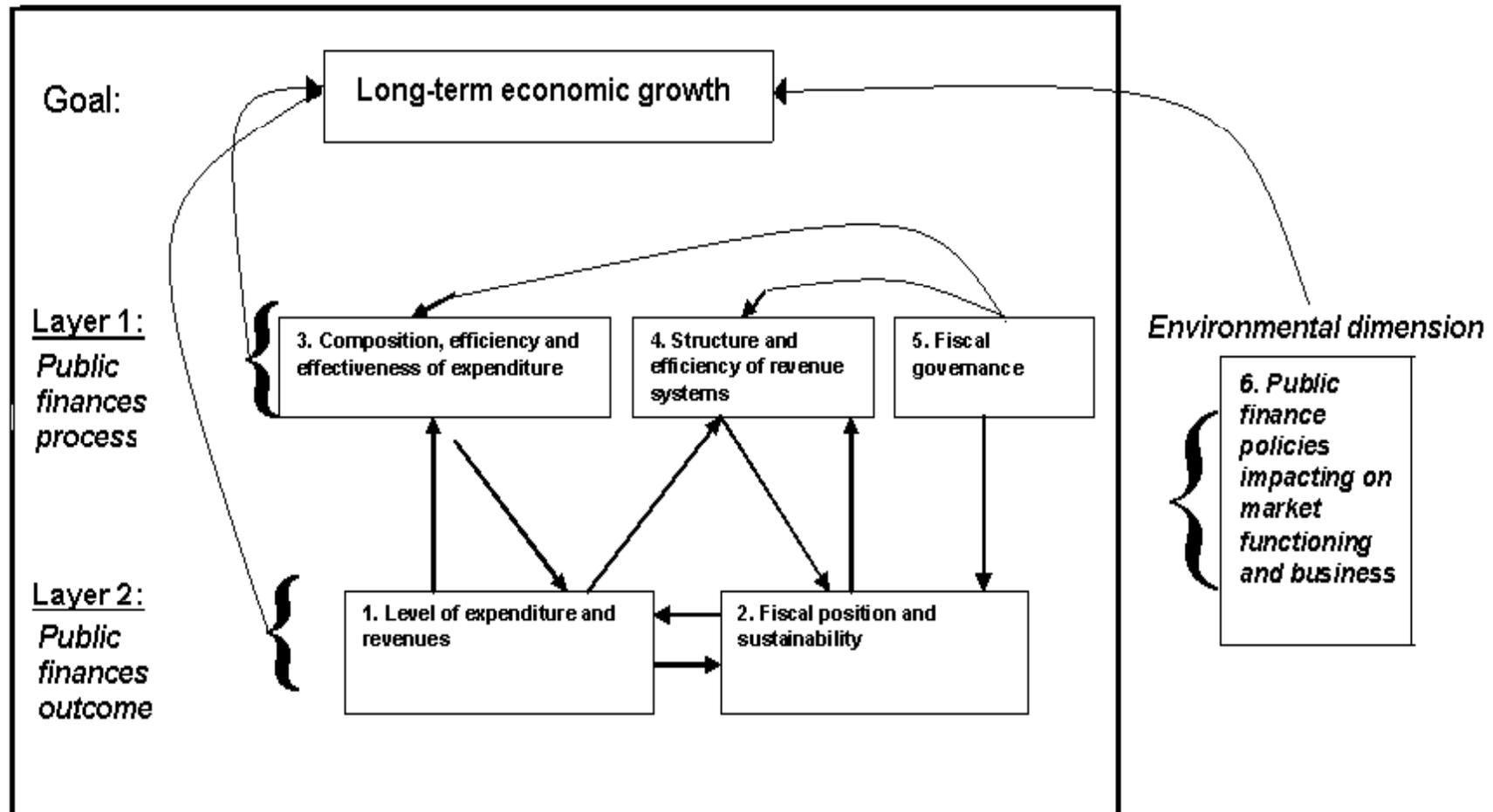


Modernising the Public Sector in Europe

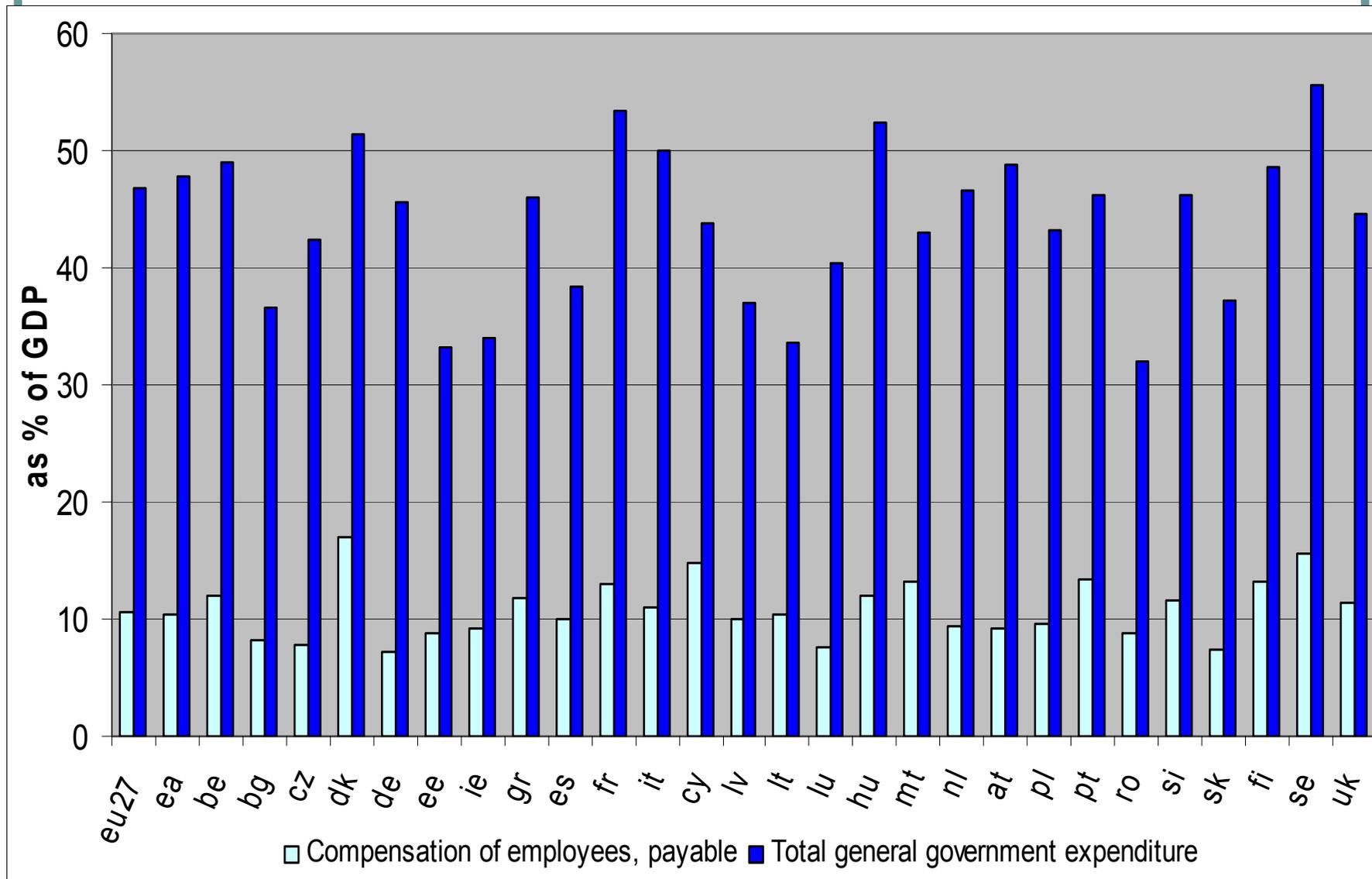
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EU Conceptual Framework on QPF



Total Government Expenditures in the EU, incl. the Compensation of Employees (Source: ...)



Key Objectives of Public Sector Modernisation

- Improving competitiveness, innovation and productivity
- Ensuring fiscal stability and sustainability by higher efficiency/effectiveness of public spending
- Higher quality and speedier delivery of public services at lower costs for tax payers
- Creating more room to re-direct public funds towards investment for the “future”, budgetary priorities and tax cuts

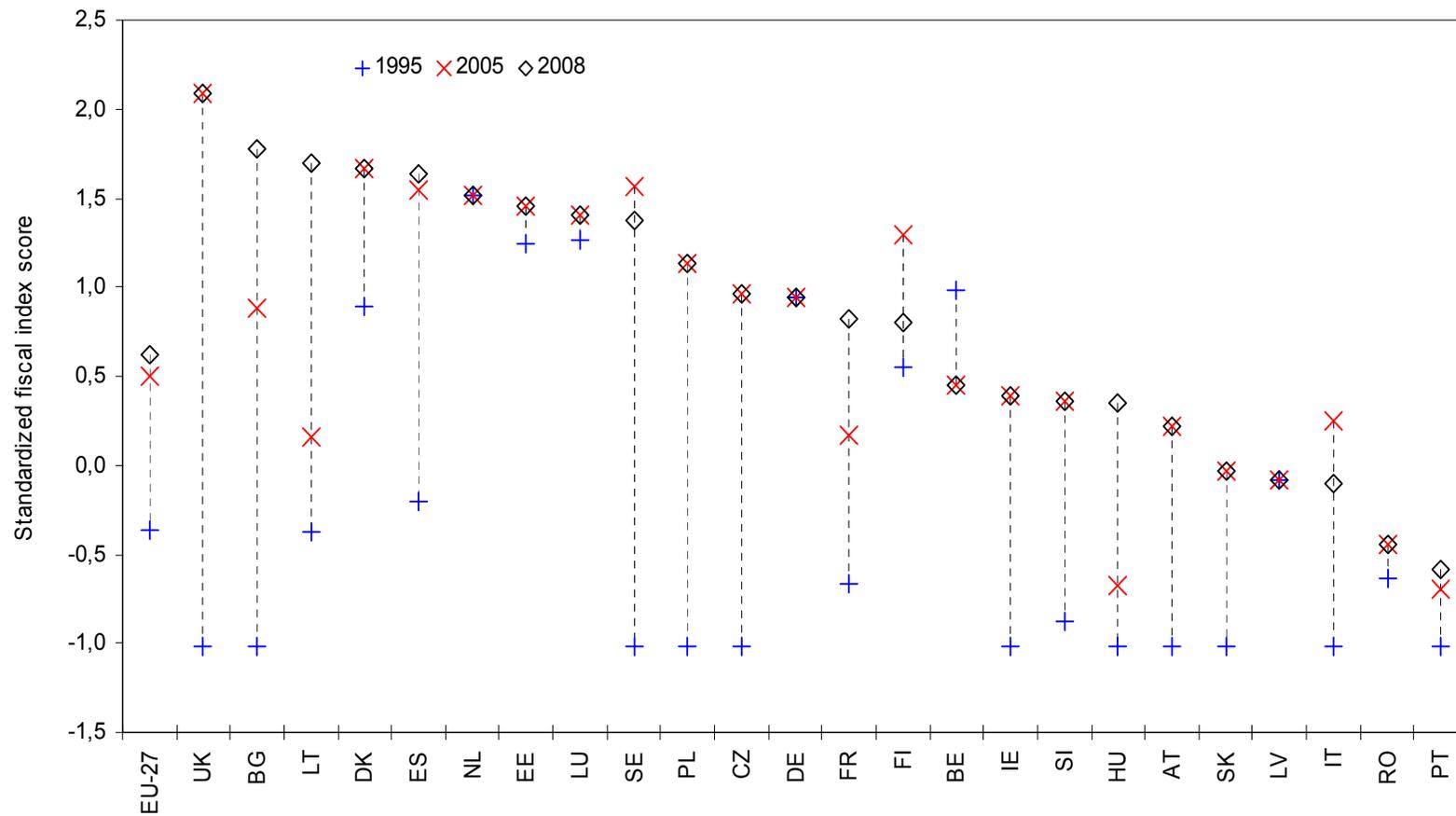
Major Reform Initiatives at MS Level

- i. Focusing more on performance and better overall fiscal governance (institutional reforms)
- ii. Streamlining roles and responsibilities (organisational changes)
- iii. Better management of human resources
- iv. More use of ICT (“eGovernment”) and modern/innovative technologies
- v. Reduction of administrative burdens for enterprises and individuals

i. Reforms to More Performance/ Outcome Orientation in Budgets

- (National) fiscal rules (incl. among government layers) along with SGP
(golden rules: UK, D; budget surplus: S, DK; debt brake: SW, (D); internal stability pacts: ES, B, AT)
- Medium-term (expenditure) framework (UK, NL, S, CZ, BG)
- Independence of fiscal institutions: forecasting, budgetary analysis (B, NL, AT)
- Performance and programme budgeting/indicators complementary to input planning (NL, UK, DK)
- Organisation of spending reviews (F, I)

i. EU Overall Fiscal Rules Index



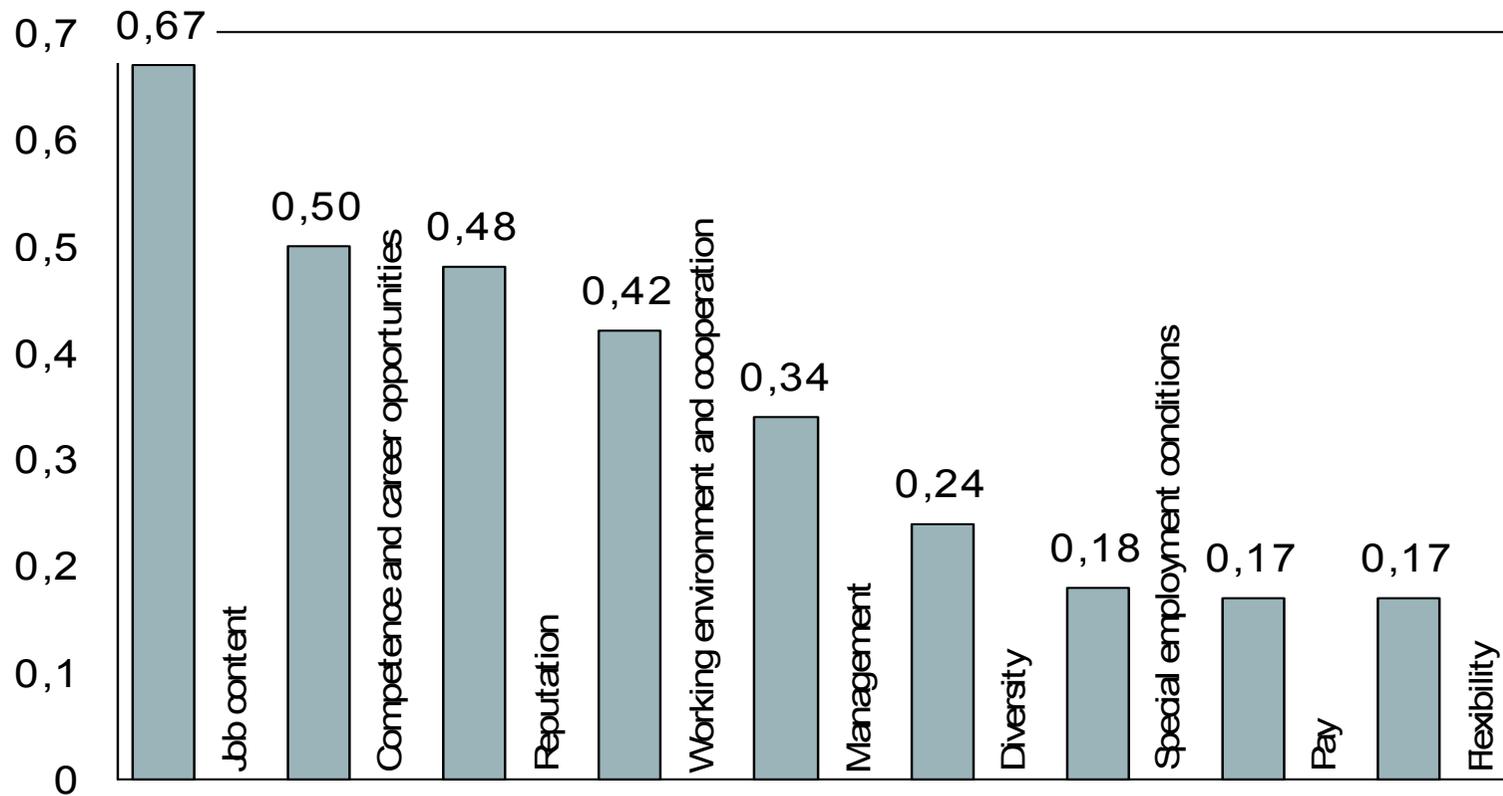
ii. Organisational Changes

- **Trends towards externalisation and more autonomy: outsourcing and accountability**
(e.g. Dutch Agency Model, performance management in ES, outsourcing of 30 individual entities since 2000 in AT such as theatres, Castle Schönbrunn, museums, universities, development agency)
- **Concentration of public services to reap scale benefits**
(e.g. joint in AT: Public Procurement Agency, Computing Centre, Accounting Agency, Real Estate Agency, Personnel Agency)
- **Public procurement towards more competition and transparency** (in EU 16% of GDP, of which 20% under the Procurement Dir.)
- **Distribution of task and financial relations among government levels**
(e.g. in DK reduction of municipalities from 275 to 98)
- **Governance of public spending**
(availing more consumer-choice systems (e.g. vouchers) and market-based instruments (e.g. PPP))

iii. Improved Personnel Management

- **Staff reduction** (e.g. in SF by 8 % till 2011)
- **Flatter hierarchies in the administrations**
(e.g. in PT reduction of management positions by 28.5 % in 2006)
- **More performance evaluation and performance-related pay schemes are emerging** (e.g. performance targets for all expenditures: F, SLK, S)
- **More private-sector contracts, flexibility in recruitment and working (time) arrangements**
(e.g. in IRL new Social Partnership Agreement till 2016)
- **Training, staff motivation (career curve, job content, reputation, fringe benefits)**

iii. The Significance of Different Determinants of Staff Motivation (Source MoF, DK)



iv. Using New (ICT) Technologies

- **Main elements of eGovernment:**
 - platforms for information and correspondence with citizens (on public services)
 - paying taxes, customs, charges and other levies online
 - steering and optimising internal administrative and budgetary processes
 - citizen cards (for universal use)
 - electronic invoices of suppliers (e.g. in DK)

iv. Example: Modernising Government in Austria

e-Government . . .

. . . **helps LOCATION FACTOR:** Entrepreneurs locate their businesses where framework conditions conform best to their needs. These framework conditions include the fast and pragmatic handling of licences and administrative procedures.

. . . **helps PRODUCTIVITY GROWTH:** e-Government tools reduce the time and costs businesses need to fill in forms and to report on a wide range of administrative and legal issues. By reducing these burdens entrepreneurs and employees can spend more time on productive activities.

. . . **helps COMPETITIVENESS:** Since economic growth in the long run is determined by productivity growth, tools like e-Government support more efficient and service-oriented administrative behaviour. This has a positive impact on firms' competitiveness.

PRINCIPLES

Proximity to citizens
 Convenience through efficiency
 Confidence and security
 Transparency
 Accessibility
 Usability
 Data protection
 Cooperation
 Sustainability
 Interoperability
 Technological neutrality

CORE INSTRUMENTS

Online Administration Portal
"Help.gv.at"

Online Financial Administration
"Finanz Online"

Electronic filing system
"ELAK"

Online identification card
"Bürgerkarte"

IT-support in human resource management
"SAP"-Implementation

KEY FIGURES

83% of all public services can be handled online – best result in the EU

10 m. hits from about **350,000 users** are registered monthly by "Help.gv.at"

23 m. transactions are made every month through "Finanz Online"; **more than ¾** of all tax declarations

more than €7 m. are saved annually by "ELAK"; **15%** less processing time

381 full-time equivalents in public administration are saved annually by online handling of requests

more of 100,000 people are holders of the "Bürgerkarte"

IMPACT

Less administrative **paperwork**

Faster implementation

Enhanced contacts between citizens/entrepreneurs and public administration

Improved **efficiency** (time and costs)

v. Reduction in administrative burdens

- Quantification of administrative costs in order to fulfil legal information requirements
- More transparency on actual costs for enterprises and citizens
- Better impact assessments on reductions measures
- Promoting among cost awareness among decision makers
- Better international comparability
- Better impact assessments of new regulation and its alternatives possible

=> e.g. in AT administrative costs of € 4.3 (or 1.6 % compared to around 3.5 % of GDP in NL)

v. Implementing the Reduction of Administrative Costs

EU Goal - reduction by 25 % till 2012 through:

- time-saving submissions of information by more eGovernment solutions
- avoiding duplications by better exchange of data within public administrations
- eliminating irritation factors for enterprises
- simplifying complex codes and harmonising definitions and legal terms