



Pulse of Public Services

March 2013

CEEP has undertaken the first ever Pulse of Public Services. The aim of this survey is to collect the views of leaders of public services about the current and future economic outlook. The key questions were related to investments, employment and what could be called the growth "limitators".

The pulse will be published twice a year and will, in the future, be a barometer to show the evolution of the prospects of public services as envisaged by their leaders. This first edition cannot yet provide this evolution outlook and should be understood as a snapshot of the current views of public service employers.

The fieldwork was conducted between February and early March 2013 and collected the views of around 210 participants. The main "types" of respondents in this edition were from network services, representing 59% of the total number (by order of importance: regional and local public transport, electricity, waste and waste water management, etc.), followed by health and social care, public administration and others.

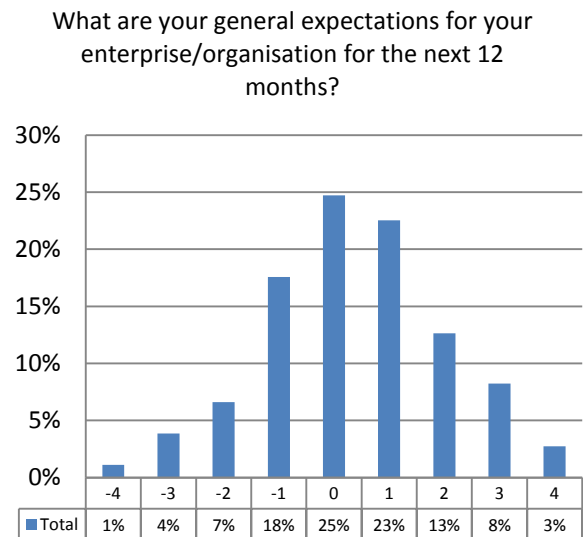
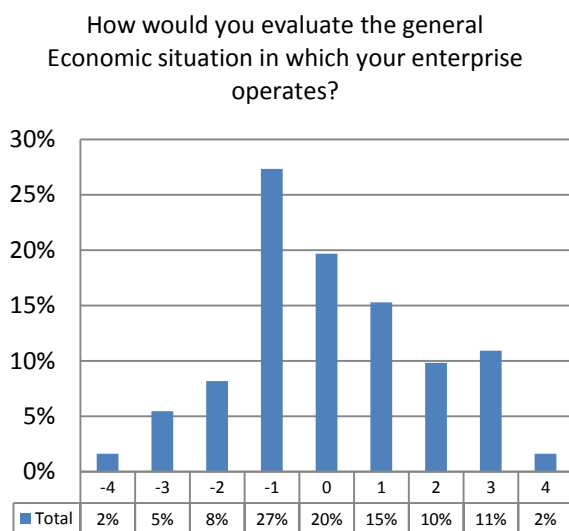
Five key messages revealed in this survey:

- Economic outlook: slight improvement noted by leaders of public services;
- Public services workforce: public service employers play a stabilising role;
- Employment evolutions: future developments reflect previous trends - a challenge for countries in recession;
- Public service employers' foremost concerns: budget cuts, pursuit of challenging efficiency gains and limited investment opportunities;
- Primary obstacles for investment: budget limitations and lack of capital within the organisation

1. Economic outlook: slight improvement noted by leaders of public services

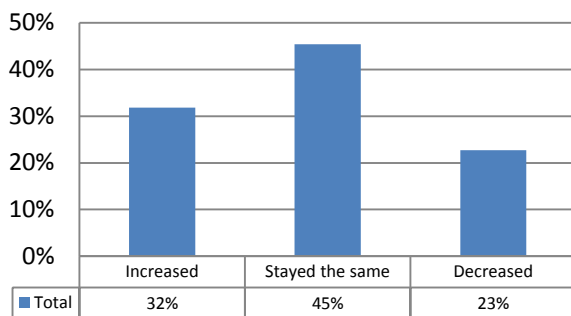
When asked how they as public service leaders would evaluate the general current economic situation in which their enterprise operates on a scale from -4 to 4, 27% of respondents registered a slightly negative situation (-1) and around 20% identified a neutral situation (0).

When asked about their expectations for the next 12 months, around a quarter of respondents held neutral views and, more positively, 70% of respondents had either neutral or positive expectations for the next 12 months. Among those respondents, 46% also had a (limited) positive outlook on the current economic situation compared to 37% having a positive outlook.

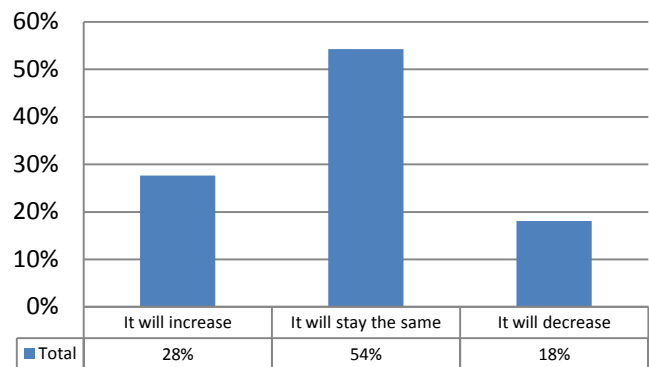


The topic of employment follows a similar pattern. In total more than 75% of respondents declared having either maintained or increased employment in their enterprises. When looking at the declared evolution of employment over the next 12 months, we may see that around 80% of respondents intend to either have the same level of employment or increase it. The largest increase lies in the share of leaders declaring stable employment in their enterprise: from 45% over the last 12 months to 54% for the next 12 months, an increase of 9 points.

Employment over the last 12 months in your enterprise



Evolution of employment in your enterprise over the next 12 months

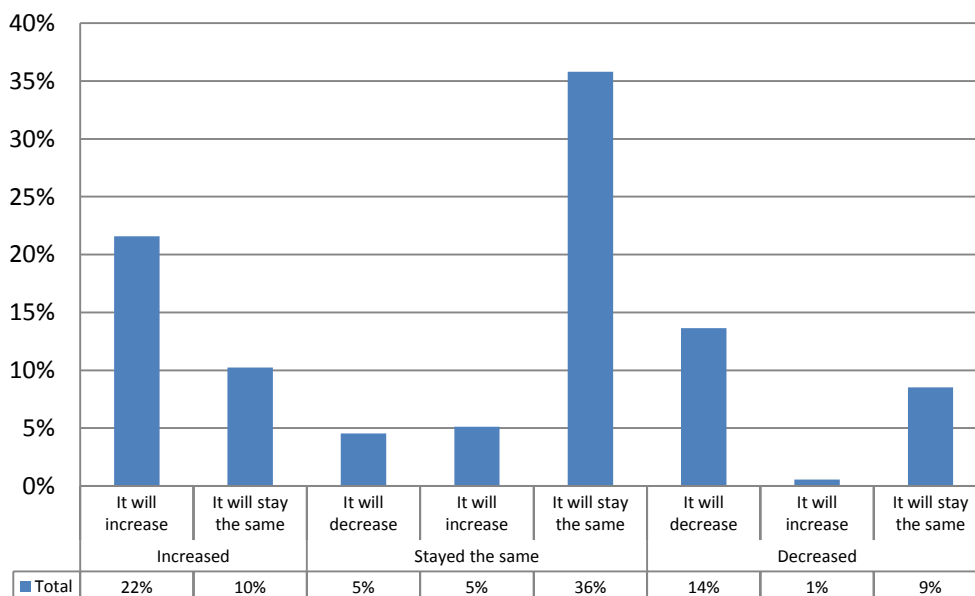


2. Employment evolutions: future developments reflect previous trends – a challenge for countries in recession

When assessing the individual answers regarding employment in public services over the last 12 months and over the next 12 months, there is a clear pattern of an enterprise remaining in its category: around 80% of respondents who answered that employment within his/her enterprise remained the same over the past year provided the same answer for the next 12 months.

The same pattern can be seen for those having noted an increase: more than 65% of those having increased employment will continue to do so, whereas 60% of enterprises/organisations that decreased employment will continue on the same path over the next 12 months. On a positive note, more than 35% of those having announced a decrease in employment have announced a stabilisation in employment over the next 12 months.

Future evolutions is linked to past evolutions



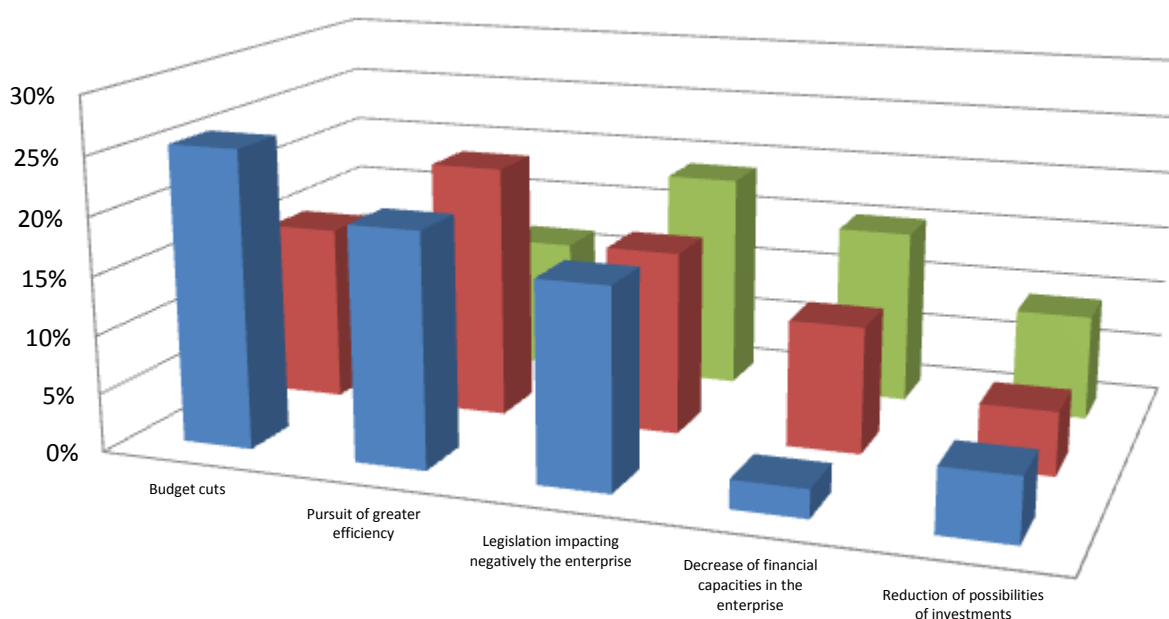
3. Public service employers' foremost concerns: budget cuts, pursuit of challenging efficiency gains and limited investment opportunities

When asked to rank the three biggest challenges that will affect their enterprise/organisation over the next 12 months, the challenge identified as of principal concern by the majority of respondents was budget cuts followed by the pursuit of greater efficiency gains. Improved efficiency was identified as the second most important challenge by close to a quarter of the respondents. The challenge most commonly ranked in third place was legislation that negatively impacts the enterprise and a decrease in financial capacities of the enterprise.

Aggregated, more than 50% of respondents have identified either budget, or pursuit of greater efficiency gains or legislation impacting negatively the enterprise as one of the three choices they identified as being the biggest challenges their enterprises will have to face over the next 12 months. The following challenges were the decrease in the financial capacities of the enterprise and the reduction of possibilities of investments.

Without great surprise, legislation was selected as one of the three biggest challenges by more than 60% of respondents from network services.

What are the main challenges that will affect your enterprise/organisation over the next 12 months? Ranked from 1 to 3

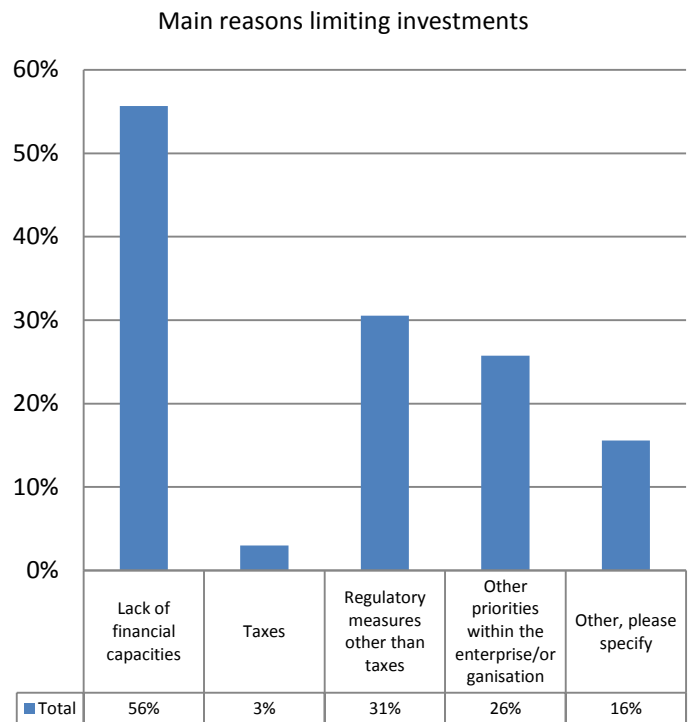


	Budget cuts	Pursuit of greater efficiency	Legislation impacting negatively the enterprise	Decrease of financial capacities in the enterprise	Reduction of possibilities of investments
■ 1	25%	20%	17%	2%	5%
■ 2	15%	22%	16%	11%	5%
■ 3	9%	12%	19%	15%	9%

4. Primary obstacles for investment: budget limitations and lack of capital within the organisation

When asked about the main reasons limiting investments in their enterprise/organisation, 56% of leaders answered the lack of financial capacities and 31% noted regulatory measures. Third in importance, the reason “other priorities within the enterprise/organisation” collected 26% of all answers provided.

The two principal reasons limiting the financial capacities within enterprises were noted to be the restrictions in the state and/or local public budgets by around 61% of respondents and lack of capital within the enterprise/organisation by 38% of respondents.



Which kind of lack of financial capacities is the most hindering the growth of your enterprise / organisation ?

