

Autumn 2014

## KEY MESSAGES

- For public services' providers, the economic situation is at a standstill but there is some light at the end of the tunnel.
- However, no positive impact on employment is reported yet by public services' employers and economic consolidation is seen in some parts of the economy.
- Main challenges for public services' providers: facing budget cuts and financial constraints, pursuing greater efficiency and finding the workforce with the appropriate skills.

## KEY OUTCOMES

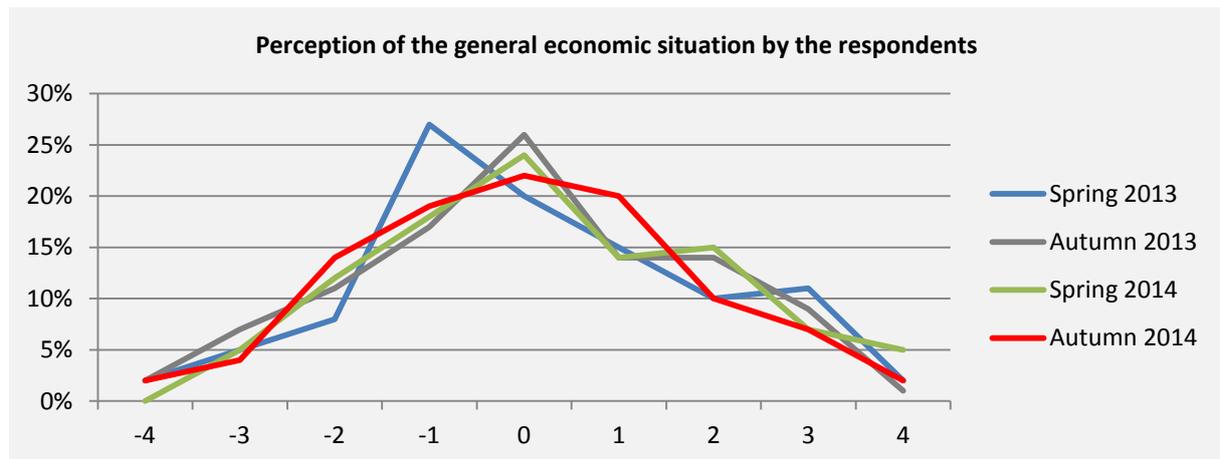
- Half of leaders of public service lack finances to invest.
- A little bit less than a third consider that recruitment of people with appropriate skills is a challenge within their services.
- Budget cut is the number one challenge for the activity of the enterprise.

CEEP launched in Spring 2013 the 'Pulse of Public Services' with the aim to collect views of leaders of public services about the current economic situation and outlooks, as well as the challenges they are confronted with.

The Autumn 2014 edition is the fourth edition of the Pulse of Public Services. The fieldwork was conducted between September and October 2014. In total, more than 960 leaders of public services answered the questionnaires in the two years of the activity.

CEEP would like to thank all the participants who took part in this survey.

## STATUS-QUO IN THE GENERAL ECONOMIC SITUATION...



To the question related to the general economic situation in which leaders of public services operate, we can see a relative status-quo over the last 18 months. Even though there is a small increase in the share of people seeing a slight positive improvement (+6 percentage points (p.p.) of increase of response 1 compared with last Autumn), although the share of those who have a very positive opinion has decreased.

Looking at the sectoral level, the most negative outputs are for public administration where slightly more than 1/4 of respondents from this sector saw a positive outlook, compared to 40% for network services (energy, water, waste management, etc.).

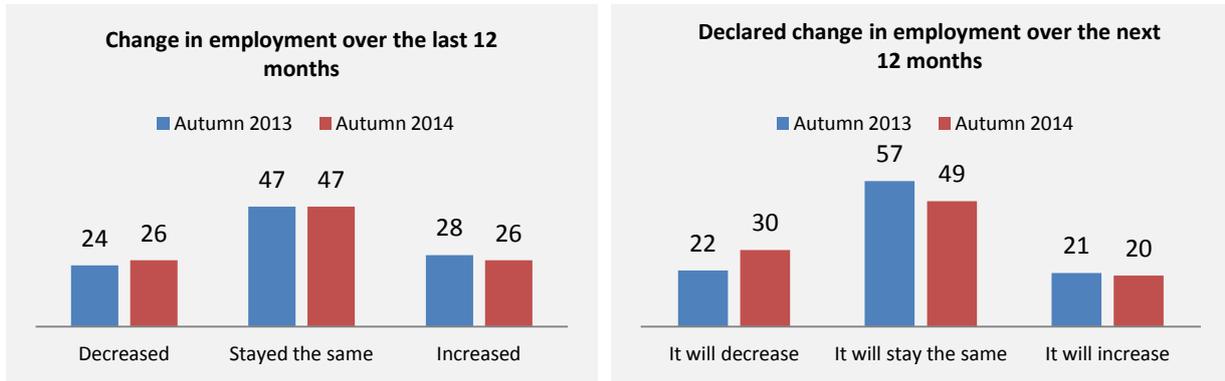
### ... BUT THERE IS

### SOME LIGHT AT THE END OF THE TUNNEL...

The slight improvement about future perspectives observed in the previous edition of the Pulse is still present: there may be some light at the end of the tunnel. To the question "What are your general economic expectations over the next 12 months? Please rank it from -4 to 4", more than half of the respondents saw the future as positive, a slight improvement compared to the previous editions.

The views towards the future must however be contrasted depending on the sectors of operation. As for the question on the current economic situation, the public administration sector answered more negatively than the other sectors. Close to 1/3 of respondents from public administration have a negative expectation for the next 12 months, compared to around 1/5 in network services.

## CONSOLIDATION OF ENTERPRISES IS TAKING PLACE



The relative stability in the economy is confirmed by the indicators on the change of employment over the last 12 months. The results of this edition are almost the same as last year.

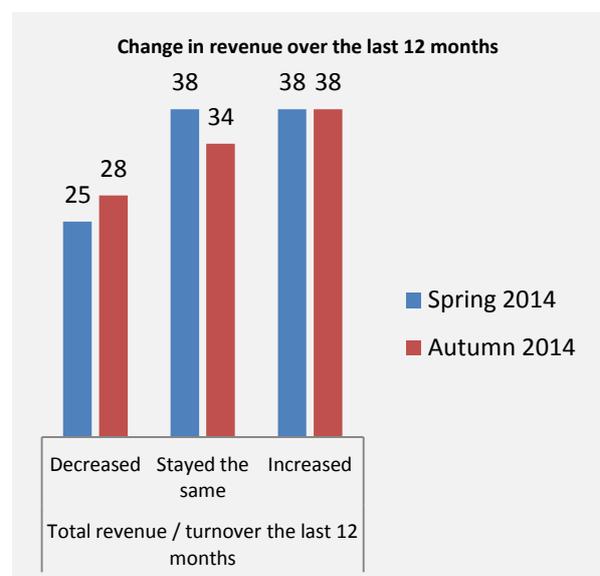
On the contrary, when considering the change in employment expected over the next 12 months, more respondents declared that they will decrease employment in their enterprises (+8 p.p.). This is probably a direct effect of the freeze of recruitment in many organizations or due to consolidation measures.

## STABILITY IN REVENUE

When asked about the change of revenue/turnover over the last 12 months, 38% of the respondents mentioned that revenue/turnover had remained stable. But more than 45% have forecasted stability for the next 12 months.

When it comes to employment, 44% of the respondents mentioned that employment had remained stable and more than 55% of the respondents estimated that employment will remain at the same level within their enterprise/organisation.

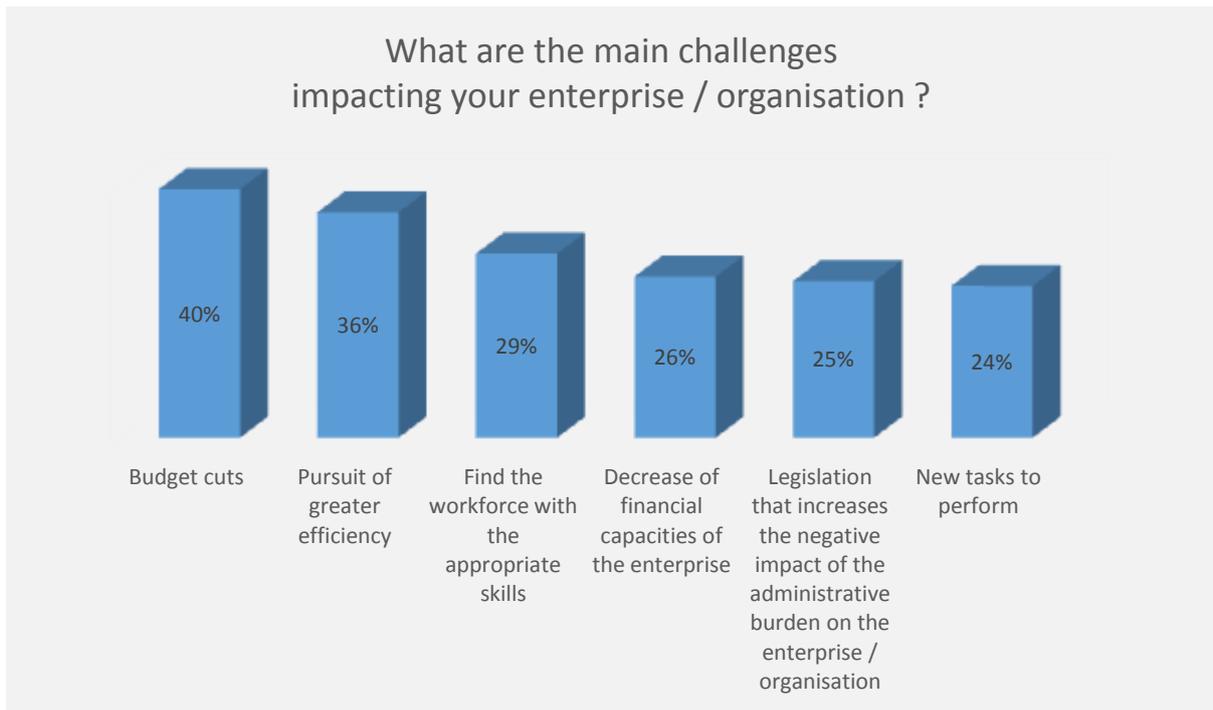
As an evolution over time, it is interesting to note that the share of respondents announcing that they will recruit has dropped in the space of one year from almost 30% to around 22%. This could indicate that recruitment is on a stand-still.



## FINANCIAL CONSTRAINTS AS MAIN CAUSE FOR CONCERNS

**“Budget cuts” is the number one key challenge for public services providers.**

When asked to rank the three main challenges that leaders of public services are facing, “Budget cuts” (40% of respondents) ranks first, followed by “Pursuit of greater efficiency” (36%) and “Find the workforce with the appropriate skills” (29%). “Budget cuts” is also the challenge identified as the main one for most enterprises..



### Half of leaders of public services lack finance to invest in the economy

One of the key outcomes of this edition of the “Pulse of Public Services” is that half of the respondents declare lack of finances as being an issue preventing long-term investment. Moreover, 26% of the respondents also face funding issues in their day-to-day operations.

The difference in the answers to those questions is relatively important depending on the country of origin of the respondent. The countries with the highest share of respondents who declare they face funding issues in their day-to-day operations are UK, Spain and Portugal. As opposed to Sweden, Austria and Germany whose shares are the lowest.

## WHO ARE OUR RESPONDENTS?

In total, the Public Services Barometer collected close to 960 answers in the four editions. In the frame of this fourth analysis we will go further into the comparison over time as it is the purpose of such a barometer.

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 in a set of 14 closed questions with 3 additional open-ended questions.

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

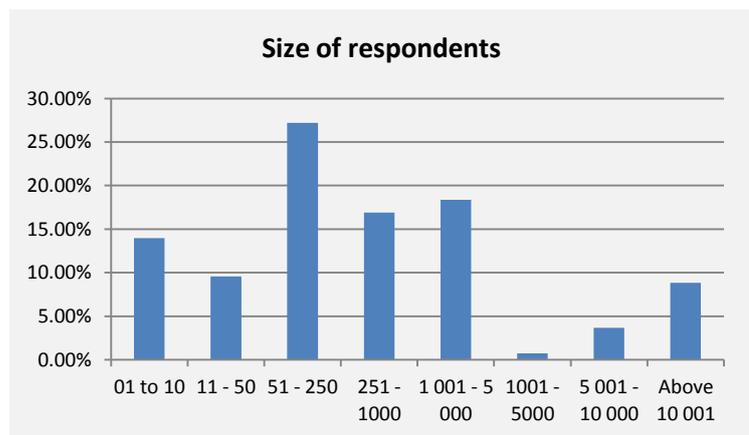
In terms of size of enterprises, when questioned about the size of the workforce in their enterprises, about half of the respondents answered that they employ less than 250 persons (1 – 10, 11 to 50 or 51 - 250). It is interesting to note that a little less than 15% of respondents lead enterprises with 10 employees or less.

All in all, these leaders employ more than 400 000 persons in Europe<sup>1</sup>.

51% of the respondents operate within network services (sectors such as public transport, rail, water and waste management, energy, etc.). Close to a fifth operate in non-economic services of general interest (category that

includes social housing, social services, healthcare, etc.) which is almost equal to the respondents operating within public administration.

Almost 4 respondents out of 10 operate at local / municipal level and close to ¼ of respondents operate at national level.



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<sup>1</sup> Low estimate based on the lowest figure of each category of answers multiplied by the number of people having responded.