

## **Speech by Maarten Verwey, Director-General, Structural Reform Support Service, European Commission, EPSA 2019 Celebratory Ceremony at the Provincial Government House, 6 November 2019**

Ladies and Gentlemen,

In his speech to the European Parliament on 22 October, President Juncker recalled what Europe looked like when he took office 5 years ago. Europe was emerging from the deepest economic crisis since World War II. Europe at that time was fragile. Financially, economically and socially.

The Juncker Commission too had its fair share of crisis. Who does not remember the near exit of Greece from the euro in 2015, or the migration crisis that followed immediately after? Not to mention the Brexit referendum in 2016.

All these crises have put Europe to the test. But Europe has bounced back. The EU is now in its seventh consecutive year of economic growth. Across the EU fourteen million jobs have been created in the past five years and unemployment is at its lowest level since 2000. This is all very good news.

Nevertheless, the scars are deep. While we were struggling for the survival of the euro, the world moved on. New challenges emerged and old challenges were unaddressed for too long. Europe has been slow to react to the digital revolution. As a result, there is not a single European company in the list of the top fifteen global tech companies. Nine of these companies are from the US and six from China. The effects of climate change are becoming more visible every day. Our societies are aging fast, which puts additional strains on our healthcare and pension systems. The times are gone that we could simply assume that our schools are better than the rest. This was yesterday. Lastly, the economic and social differences between regions and Member States are still considerable. Europe is home to some of the most competitive and innovative regions in the world, whereas other regions are trailing well behind.

These are the challenges that we are facing today. To be clear: it is not my intention to depress you. All these challenges are manageable; provided we take public action on all levels: European, Member State, regional, and local. This requires strong public governance structures and a high quality of public administration. This is why this conference, and the work that you are all doing, is so relevant. This is also the reason why the Commission created the SRSS – the Structural Reform Support Service.

## **The Structural Reform Support Service**

The SRSS is a child of the euro crisis. During the crisis we learned the hard way – most clearly in Greece – that to agree a set of reforms is one thing, to design and implement it is quite another. The design and implementation of reforms is an art that in fact demands a lot from the administrative capacity of a country or region.

For this reason, the Commission decided to create in 2011 the Taskforce Greece and in 2013 the support group for Cyprus. The mandate of these ad hoc groups was to provide technical support to Greece and Cyprus to help them design and implement the necessary reforms.

Given the positive experience in Greece and Cyprus, the Commission decided in 2015 to regularise this type of support. To make it available to all Member States and to create a dedicated service for it. The SRSS was born.

Since then, things were moving fast. We negotiated with the co-legislators a dedicated budgetary programme for technical support and on the back of that, we expanded our operations from 2 Member States in 2015 to 26 in 2019. Last week we have received the support requests for the 2020 round. On that basis, I can confidently say that in 2020 we will be active in all Member States. Throughout these years, the concept has remained the same: we provide technical expertise to member states to design and implement reforms. We cover practically every sector with our support and we have the greatest possible flexibility in terms of the expertise that we can provide to our Member States, ranging from experts from other Member States, private consultants, international organisations, national and EU agencies. Most important of all: our support is fully demand driven.

Since June 2018, SRSS is also the coordinating service within the Commission for public administration and governance. This is the reason why I am speaking to you today.

## **Public Administration trends within the EU**

One of the very interesting things about working in the SRSS is that through our projects we get a very good overview of the trends and challenges in public administration in our Member States. I would like to share a few observations with you.

## *Digitalisation*

The first trend that I would like to mention is digitalisation. The life of citizens is increasingly on line. Over 85% of Europeans use the internet and 70% of EU internet users nowadays shop on line. Citizens and business want interact with public administrations in the same way they interact with each other. A government that is not on line will not be found by its citizens.

Everywhere across the EU public administration are under pressure to do more with less. This will not go away. The demographics in Europe work against us. With aging, the human resources will get more and more scarce and hence expensive. We will only be able to square the circle through digitalisation. At the same time, digitalisation cannot substitute for bad governance. Only if processes governing public administrations are well defined can digitalisation contribute to a solution.

Not surprisingly, we see a strong increase in the demand for projects with a digital component.

## *The government as an attractive employer*

A second theme is the government as employer. The administration is as good as the people it attracts. Many countries are struggling with this issue, however for different reasons. One set of challenges relates to the politicisation of public administrations. Politicisation of the administration often means that the wrong people get appointed to the wrong positions. There are only few things as detrimental to the quality of a public administration as this, in particular if this relates to management positions. What is more: once an administration is politicised, it is very difficult to turn back the clock. Despite these difficulties, we are supporting Member States to professionalise the public service, simply because it is too important not to try.

A second set of issues relates to the competition for talent. The world is changing very rapidly and this requires new skills. To attract the right talent has become a challenge for many administrations. Governments are often not able to compete on price when it comes to attracting talent. The public service has – at least potentially – advantages that it can exploit in the battle for talent. For example, the public service however can offer a greater sense of purpose to its employees.

Nurturing the values of public service is critical in this respect. The public sector could develop other potential strengths, such as being an equal opportunity employer, investing in staff development etc. The key message is that attracting and maintaining high quality staff requires a strategy.

### *Multi-level governance*

Many countries are struggling with how with defining the optimal division on competences among the different layers of government. In our experience there is no “one size fits all” answer to this. It really depends on the nature and extent of the competence and the specific local circumstances. Also in this area, we are providing support.

### *The quality of law making*

The last theme I would like to mention is the quality of law making. This is very important. Bad law making leads to bad policy outcomes and high administrative burdens for businesses and citizens. To improve the quality of law making typically requires breaking down silos between different government services, improving the functioning the inter-ministerial coordination, a solid preparation based on empirical facts and the use of impact assessments and cost-benefit analysis. We are running projects in all these areas.

## **Conclusion**

This brings me to the end of my talk. The EU is by its very diverse nature a wonderful place for public sector innovation. The 40 Best Practice Certificates that were presented earlier provide a good illustration of this. In order for governments and administrations to be resilient, they need to continue to innovate. Approaches that work today may no longer work tomorrow. It is important to learn from each other’s successes and failures. This is the value of today’s event as well as the work of the SRSS. I feel very privileged to be associated with this event and I am looking forward to the award ceremony.

Thank you.