EUROPEAN POLICYBRIEF

Coordinating for cohesion in the public sector of the future (COCOPS)

Coordinating for Cohesion in the Public Sector of the Future

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This policy brief summarises the final findings of the COCOPS project.

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COCOPS AT A GLANCE

The COCOPS project takes a holistic approach to studying the present and future of public sector reform, coordination and cohesion in European public administrations. Through a meta-analysis of literature on New Public Management (NPM) reforms and an assessment of how these relate to the role and scope of the public sector, the project examines the state of the art in existing research. Large-scale surveys and interviews of different actors in the public sector – top public sector executives, academics, public sector trade unions and consultants – allowed COCOPS researchers to assess the current state of the public sector in selected countries and Europe as a whole. This was coupled with in-depth analyses of certain reform-related trends such as citizen choice, voice and satisfaction with public services, social cohesion and the effects of the financial crisis. Finally, these strands of research were brought together to paint a comprehensive picture of the public sector in Europe and to develop scenarios and opportunities for the future of the public sector.

Assessing the State of the Art	Evaluating Impact	Emerging Innovations	Integrating Findings	Scenarios
Meta-analysis of the impact of NPM on efficiency, effectiveness, quality and social cohesion	Survey of public managers in three sectors and ten countries – perceived impacts of NPM	The governance of social cohesion: innovative coordination practices in public management	New public management and emerging trends and effects policy cohesion and social cohesion	Futures and scenarios in public sector reform
The changing role of government – the effect of NPM on government outlays	Satisfaction, choice, and voice in European public sectors: citizens as customers and the challenge of cohesion		The financial crisis in the public sector as an emerging coordination challenge	

Assessing the State of the Art

A meta-review of existing evaluations of public sector reforms in European countries reveals that most NPM-related studies focus on issues such as efficiency and output quality. This shows that outputs and outcomes of reforms vary considerably according to contextual factors, and that there exists no 'one-size-fits-all' strategy for NPM reform:

- There was significant country variation in the nature and extent of NPM reforms, with some countries still in the process of implementing related changes.
- Most of the literature focuses on performance measurement/management, market-type mechanisms and corporatization/agencification.
- Only one quarter of studies looked at changes in outcomes/outputs.
- There was significant variation in impact of reforms, with evidence of both improvement and deterioration due to NPM-style reforms.
- Would-be reformers would be well advised to carry out an *ex ante* evaluation of the particular national and local circumstances before launching NPM-type innovations.

Working package 2 on the effects of NPM on government outlays also found interesting results in terms of role and scope of the public sector:

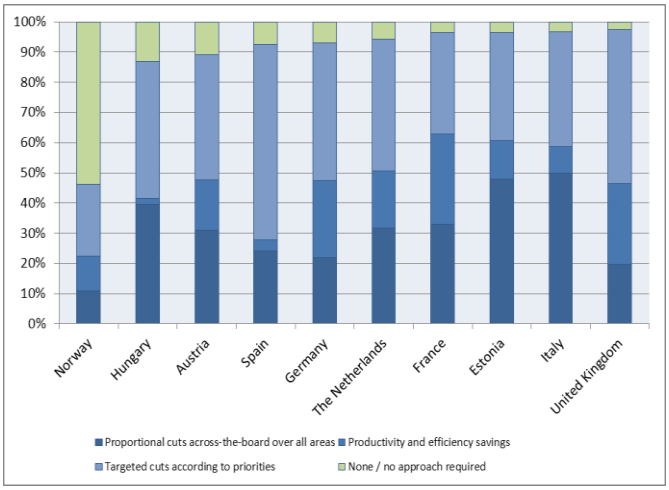
- Outsourcing was not associated with a reduction in the size of the public sector in regard to expenditure and employment, either in the short or long term.
- In contrast, fiscal and administrative decentralization, as well as the autonomy of sub-central levels of government, seem to lead to a smaller public sector as regards expenditure. However, there was no evidence that decentralization led to a reduction in public sector employment.

These results may indicate that the observed decline in public spending in the late 1980s and 1990s may be associated with simple cost-cutting reform, rather than true NPM-style reforms.

Even if outsourcing did not lead to a smaller public sector, NPM reforms were beneficial if they led to better public sector working conditions or improved service quality and/or social welfare. If, however, the increase in government spending was not accompanied by such improvement, this could suggest the existence of high transaction and coordination costs, or that the private provision of public goods does not necessarily entail efficiency gains.

The Fiscal Crisis, Austerity and the Future of Public Administration

Types of cutback measures as perceived by European public sector executives



The financial crisis has increased budgetary pressures on governments and the public sector, and has thus pushed cutback management to the forefront in public sector reform. Responses to the crisis have, however, been diverse and highly dependent on country-specific and contextual factors. Several general lessons can be derived from these different approaches:

- Short-term budget savings may lead to longer-term costs due to decreased capacity, expertise or other factors.
- Cutbacks require rational decision-making and expertise, but this comes at a time where the capacity for this expertise is also limited.

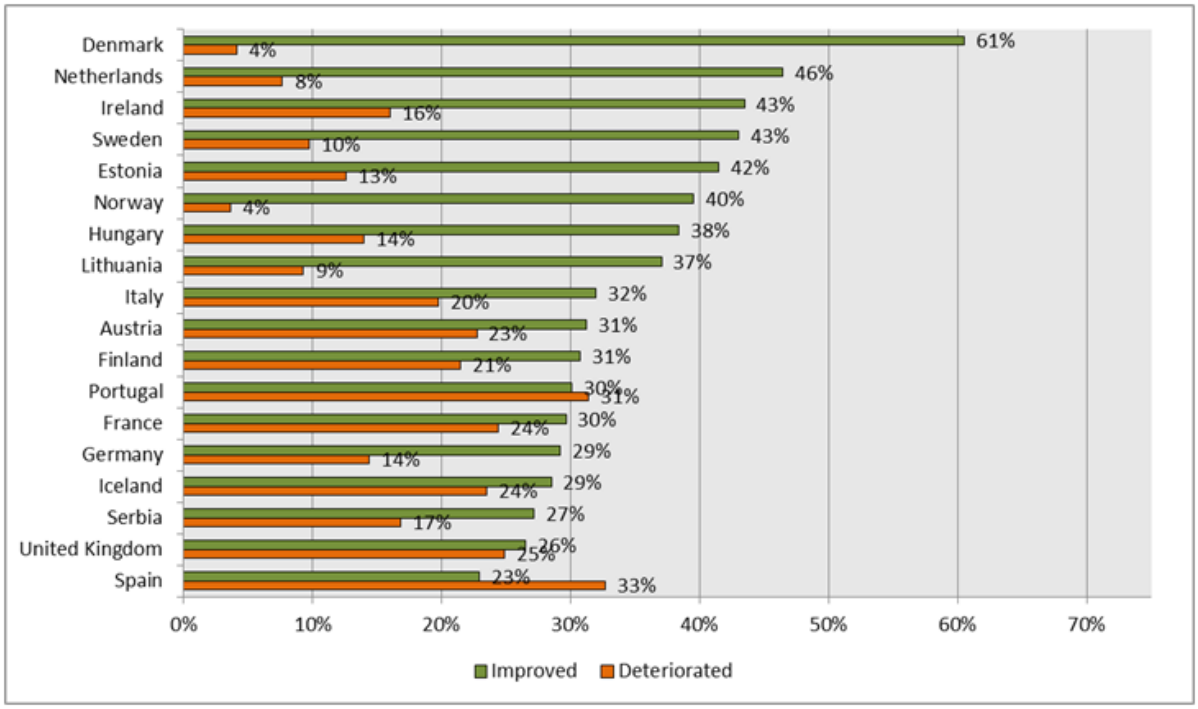
- Political priority setting will be necessary to ensure long-term savings as across-the-board or incremental cuts provide only temporary fiscal relief.
- Country- and context-specific factors mean that governments will have to tailor fiscal solutions to the specific policy or country case.
- Complex linkages between countries and policy areas will require more consideration of the role and power of other actors and international institutions in shaping public sector reform.
- These budgetary pressures coincide with other public sector needs such as increasing legitimacy and public trust in the institutions.

COCOPS Executive Survey on Public Sector Reform

The COCOPS project has developed a large scale survey of top public sector executives, looking at public administration experiences overall and in employment and health sectors. This survey assessed executive perceptions of 1) public sector work context 2) public sector reform dynamics and outcomes and 3) public sector values and attitudes. The survey continues to be implemented in new countries, and has currently been completed in 20 countries, making this the largest systematic, cross-national dataset on public administration in Europe. The survey database will also be made available to researchers all over the world at the end of the project.

The survey focuses on the views and perceptions of European public executives and looked at types of reform, the success of these reform initiatives and the general state of public administration in the countries. This gives a clearer idea of both what is being done and whether it is being done successfully.

Q: Compared with 5 years ago, how would you say things have developed when it comes to the way public administration runs in your country (1-3 = worse; 8-10 better)



From the data COCOPS researchers have extracted, the following policy implications and recommendations for successful public administration reform were found:

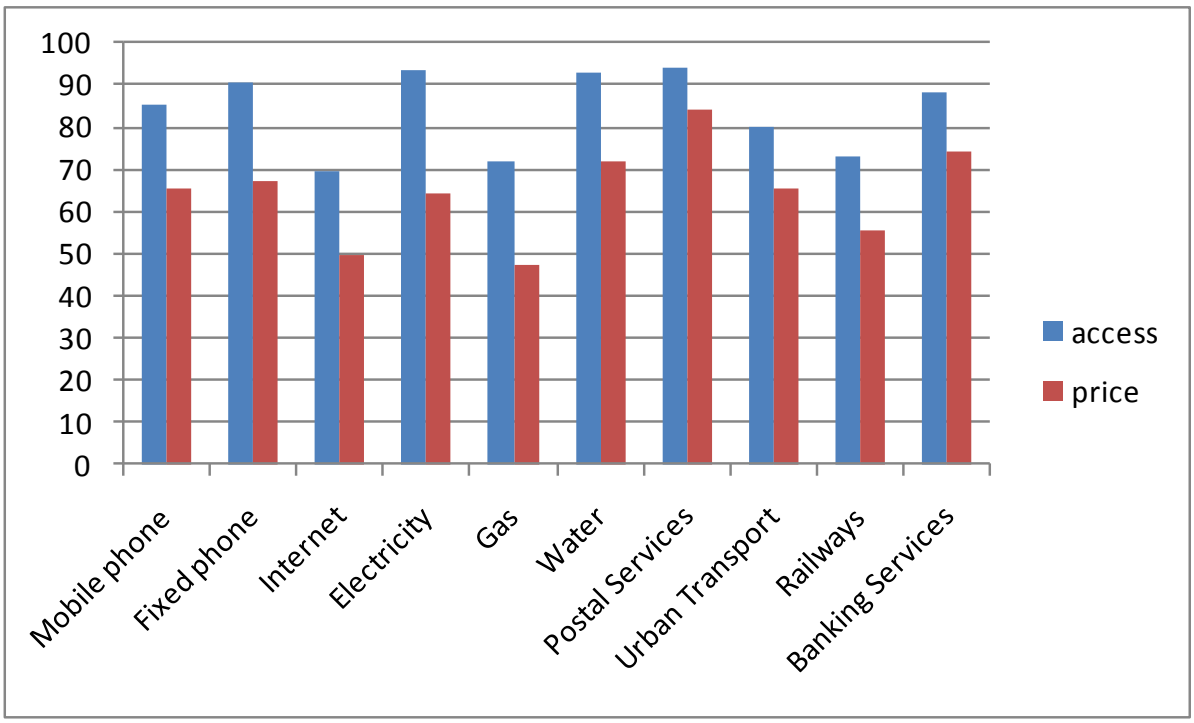
- Overall, administrative reforms in Europe have had rather limited success.
- Governments should balance a more network-oriented approach with the need for a more effective use of resources.
- Addressing performance deteriorations in certain areas such as attractiveness as an employer should be a higher priority.
- Officials have a number of effective levers at their disposal to improve performance such as coordination quality, leadership, strategic capacity and Human Resource Management.
- There should be less focus on cost-cutting and more on public involvement.
- The level of management autonomy and politicization can limit reform implementation.
- The rhythm and pacing of reforms is important and context matters.
- Further evaluation and objective data is needed.

CITIZEN SATISFACTION, CHOICE AND VOICE

The role of citizens and the manner in which they can participate both shapes and is shaped by wider reform trends in the public sector. Access to public services, choice in service providers and the ability of the public as citizens and/or customers to voice their opinions all have an effect on the perceived efficacy of public services.

COCOPS research shows that behaviour and satisfaction of citizens with public services is largely dependent on socioeconomic characteristics such as gender, age, education, employment and area of residence. The elderly, unemployed and lower educated are the most vulnerable groups in expressing voice, choice and satisfaction with services. Citizen heterogeneity is posing difficulties for regulators in protecting all groups of citizens in an environment of increasingly liberalised delivery of services.

Satisfaction with access to and price of public services in the EU-25 (in %) (source: European Commission (2007) 'Eurobarometer 65.3: Consumers opinions on Services of General Interest', Brussels: European Commission).



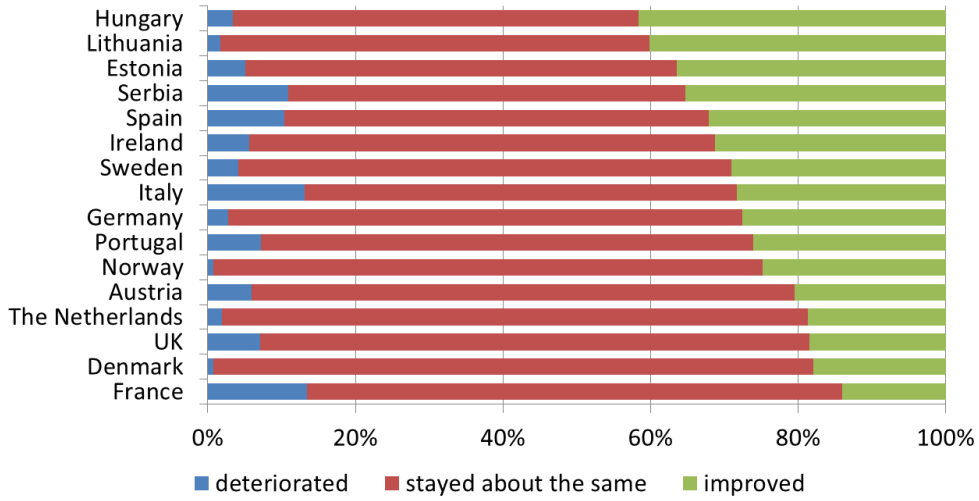
There are significant differences among EU countries and services in terms of consumer satisfaction, although some of these differences appear to have lessened over time. Results and trends also depend on the dimension of satisfaction that is considered, such as accessibility, affordability, quality of provision and more. However, an in-depth looks into how satisfaction, choice and choice are empirically related requires more detailed and longitudinal data, which sources such as *Eurobarometer* could in future provide.

SOCIAL COHESION

Coordination problems have been at the core of reform efforts in European public sectors, and governments have taken different approaches to addressing these coordination issues in a way that promotes cohesion in the public sector and in society as a whole. These coordination efforts encompass different aspects of the public sector and the policy process, including policy design, implementation and management, both horizontally (within government levels and between ministries) and vertically (between governmental levels). In practice, these coordination efforts should lead to fairer treatment of citizens and better access to services, whilst also maintaining a balance between equity and efficiency.

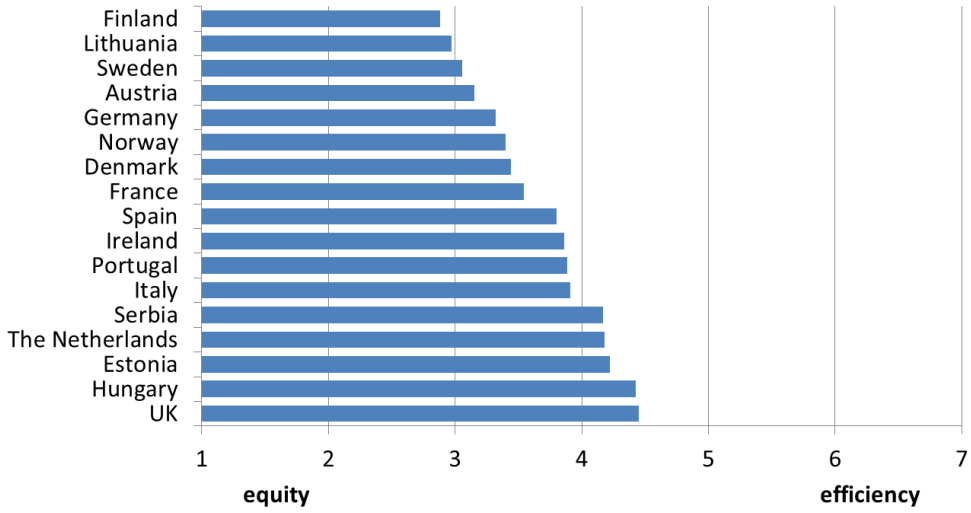
Fair treatment of citizens is an important value in public services with implications for social cohesion. Very few top public executives indicate that fair treatment has deteriorated. The largest improvements in fair treatment of citizens are perceived by executives in Hungary, Lithuania, Estonia and Serbia, all CEE countries.

Perceived Five Year Trends in Fair Treatment of Citizens (source: COCOPS executive survey)



Additionally, data from the COCOPS public executive survey indicates that some public executives, when asked to make a trade-off, clearly opt for efficiency driven approaches (e.g. from the UK, and Hungary) while others claim that equity considerations have to be more important (such as executives from Finland and Lithuania).

The Trade-Off Between Equity and Efficiency (source: COCOPS executive survey)



THE FUTURE OF PUBLIC ADMINISTRATION IN EUROPE

In surveys and interviews with public sector executives, trade unions and consultants and academics, all groups agreed that the biggest driver of public sector reform and change in the past five years – both positively and negatively – has been the economic/financial crisis and subsequent measures designed to address it. On one hand, the crisis has forced governments to reconsider budgets and has led to reduced costs of service delivery and increased creativity in dealing with public sector issues in a cost-efficient manner. On the other hand, respondents believe that the same budget cuts have decreased the motivation of public servants and the attractiveness of the public sector as an employer, and played a role in the perceived decrease in social cohesion. Respondents in all areas saw this austerity-driven public sector reform to continue at least in the immediately foreseeable future. In the near and not-so-near future, trends in public administration will continue to be driven by other external factors that will shape how the public sector must react.

Key Societal Changes	Effect on Public Administration
Demographic Change	Ageing populations will lead to increased stress on pensions and healthcare. Additionally, retirement of public sector employees may create a skills gap, and recruitment freezes mean older workers will not be replaced.
Climate Change	Increased environmental risks will require more planning, resources and investment from the public sector in infrastructure, disaster planning and other policy initiatives.
Economic Trajectories	Austerity-driven policy may continue, potentially creating a hollowing out of the public sector for short-term savings. More horizontal joining up of policy areas may occur.
Technological Developments	E-government initiatives will continue to develop. There will be more opportunities for smart use of public data.
Public Trust in Government	Public participation and engagement may be an area of development. Differing levels of trust in services may exist and public officials' trust in citizens must be considered.
Changes in the Political Environment	Factors such as ncreased electoral volatility, less party loyalty, more complex party competition, new media, personalisation of politics, unpopular policy decisions and network governance may play an increasingly important role.

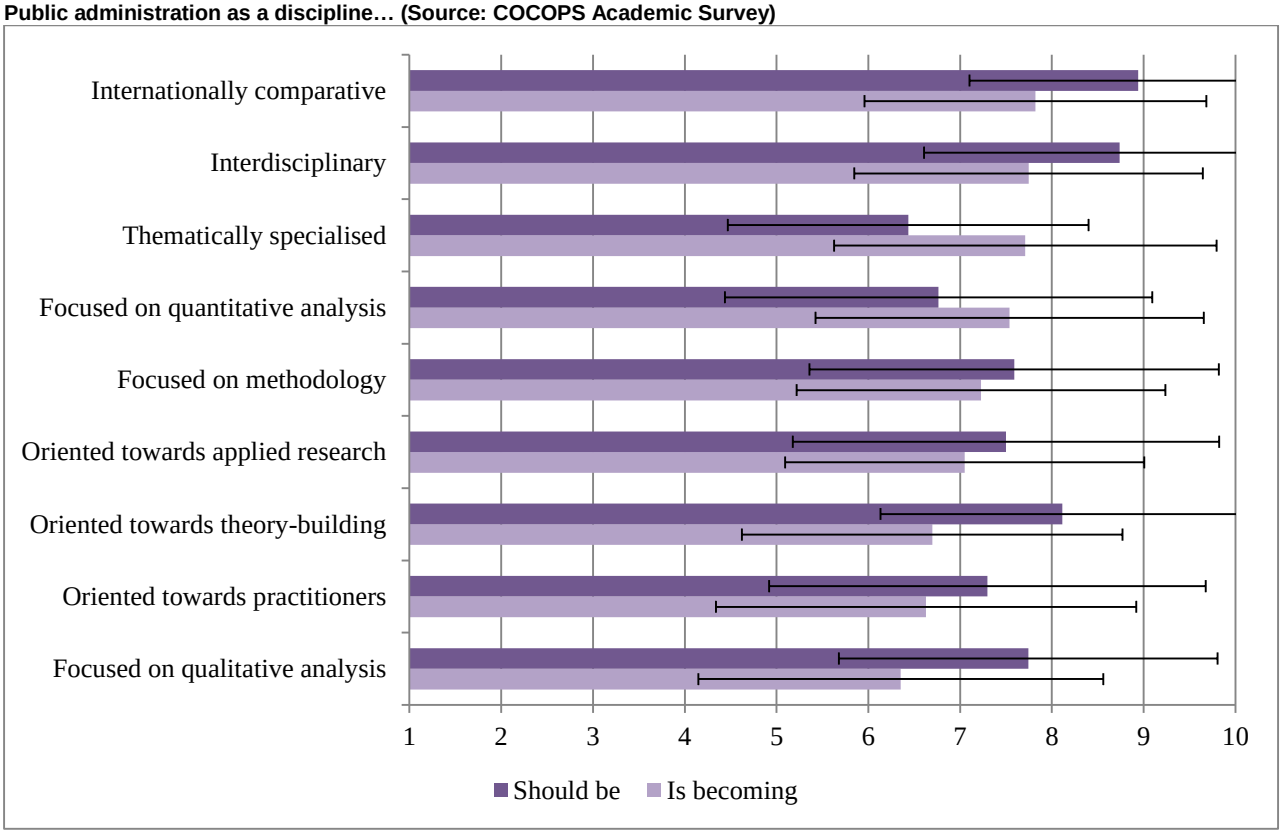
These larger, external megatrends will in turn have a significant effect on the nature of the public sector and further reform in how public administration is practiced. Practitioners and academics had differing perspectives on what trends will shape public administration and public sector reform in the next five years, but there was some agreement that these trends would largely be a continuation of existing moves in public sector reform. Much of the focus of practitioners centres on service delivery and innovation in that regard. They look at moves towards further privatization and public procurement as ways of delivering services, while also highlighting increasing centralisation and development of cooperation and collaboration between different actors in delivering policy. To a somewhat lesser extent, academics also saw an increasing focus on cooperation and collaboration in the public sector. Public sector executives saw this trend being a continuation of reforms already enacted. Digitalization was seen by practitioners – executives, trade unions and consultants – as an increasing trend closely linked to transparency, openness, and to a lesser extent, improved service quality. This was somewhat reflected in academic surveys as well.

Future Trends (Trade Unions & Consultants)	Future Trends (Academics)
Privatization and public procurement	Performance management
Digitalization	Network governance
NPM-style reform	Accountability
Partnership and cooperation	Regulation
Centralisation	Ethics

Future trends according to academics, public sector trade union executives and consultants

In addition to the larger trends expected in public sector practice, the way in which public administration is studied and understood is also set to change. Public administration as an academic discipline is viewed somewhat differently in different European countries, but several overall trends can be seen about the direction in which the discipline is heading.

Public administration as a discipline… (Source: COCOPS Academic Survey)



Academic respondents felt that the strongest trends in the discipline were a movement towards more international comparison, interdisciplinarity, thematic specialisation and quantitative analysis. On the other end of the spectrum, academics felt that qualitative analysis, practitioner-orientated research and theory-building research were the least significant trends in shaping the discipline. This does not always reflect the direction in which academics feel the discipline *should* be moving. While they do feel that international comparison and interdisciplinary research are important, academics also felt that there should be more emphasis placed on theory building and qualitative research.

PROJECT IDENTITY

Project name

Coordinating for cohesion in the public sector of the future (COCOPS)

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- University of Cantabria, Department of Economics, Cantabria, Spain
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Website

www.cocops.eu

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