

How austerity is impacting on public services, public service workers and social dialogue

Over 100 trade union and employer representatives, researchers and government officials met in Brussels on 21-22 June to debate a major new study that exposes the impact of austerity measures on workers, public services and social dialogue in the public sector.

The study commissioned by the International Labour Organisation (ILO) and the European Commission provides detailed evidence on 15 countries. The damage inflicted is not just on the pay and conditions of public service workers but also on the quality of the services they provide as well as the process of social dialogue. The findings also raise serious concerns about the long-term effects.

Professor Daniel Vaughan-Whitehead, the project co-ordinator, introduced the report, highlighting some of the main findings :

- Some governments were guilty of a lack of planning and transparency in the reforms and restructuring they were carrying out.
- There was evidence of an increase in low pay in some countries along with other factors, like cutbacks in training, that were creating problems for recruitment and retention.
- Short-term changes were being implemented without a full appreciation of the long-term costs.
- While some countries were looking to privatise and outsource services, the research raised questions about the extent to which there was clear evidence that these processes would deliver greater efficiency or cost savings without jeopardising quality.
- There had been a widespread failure to assess impact of reforms before they are undertaken.
- Broadly the tendency had been for governments to cut public expenditure rather

than consider ways of to increase revenues.

- There was clear evidence of an impoverishment of social dialogue and need to take action to strengthen or even start rebuilding social dialogue in some countries.

The 15 country studies that followed provided plenty of detail to support these key conclusions.

EPSU general secretary, Carola Fischbach-Pyttel, welcomed the report and said that it showed very clearly that “the ailing economies of Europe are being prescribed the wrong medicine and the large doses of austerity are making the patients weaker and not stronger.”

Jan Willem Goudriaan, deputy general secretary of EPSU, underlined the importance of public services to the economy. He said: “The broad cuts across the public sector pose a real threat to the crucial services provided by our members across Europe. Safety and security are at risk in all sectors of the economy if public agencies don’t have the staff and resources to do their work effectively.”

Labour ministers from four countries (Czech Republic, Latvia, Lithuania and Romania) were joined by a representative of the Spanish central administration to discuss how governments were dealing with the issues of restructuring and social dialogue. While all were supportive in general terms about the importance of social dialogue, none of the five explicitly addressed the weakening or undermining social dialogue in their own country.

They were joined on the panel by ETUC general secretary Bernadette Ségol who stressed the need to understand the nature of the public service mission and that it couldn’t necessarily be delivered with private sector methods nor could it be replaced on a large scale by charitable or voluntary provision.

Also on the panel was Milena Angelova of the CEEP, the Centre of Employers and Enterprises providing Public services, who said that there was a need for a long-term approach that looked at the need for public investment and what could be done to maintain and improve the attractiveness of the public sector as an employer.

Representatives of the employers in Romania (private sector) and Germany (local authorities) underlined the importance of social dialogue in the process of restructuring and in creating a stable environment.

EPSU representatives from nearly all EU Member States and Candidate Countries took part and several were able to contribute to the various discussions. Three members of the Executive Committee commented on specific sessions.

Richard Holzer from GÖD in Austria challenged a speaker from the Irish employers' organisation and argued that public sector unions were conscious of the need to improve efficiency but were doubtful of the lessons that could be learnt from a private sector that had been responsible for the financial and economic crisis.

Rosa Pavanelli from FP-CGIL in Italy said that the situation in Italy reflected the situation in many other European countries with a government making positive statements about the need for public investment and social dialogue while failing to take any real steps to promote either in practice.

Cristina Iftimescu from the Sanitas health union in Romania warned of the potential long-term damage being caused by the current restructuring, underlining the difficulties already created by large-scale emigration of health workers from her country and other parts of Central and Eastern Europe.

EPSU general secretary Carola Fischbach-Pyttel took part in a panel discussion on the European sectoral social dialogue with representatives of the CEMR local government and EUAPE central government employer organisations. The debate focused on the ways that EPSU and the employers had worked together on key issues like restructuring and how there was potential for further cooperation in the future on important themes such as sustainable development.

Public sector adjustments in Europe: scope, effects and policy issues, edited by Daniel Vaughan-Whitehead, ILO, June 2012

- EPSU briefing for the ILO/EC conference 21-22 June 2012

“Adjustments in the Public Sector in Europe: Scope, Effects and Policy Issues”

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