Pulse of Public Services

23/10/2013

CEEP undertook the "Pulse of Public Services" to collect the views of leaders of public services about their current and future economic outlook. The key questions of this survey are related to investments, employment and what could be called the growth "limitators".

The second edition of the fieldwork was conducted between September and early October 2013. The first edition of the survey was published in March 2013 and the fieldwork was conducted between February and March 2013. In total, more than 460 leaders of public services answered the questionnaire.

Respondents are leaders of public services from 20 Member States + Norway. 40% of respondents were from local public services and the rest is equally shared between the other territorial levels of

Four key messages revealed in this survey:

- The economic outlook has improved since the previous "Pulse of Public Services" but the road to full recovery is still long;
- But this better economic outlook is not yet translated into new employment opportunities;
- The two main challenges for leaders of public services: economic situation and recruitment of personnel with specific skills;
- A third of the respondents identified "recruitment of personnel with specific skills" as one of the top three challenges facing their enterprises, making this answer the first biggest challenge after economic-related answers.

provision of public services.

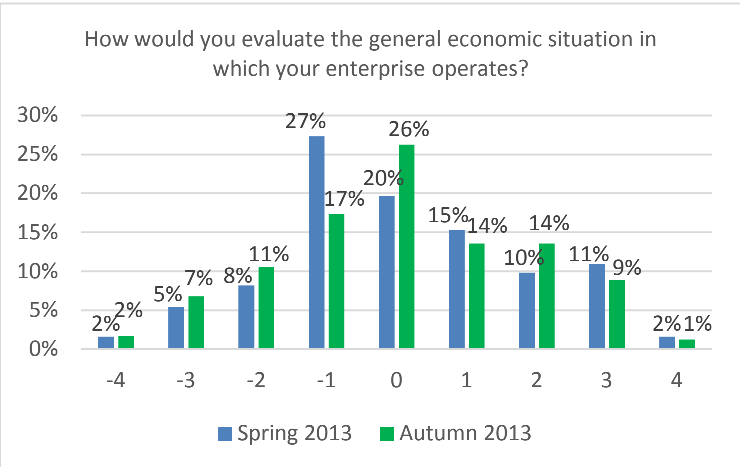
1- A slight improvement of the economic outlook

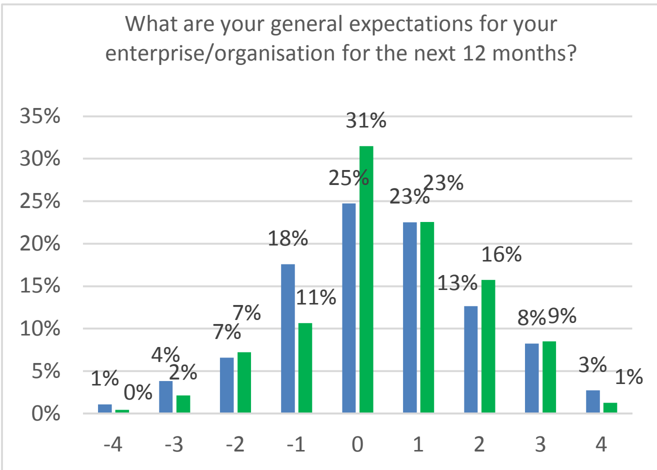
From the survey “Pulse of Public Services”, we can identify a **slight improvement of the economic outlook reported by leaders of public services**. Compared to the previous survey, more respondents identified higher expectations over the next 12 months than they did in the previous edition published in March 2013. Additionally, more respondents highlighted a better future economic outlook in terms of revenue than previously. Nevertheless, this economic improvement is still limited and is not yet transformed into employment.

When asked how leaders of public services would evaluate the general current economic situation in which their enterprise operates on a scale from -4 to 4, **64% of respondents answered either positively or neutrally, an increase of 6 percentage points** (p.p.) compared with the last survey.

This trend can also be seen with the answers to the question “What are your general expectations for your enterprise or organisation for the next 12 months?” where the share of respondents increased by 6 p.p. from 72% in the previous edition.

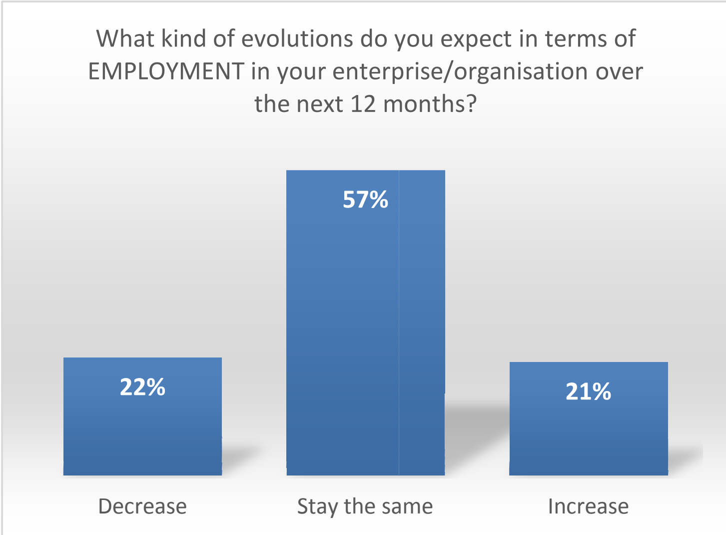
Not surprisingly, the share of enterprises commenting positively the current economic situation is much higher in Nordic countries where one respondent out of two answered by 1 (slight increase) or above. This share decreased to 1 out of five respondents in Portugal, Italy and Spain taken together.





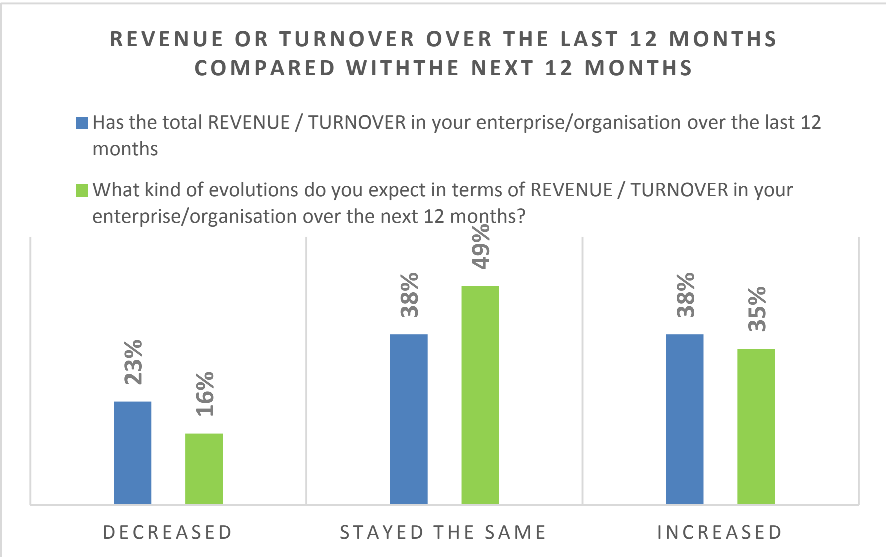
2- Slight improvement not yet transformed into growth in employment

The slight improvement in the economic outlook can also be seen in the indicators related to Revenue or Turnover but the impact is not yet reflected in employment.



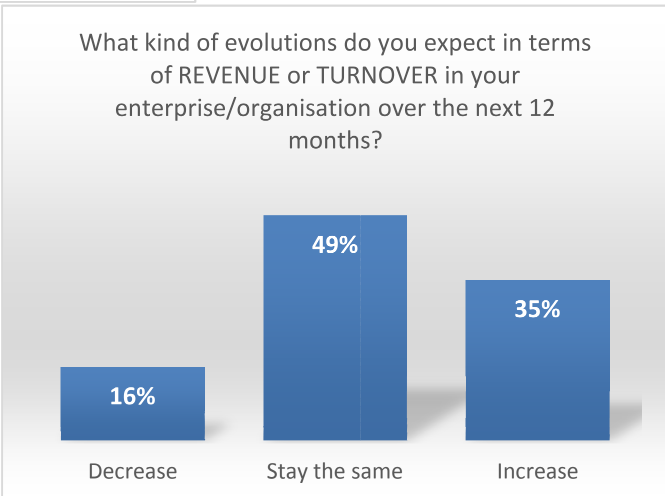
35% of respondents answered that they expect Revenue or Turnover to grow in the next 12 months but 21% expect a growth in employment.

In a positive outlook, the evolution of Revenue orTurnover over the next 12 months is less negative than the situation over the last 12 months with half of the respondents believing that their revenue will stay the same over the next 12 months compared with a response rate of less than 40% for the same question regarding the last 12 months.



Interesting to note, a relatively equal share of leaders of public services, around 21%, that employment in their enterprise / organisation will respectively increase and decrease.

50% of enterprises operating at municipal level and several municipalities declared that employment would remain at the same level over the next 12 months compared with 43% in national public services. Countries with the highest rate of respondents declaring to expect a decrease in employment are located in Italy, Spain and Portugal. Enterprises located in Germany, Sweden and Austria however had the



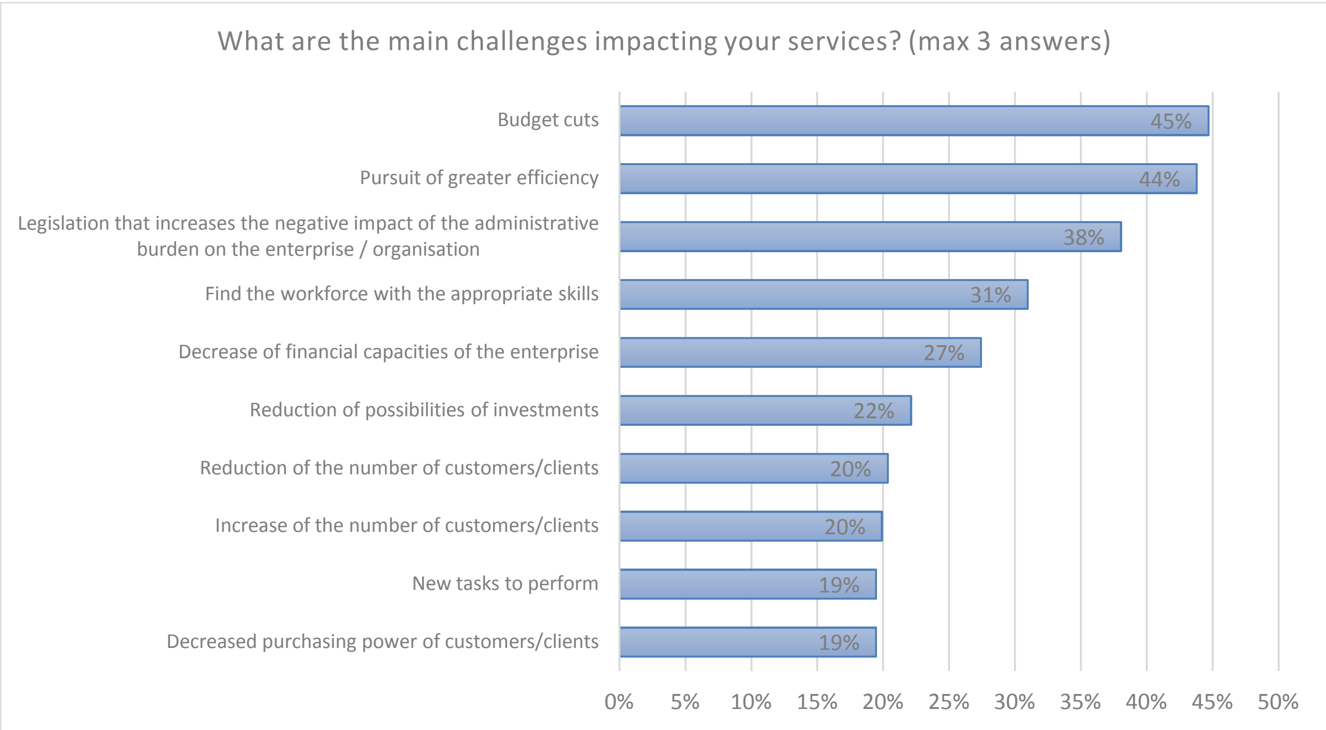
highest share of leaders expecting to recruit within the next 12 months.

3- Key challenges: where to act?

The two key challenges impacting public services are the economic and financial situation and its impact, followed by the difficulty to recruit workforce with the appropriate skills.

It is no surprise that "budget cuts" was the the most often chosen answer (45% of respondents) when asked to identify the three challenges impacting public services in Europe . "Budget cuts" was also the answer identified as the number one challenge by most respondents followed by "pursuit of greater efficiency" and "Find the workforce with the appropriate skills".

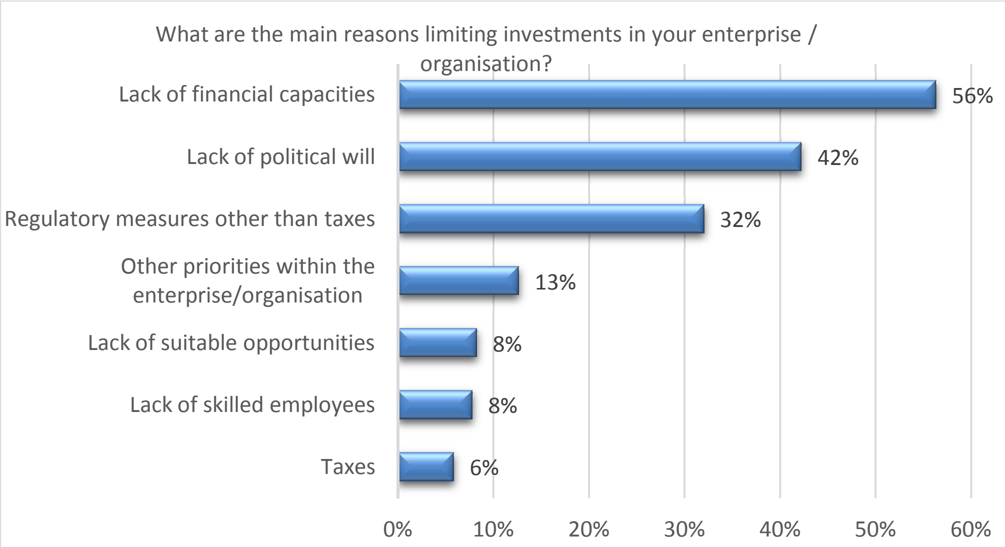
Interesting to note: In Sweden and Finland the answer "find the workforce with the appropriate skills" comes second in terms of importance, following "pursuit of greater efficiency", indicating that when the economic situation is better, the question of skills matching ranks high when it comes to priorities within enterprises.



4- Main reasons limiting investment

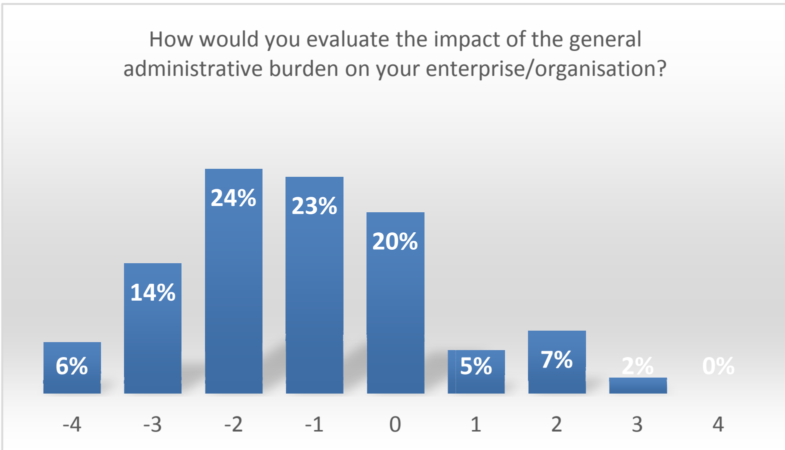
When asked about the main reasons limiting investment in the enterprise / organisation, a majority of respondents answered: lack of financial capacities (56%) followed by lack of political will (42%) and regulatory measures other than taxes (32%).

Compared with the previous Pulse of Public Services, lack of financial capacities remains the top reason limiting investment with an equal share of 56% of respondents.



5- Administrative burden is a challenge for enterprises / organisations

On the question related to the challenges identified by respondents, a third of the respondents identified "Legislation that increases the negative impact of the administrative burden on the enterprise / organisation" as one of the top three challenges. On an additional question, it is interesting to note that more than two thirds of the respondents identified the impact of the general administrative burden as clearly negative, as shown in the graph.



Methodology

The second edition of the fieldwork was conducted between September and early October 2013. The first edition of the survey was published in March 2013 and the fieldwork was conducted between February and March 2013. In total, more than 460 leaders of public services answered the questionnaire.

The survey questionnaire was developed jointly by the CEEP Macro-economic Task Force and the Steering Committee of the “Mapping evolutions in public services” project managed by CEEP. The final questionnaire consisted of a set of 13 closed questions with the opportunity for participants to leave a short text in 3 open-ended questions. 3 questions were on key characteristics of the respondent (country of operation, sector of operation and level of operation).

The survey was conducted using an online dedicated platform. At a second stage, participants were contacted either directly or through the CEEP network.

CEEP would like to thank all participants for taking part in this survey.