

European Ideas Network - Summer University  
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**EIN POLICY ROUNDTABLE ON  
REFORM OF PUBLIC SERVICES**

**CHAIRMAN: ANDREW LANSLEY CBE MP (HOUSE OF COMMONS)**  
**RAPPORTEUR: PETER LINTON (BKSH BURSON-MARSTELLER)**

**Background**

Public services must reflect the **preferences** and needs of those who use them, not those who provide them. Governments across the EU should strive to create

**choice**

, competition and contestability – aiming to achieve constantly better value for money for our citizens. In the face of growing global competition, Europe's economic success rests on far-reaching reforms focusing on good governance and transparency, limited government and lower taxes, sound monetary policy and real investment, reduced regulation and

**competitive**

markets.

Reforming public **administration** continues to face challenges, including ongoing political transformation in certain countries, entrenched government structures, informal - not institutional - mechanisms for **policy-making**, and a culture of command control versus service delivery. While many countries have made progress on updating the legal framework for public employment and rightsizing the civil service, much remains to be done to achieve modern, efficient and

**transparent**

public services. The political objective must be to win public consent by meeting expectations and public policy goals through cost-savings and liberalisation – underpinned by strong, independent national

**regulatory**

authorities enforcing clear standards and ensuring that financing is separated from production.

Over the past six years, the EIN working group on the Reform of the Public Services analysed various **models**, identifying issues which underpin the reform process. There should be no desire to embark on a doomed strategy of harmonisation. Instead, Europe's natural national diversity offers a menu of differing guidelines and choices within a common **fra**

**mework**

. Policy-makers can choose those that are best equipped to meet distinct national needs, balancing equity with efficiency and replacing a culture that emphasizes administrative controls with one that focuses on delivering.

The more important the sector is for society, the greater the case for **liberalisation**. Competition is the fundamental driver for reform - not privatisation per se. Conflicts between an

outdated bureaucracy driven by

**self-interest**

and the reformers can be won by explaining the undoubted long-term benefits to the taxpayers of improving quality, availability and affordability of healthcare, education, social welfare, community services and pensions. Faced with globalisation, countries cannot

**afford**

to grandfather existing privileges. Centre-right policy objectives and institutional changes will need to focus on promising less and delivering more: promoting growth through cutting waste. By making decisions transparent and contestable, people will feel empowered through the process of

**modernisation**

. By improving professionalism through merit-based recruitment and promotions, along with expanded training and cross-border exchange programmes, public servants across the EU can create networks of excellence to

**benchmark**

best practice.

Ways exist to create choice, competition and contestability so as to ensure more **value** for money for our citizens. But whilst problems may be similar, public attitudes toward public services, and therefore the limits of public openness to change, differ widely across Europe - reflecting different historical starting points and recent experiences with local solutions. At the EIN

**su**

**member university**

in Warsaw in 2007, the policy roundtable looked at the Dutch insurance reform – seeing this as a qualified success, although efforts to introduce competition on the supply side were proving more problematic. From the consumer's perspective, the issue was less the adequacy of finance and more the governance of healthcare systems.

Participants noted that consumers are increasingly demanding more information and **interaction**

greater choice, personalised care, and swift access to

**centres**

of excellence across the EU - requiring measurement of output, not just inputs and supply-side incentives. Given the impact this trend has on the cost of cross-border patient care, policy-makers will need to balance investing in national facilities against paying for treatment in either EU or even global centres of excellence. - The working group also considered the views and experiences from new central European member states, where the transition from state domination shows that improved quality, lower costs and demonstrable competitive benefits will help people to accept changes. The question remains how to define a

**public good**

and to resist pressure from special interests determined to hide behind regulatory protectionism. Failed privatisations have bred public mistrust, with calls for referendums on the acceptability of privatising public services in countries like Hungary. But it was felt that Europe could add value by breaking down

**borders**

in higher education and healthcare, with cross-border consumer rights balancing greater

competition – thus letting one choose.

**The following possible themes have emerged for the roundtable to examine at this year's Fiuggi summer university:**

**? What impact could a Europe-wide recession have on the provision and financing of public services?**

**? Will applying patients' rights in cross-border healthcare raise standards and reduce costs?**

**? As the supply-side is liberalised, what role is there for applying EU competition rules and frameworks regulation?**

**? What opportunities and risks are there across Europe to benchmark standards and performance of public services?**

**? What examples are there across Europe of how national or international standards in service provisions can be reconciled with local determination of resources and priorities?**