target specifically training as a core activity it was added in the categorisation.

Public Administration Reform in Europe:  
 Conclusions, lessons learned and recommendations for future EU policy



**Figure 10 EU support per dimension, 2007 to 2013**  
 (based on sample of mapped projects)

The main target of EU support, and consequently key beneficiary, has been the central government while service delivery happens mostly at lower levels, regarding less the type of government structure in place, e.g. unitary, decentralized or regionalized. In the ESF 2007-2013 projects mapped as a part of the EUPACK project, 90 % of the funding went to national level beneficiaries (ministries, central agencies etc.) and the current period the share was even higher after two years of implementation. Local and municipal beneficiaries were however the most frequent, with only 5% of the funding 3,395 projects were implemented at the local and municipal levels, hence a considerable number of small projects. The picture in the current programming period is so far similar.

The picture emerging from the mapping underscore the instrumental nature of the EU support, and the difficulty in moving the support provided to a more strategic level to address key issues challenges in public administration, such as accountability, transparency and policy making. Even though the EC have sought to mitigate this through different means (stronger links to the CSRs and Ex ante conditionality requiring a National Strategic Framework for reforms), the fact still remain that several Member States have weak strategic planning capacities as discussed earlier in the report. Although the different criteria are met "on paper", the impact or actual changes in how reforms are delivered, is difficult to identify. That said, the mapping of projects in the current programming period (2014-2020), does indicate a change towards fewer dimensions per country (e.g. higher concentration) and less dispersed support in terms of policy areas targeted. While the

Public Administration Reform in Europe:  
Conclusions, lessons learned and recommendations for future EU policy

mapping took place in an early stage of the period, this may be connected to stronger requirements on strategic orientation.

In terms of results (as in actual improvements/changes) of the EU support, the research conducted does not allow for clear-cut conclusions. A key message for all Member States that received support to public administration reform is that the funding was essential to the implementation of the activities funded. While some substitution/replacement effects can be seen, it does not appear to be the norm or general practice. Funding was seen as key both to "kick-start" and trigger reform initiatives and also for more long-term implementation and sustaining of reform work, with no specific pattern in terms of dimensions, levels or type of support provided. In particular, more expensive reforms related to digitalisation and eGovernment were to a large extent dependent on the ESF support. As illustrated by the reform examples below (non-exhaustive) the results achieved are highly dependent on contextual factors, political drive and not least strategic planning and long-term vision.

### ***Monitoring and Evaluation***

The country assessment revealed that little concerted effort has taken place at the Member State level to monitor reform initiatives. This is valid both for national reforms implemented with own sources and reforms implemented with the support of EU funds. While certain reform initiatives/projects may be monitored on a regular basis (mainly implementation monitoring), coherent monitoring across different sectors or policy initiatives appears not to take place.

The monitoring of EU support is mandatory for common indicators stipulated in the legal framework for the funds. This is largely complied with, but the indicators are not adapted to PAR support, and say little about progress or changes achieved. The Ex Ante conditionality required a monitoring framework to be in place for the national strategic framework for PAR, but in most countries this seem to exist only on paper and not in reality (e.g. no system in place to collect information on indicators, reporting on indicators, no organisation clearly mandate to perform monitoring).

In no country was it possible to find a link between the different levels of monitoring (national, EU support and PAR framework).

There is also little evidence of systematic long-term evaluations of reforms taking place, which attempt to assess the impact and effects of reforms, intended and unintended, to draw lessons learned. It appears that successive knowledge generation is not prioritised, and when evaluations take place it is more driven by accountability demands.

EUPACK presented clear evidence for this **importance and positive effect of EU interventions** on the reform dynamics. The external influence of the EU, EU funding, and the wider EU-context in terms of strategic direction and best practices in several EU

countries have both provided the blue print for reform and secured political consensus for reforms. Here, too, this seems to be more relevant for eGovernment reforms than for civil service reform (as a whole), with the latter being more complex and stronger affected by the legacy of existing arrangements.

Public management reforms in the new EU Member States were heavily influenced by the prospect of EU membership, it is no longer true in the post-accession period. Following their accession to the EU the ex-ante control of the EC was replaced with much weaker instruments of the ex-post control in the case of non-implementation or delayed implementation.

In **Bulgaria**, for example, the EU's external influence and funding support was the key driver for the steady and continuous progress of reducing administrative burden. And similar, civil service reform did not reach the agenda before it was pushed by the EU. The commitment of all recent government to civil service reform can be seen as a result of EU financial support through the operational programs tied to results and the pre-accession and post-accession conditionality. As one interviewed expert has argued, without EU funding, incentives for administrative reform would not exist. Yet, EU's ability to exercise external pressure has been much greater in the pre-accession period, as evidenced by the fact that most reform effort were concentrated between 1999-2007, while reform efforts in the last decade have subsided both in terms of commitment and results.

Similar dynamics can be observed in **Croatia** where EU accession has significantly influenced the content and development of transparency and openness policy. Long accession period, firm monitoring and support from the EU side provided time for its continuous development and gave it a status of an inevitable component of the Croatian public administration along with European values, principles, standards and policies (Koprić, 2017).

In **Lithuania**, ESF assistance allowed authorities to focus on improving quality and accessibility of public services despite an overall strong cutback agenda (Rauleckas, Nakrošis, Šnapštienė and Šarkutė, 2016).

Also in **Romania**, affected by frequent change of governments, EU involvement had an important effect on ensuring sustainability of transparency reform across different governments.

We however also found some **more critical assessments of EU involvement and funding support**. It is argued that the efficiency of EU funding does not depend on the form or type of funding, but mostly on the willingness of the beneficiary country's policy makers to enact the reforms. External funding can help jump-start reforms but also can lead to abuse (e.g. as seen in the case of trainings) if domestic actors have their own objectives and can skilfully use external support to further their own agenda. As long as their goals are not aligned with that of the funder, the outcomes of the funded projects can turn out very different from what was originally intended. As the push for reform in

**Bulgaria** had been primarily external “this puts into question the sustainability of reform efforts”.

A key learning from the cases in **Greece** is that all reform initiatives require domestic “ownership” and strategic vision, the lack of such ownership and vision led to limited impact of EU supported civil service reforms. If reform takes place under conditions of economic pressure and pressure from external actors (the “Troika” overseeing the implementation of Greece’s rescue package), the reform efforts may be stalled or backtracked, due to external pressures to restructure and down size public expenditure. While crisis can be a strong driver for reforms, a certain degree of stability and sense of security is necessary for successful reforms to take hold.

A recent government discussion paper, which is as part of the **Cyprus** NRP also sees the problem of rather limited transfer success of institutional capacity building efforts. It also observes that *“If public management reforms in the new EU Member States were heavily influenced by the prospect of EU membership, it is no longer true in the post-accession period. Following their accession to the EU the ex-ante control of the EC was replaced with much weaker instruments of the ex-post control in the case of non-implementation or delayed implementation.”*

The **Croatian** analysis concludes that the EU and other donors had invested a huge amount of money and effort in the civil service reform in Croatia, but such a large investment did not necessarily produce the wanted results. In other words, money and advice are necessary, but they may not overpower domestic political and bureaucratic reluctance.

Some **specific recommendations with regard to EU support** also emerge from the country analysis. For Estonia, where civil service coordination is very much dependent on the EU structural funds, it is recommended that the government should prepare a plan for the exit from such a financing scheme so that essential functions of the civil service system could be retained. It is also argued (in case of Greece) that external support needs to be accompanied by a specific conditionality in a step-by-step mode, where tranches of financial aid are disbursed to domestic reformers depending on the progress they make in actually implementing relevant policies. It however raises the question if external actors, imposing such meticulous conditionality, will sustain their interest in domestic reform for prolonged periods of time, when domestic actors themselves refrain from showing anything but superficial interest in the same endeavour. In Lithuania, we find the recommendation to establish a stronger link between the European Semester documents, the reform agenda of the government and ESF support for administrative capacity building to ensure a stronger contribution of EU policy and financial assistance to the implementation of administrative reforms in the country.

### ***Overall assessment of the role of EU support***

In terms of results (as in actual improvements/changes) generated by the EU support, the research conducted does not allow for clear-cut conclusions at the EU level (this was not the objective of this study). Funding was seen as key both to “kick-start” and “trigger” reform initiatives and also for more long-term implementation and sustaining reform work, with no specific pattern in terms of dimensions, levels or type of support provided. In particular, expensive reforms related to digitalisation and e-government were to a large extent dependent on the ESF support. While there are some examples of less successful digitalisation projects (for example e-procurement appears to have been difficult to implement), many are deemed a necessary development and have been integrated into the service delivery.

Reforms related to accountability, transparency and policy making appear more sensitive and less EU support has been directed towards these areas. While there are some examples of successful reforms within these themes, many have also stalled or are assessed as moderately successful.

The EU funds have been also used for training of civil servants. While the outputs are sometimes impressive, in terms of the number of participants, it is uncertain to what extent the trainings have translated into a stronger and effective public administration. Very few studies have managed to consider effects of the training, for example, in Lithuania, only 57% of civil servants who were trained with EU support, said they could use their newly acquired competencies at work.

A key lesson is that the results achieved are highly dependent on contextual factors, political drive and not least strategic planning and long-term vision in the Member State. Where these crucial enabling factors are lacking, reforms tend to stall or shift in priorities, thereby never fully capitalising on the investments made with the EU funds. While these enabling factors are endogenous, the support provided to reforms could possibly benefit from a stronger steering and peer-selection or assessment to avoid money being misspent.

Another strong finding is that support to public administrations in Member States has predominately been absorbed at national levels, with only a small share going to regional and local levels. While the mandate for reforms and many core functions is located at the national level, the service delivery is often decentralised both to regional and local levels. It can thus be discussed whether the current balance of funding towards different levels are a fair reflection of where actual performance of services to citizens and businesses takes place.

In the same vein, the share of support provided to civil society organisations is also quite small. Even though civil society is not seen as major reform driver, it still has a role to play in terms of accountability, transparency and participation. Financially, civil society

Public Administration Reform in Europe:  
Conclusions, lessons learned and recommendations for future EU policy

organisations are generally rather vulnerable and in sensitive areas they may not attract support from national administrations.

#### **4. KEY REFLECTIONS AND RECOMMENDATIONS FOR FUTURE EU SUPPORT TO PUBLIC ADMINISTRATION REFORM AND CAPACITY BUILDING IN THE EU MEMBER STATES**

##### ***The facts and methodology***

The EU has no (treaty based) specific competences in the administrative sphere and reform initiatives undertaken in the MSs, but still has a strong interest and indirect impact on the administrative practice and change efforts in the countries through the administrative standards set in the *acquis*, the transfer of best practices with EU financial instruments, the promotion of management practices of its own institutions, etc.

The incentives that triggered the "New Public Management" wave of reforms in older Member States, addressed domestically recognised needs to reduce the size of government and make administration more efficient. In the new Member States, the "first wave" of reforms began with the EU-accession requirements<sup>13</sup> for establishing professional and depoliticised civil service systems. The limited internal capacity was compensated with externally managed support. In the 2007-2013 programming period<sup>14</sup>, institutional capacity building became a key policy priority for the European Social Fund. The support was intended to go beyond the technical assistance for the better management of EU funds and to assist the ongoing administrative reforms. In addition, the 2014-2020 European Structural and Investment (ESI) Funds<sup>15</sup> should be the catalyst for achieving the objectives of the Union Strategy for smart, sustainable and inclusive growth. Through the European Semester,<sup>16</sup> the European Commission undertakes every year a detailed analysis of EU Member States' programmes of economic and structural reforms and provides them with proposals for Council recommendations (Country Specific Recommendations, CSRs)<sup>17</sup> for the next 12-18 months. The ESI Funds aimed to serve as an effective means to support the implementation of the CSRs.

Coming closer to the end of the current financial period and without anticipating the current discussions on the next MFF (2021+), the EUPACK and its manifold public administration issues' analysis invites to take stock of the current situation, e.g. what's the meaning of making public administration reform and does the existing environment (political, legal or economic) allow to combine ambition with the ability to deliver, as well as to make a thorough reflection on the possible future role and way the EC may lead in making public reform in the MSs (happen!).

The consortium of partners of the EUPACK project tries to source this reflection and a number of tentative recommendations based on the analysis of rich information and data collected, the reports produced earlier, conclusions of the final conference<sup>18</sup> organized by the EC in Brussels on 22-23 March 2018 as well as from a selection of interviews with a number of country experts from the projects.

---

<sup>13</sup> <http://www.sigmaweb.org>

<sup>14</sup> Community strategic guidelines on cohesion (2006/702/EC) For more information, see: <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32006D0702&from=EN>

<sup>15</sup> From the European Social Fund (ESF) and the European Fund for Regional Development (ERDF)

<sup>16</sup> For more information, see: [http://ec.europa.eu/europe2020/making-it-happen/index\\_en.htm](http://ec.europa.eu/europe2020/making-it-happen/index_en.htm)

<sup>17</sup> CSRs adopted for the coordination of the economic policies (Article 121(2) of the Treaty) and CSRs adopted for the coordination of the employment policies of the Member States (Article 148(4) of the Treaty). For more information see [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm)

<sup>18</sup> See <http://ec.europa.eu/social/main.jsp?catId=88&eventsId=1308&langId=en>



### ***Ideas, practices and recommendations***

"Public reform is already a commodity after being repeated again and again during the last decades. What is needed is real change that fosters a new paradigm where politics and public management commit themselves to common goals to face the challenges of the XXI Century" were the skill- and meaningful words of a former CEO of the City Council of Barcelona and now Corporate Director at FC Barcelona. These two sentences never better reflect the situation and outcome of the EUPACK study which was always driven and inspired by one main question as indicated earlier, i.e. "What makes reforms happen and successful". Despite of some known limitations and also a continuous heterogeneity regarding the level of implementation of reform processes in the EU countries as well as related obstacles such as low(er) ownership by some actors, political reversal of PARs and change of direction with a new government, sometimes little compliance with reform legal frameworks or even fatigue of such initiatives in some public sector systems, a common set of "ingredients" and reform (power) actions could be identified throughout our work. These "pearls of wisdom" are now summarized and listed below in no specific chronological but rather accumulative order and nature, i.e. if these "To dos" are done our European public administrations will maintain and/or to convert itself into a world-class performing and excellent organisations.

#### **"Pearls of wisdoms" for successful PARs:**

- 1. Search for political support, credible leadership throughout all phases of the reform, a long-term and strategic roadmap/plan of change and keep the scope of reforms well-focused;**
- 2. build both strong external stakeholder support and internal ownership and achieve this by combining top-down and bottom-up: top-led and bottom-fed;**
- 3. establish adequate resources and (Civil Service) systems throughout the process;**
- 4. assure arrangements to monitor/measure reform progress/results.**

**And above all, use "windows of opportunities" and show, publicize/communicate "good results" (quick wins)!**

In the subsequent text sections, we will try to put these groups of findings of EUPACK in the light of what the EC may focus on, which initiatives or challenges remain and where they may lead in the future and as a consequence try to define its role in support to the MSs.

## **1. Political support and continuity:**

The **continuity of governments** and **related political commitment at the top level** have been assessed by many experts as a key factor for successful PARs in country's administrations, especially for countries that did not have or built a modernised structure years ago. Reform areas are often very complicated and set down in several plans. Political interest, support and continuity would definitely favour and can ensure a large-scale reform (of three or more years at least). For instance, a majority in the parliament can be crucial, because the rivalry between ministries (political power play) often hampers or changes reform effort. This also includes the wish for perseverance and commitment of external factors, meaning a combination of incentives and sanctions of specific reform programmes. The EU mechanism (i.e. EU Semester) –in this context- apparently helps to ensure continuity to some extent and to keep focus the MSs modernisation work.

In the same context, the reform's success depends on how far politicians want to go and to what extent they are not afraid of difficult reforms. However, as a note of limitation, if new parties that have never governed come to power, they first have to learn their job and are not ready to undertake large reforms.

In general, there are many reforms based on a concept, strategies, white papers etc. ("soft documents"). However, implementation and making reforms happen is what matters at the end. As governments often do not have enough capacity to handle large-scale reforms, focused reforms are more successful (e.g. Estonia's experience). Experience shows that small-scale and gradual reforms work better.

There is a clear need for a more strategic approach to the future of government and some EU Member States already conduct futures research that is wide-ranging and far-reaching in scope, such as Finland's Government Reports on the Future, which have been an integral element of the Parliamentary cycle for over 20 years.

Finally, the trust towards reformers is very important. There is an observed lack of trust in various South-Eastern European countries towards the reformers as the reforms become tools for political power plays between the different parties. Reform mechanisms have to be depoliticised and autonomy of reformers is needed.

Effective communication (many times reforms failed because of a lack of this competence) and leadership as well as engaging opponents (it is better to integrate the opposition) and a de-politicisation of civil servants are a must in any of these endeavours.

---

**2. Build both strong stakeholder support and internal ownership and achieve this by combining top-down stewardship and bottom-up involvement: top-led and bottom-fed**

*Within public sector organisations, the OECD -like we do based on the EUPACK-recommends to increase strategic agility based on processes that are more open, evidence-based and iterative. Based on the work of the OECD Observatory for Public Sector Innovation in cooperation with the EC a new framework for system transformation in the public sector has been developed outlining a number of interconnected elements to be taken into account by public administrations.*

*Some of them are:*

- ***Dwelling, Connecting and Framing:*** *Allowing time and resources for better understanding and exploring the policy problem from different angles allows for a better definition of the purpose and objectives of an envisaged change. Connecting with a diverse set of internal and external stakeholders is also essential for gaining valuable insights. It also creates legitimacy for the change process and stronger buy-in from stakeholders by letting them reflect upon the problem without presenting pre-conceived solutions.*
- ***Designing and Prototyping:*** *While the concrete method needs to be chosen according to a specific context, the design process should specify the principal elements of a proposed solution as well actions that need to be taken to produce the desired outcome. The design should also be tested to gain additional evidence on the problem to be solved and the solution's effects to ultimately improve the suggested solution.*
- ***Stewarding:*** *Stewardship refers to a form of agile leadership or transformative leadership that steers and monitors the implementation of the proposed design and adapt sand calibrates the solution in light of unexpected developments and new information during the implementation phase. This requires resources to be distributed more equally between the design and the implementation phase.*

*The EC COOP project adds to this that pragmatic approach shall be envisaged, i.e. simple systems or reform which are relevant for both management and staff not only one in order to gain the necessary co-ownership. In addition, there must be awareness that there are no quick fixes and that patience and perseverance both at the top and at the bottom of public organisation is key to successful reforms.*

---

### **3. Civil service management system design:**

*How relevant are formal examination systems for civil service entry? Should we centralise civil service recruitment or should we delegate it to individual administrative organisations? Shall we reward public officials on the basis of their performance or shall salaries mainly be determined by years of experience or other mechanisms? How does an effective performance evaluation in the civil service look like?*

*Taking insights from our EUPACK thematic paper, **three arguments** appear to be emerging.*

- 1. There is a broad consensus that **merit recruitment** has positive consequences for the performance, motivation and integrity of civil servants, while the politicisation of the civil service is widely associated with negative consequences.*
- 2. Civil service reformers and academic researchers do however **lack adequate evidence on how to design** effective merit recruitment systems and how to overcome problems of civil service politicisation in the first place.*
- 3. There exists **limited knowledge on what works** in other areas as of civil service management such as salary management, performance management and career management and how to best design civil service management structures for a given context.*

*The evidence for the effectiveness of many civil service management functions is often not available or it is not robust. Moreover, the evidence that is available suggests that some practices may be generally beneficial for the quality of the civil service but in many cases the choice of civil service designs may be context dependent. One of the most effective tools to enhance the evidence for managers and reformers is the **implementation of civil service surveys** as they are regularly conducted in several OECD countries. They provide detailed information about the attitudes and behaviour of public employees, including their satisfaction, motivation and performance on the job as well as their experience with personnel management and indeed other aspects of public administration. They are monitoring and evaluation tools that help to identify strengths, weaknesses and hence areas of civil service management that are in need of improvement. They can further provide an effective management tool to engage the people in public administration, solicit feedback and respond to concerns.*

*Strengthening the capacities of civil servants and senior civil service (SCS) as well as to act on evidence will be the backbone to develop adequate policy responses in the future. The OECD (2017) has been working on identifying some of the key characteristics of such a professional, strategic and innovative civil service.*

Public Administration Reform in Europe:  
 Conclusions, lessons learned and recommendations for future EU policy

Graph: Towards a professional, strategic and innovative civil service

	Professional	Strategic	Innovative
Needs Civil Servants who are:	<ul style="list-style-type: none"> <li>• Qualified</li> <li>• Independent</li> <li>• Values-driven</li> <li>• Ethical</li> </ul>	<ul style="list-style-type: none"> <li>• Outcomes-driven</li> <li>• Evidence-based</li> <li>• Future-oriented,</li> <li>• Proactive</li> <li>• Networked</li> </ul>	<ul style="list-style-type: none"> <li>• Iterative</li> <li>• Data literate</li> <li>• Citizen centred</li> <li>• Curious</li> <li>• Storytellers</li> <li>• Insurgent</li> </ul>
In a civil service which is:	<ul style="list-style-type: none"> <li>• Merit-based</li> <li>• Capable of integrating soft skills, ethics, talent management (future potential vs past performance),</li> <li>• Able to structure the right balance of generalist and specialist professions and career paths</li> </ul>	<ul style="list-style-type: none"> <li>• Agile</li> <li>• Attractive to skilled job seekers</li> <li>• Planned and managed to ensure the right skills and competencies are effectively allocated to areas of current and emerging need</li> <li>• Future-oriented and responsive</li> </ul>	<ul style="list-style-type: none"> <li>• Open and collaborative cultures, leadership and management</li> <li>• Engaged</li> <li>• Autonomous (e.g. work design)</li> <li>• Mobile</li> <li>• Diverse</li> <li>• Learning oriented</li> </ul>
Led by SCS who are:	<ul style="list-style-type: none"> <li>• Trusted policy advisors and effective transactional managers</li> </ul>	<ul style="list-style-type: none"> <li>• Transformational leaders, change managers</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborative leaders, and adaptive managers</li> </ul>

Source: OECD (2017): *Government at a Glance 2017*, OECD Publications, Paris.

For the European Commission, the lack of robust evidence – as well as the lack of treaty-based competencies in PAR – would make it extremely challenging to develop a PAR policy that prescribes MS what to do. Instead, the **EC might rather play a role as an 'enabler'** that supports the generation of evidence for the identification of the types of designs and practices that work across and within member states. For the EC, such civil service surveys would allow for **the identification of shared standards** and **the engagement in learning** across EU member states. Moreover, MSs would benefit greatly from their support as regular civil service surveys would provide much-sought-after evidence and establish an infrastructure to conduct them in the first place. To be sure, civil service surveys are but one instrument in the public administration toolbox of the European Commission. Yet they would strengthen the enabling role of the EC in the field of PAR in Europe.

#### **4. Evaluation and performance measurement in the PS:**

*In the last decades, measuring the performance of public administration has been an incessant ambition of international, European as well as (some) national governments. The desire to develop **comparative indicators** has become stronger in recognition of the foundational role of public administration and governance in building prosperous societies. Successful measurement projects in other policy fields fuelled the drive towards measurement in public administration. Health indicators, environmental indicators and the PISA project for educational performance are some prominent examples of international comparative indicator sets that have been used in many policy documents and discussions. Public administration - the machinery of government- has however long been a statistical wasteland, with the exception of budget data and the national accounts. The **evidence base for public administration** – the machinery of government -remains thin and much needs to be done.*

*As stated by the OECD, evaluating transformation efforts may prove to be difficult, as processes may be long and incremental. As in the early phases a change project, varied sources of evidence should be taken into consideration. Evaluation is useful to gauge whether the project has the desired effect, but is also an essential part of the change process itself, as results guide the everyday activities of implementation towards the systems change to be achieved.*

*For this, comparative public administration needs **better data** to credibly underpin the conceptual models of PA performance.*

*Several **strategies and action roles** are suggested:*

*1. **Focus on sub-themes** rather than on comprehensive and often too general measurements is suggested. Well-chosen sectorial themes, such as the performance of tax administration, provide actionable insights that also give an indication for the system as a whole. The EC may select the sub-themes in line with the European semester or EU strategy (e.g. EU 2020, Digital Agenda) and call for related actions.*

*2. **Measurements that can be used for learning purposes** less than for judging (or purely accountability purposes) are requested (i.e. the link with policy / bench-learning / dialogue). This seems to be a big missing thing. It turns out that systems (and people) are looking for technical valid and robust measurements that "tell the reality" and are easy to demonstrate cause-effect. The more difficult and also less directly clear ones to interpret are often left aside. Here however a mind-shift needs to take place searching for measurements that can indicate something in the area of outcome/impact. Things that can trigger a policy debate.*

*3. **Use employee surveys** to collect comparative data on public administration. While perceptions of citizens, businesses and experts are frequently used in current indicator schemes, employees are left out of the equation. The EC (e.g. SRSS services) may lead these European wide regular surveys via developing, supporting and advising on this, with the support of academia, civil service unions etc.*

4. **Open data strategies** enable analysts in the academic and non-academic research community to study issues of PA performance.

5. Apart from government finance statistics, public administration data are not included in the **Eurostat** system. Eurostat does have a programme for experimental statistics where they develop new data sources. Several subthemes (as proposed under point 1.) of PA may be eligible for experimental development into an established data stream. The **EC Eurostat services could collect, analyse and exploit** such (sub-theme) data from the MS.

*In a nutshell, implementation should be always based on continuous reviews/evaluations of what works and what does not work! The EU can or shall play a crucial role in this.*

---

## HOW TO OBTAIN EU PUBLICATIONS

### Free publications:

- one copy:  
via EU Bookshop (<http://bookshop.europa.eu>);
- more than one copy or posters/maps:  
from the European Union's representations ([http://ec.europa.eu/represent\\_en.htm](http://ec.europa.eu/represent_en.htm));  
from the delegations in non-EU countries  
([http://eeas.europa.eu/delegations/index\\_en.htm](http://eeas.europa.eu/delegations/index_en.htm));  
by contacting the Europe Direct service ([http://europa.eu/eurodirect/index\\_en.htm](http://europa.eu/eurodirect/index_en.htm))  
or calling 00 800 6 7 8 9 10 11 (freephone number from anywhere in the EU) (\*).

(\* ) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

### Priced publications:

- via EU Bookshop (<http://bookshop.europa.eu>).

### Priced subscriptions:

- via one of the sales agents of the Publications Office of the European Union  
([http://publications.europa.eu/others/agents/index\\_en.htm](http://publications.europa.eu/others/agents/index_en.htm)).



