Modernisation of public administration in the Annual Growth Survey(s)

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1. MPA understanding
2. Situation in the EU
3. MPA in previous AGS
4. Analytical dimensions of MPA
5. MPA in 2015 CSRs
6. Reforms on MPA
   6A. overview EU
   6B. country cases: CZ, FI, FR, IR, IT
1. MPA understanding

• Since 2012 MPA is among the AGS priorities

• But what is meant by MPA?
  – Diversity of understandings and arrangements within the EU
  – EC approach not straightforward
    • mainly based on contribution to economic and employment growth: “smart regulation”
      – Cutting the red tape for businesses (SMEs)
      – Costs/benefits approach – reduction of public spending
Based on World Bank indicators on 6 dimensions: voice and accountability; political stability and absence of violence/terrorism; government effectiveness; regulatory quality; rule of law; control of corruption. Index varies between -2.6 and +2.6.
### 3. MPA in previous AGS & CSR

| Source: European Commission AGS for 2012 to 2014, challenge table for 2015 |

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- **public services and regulation**
- **public administration and smart regulation**
- **administrative modernisation and rule of law**
4. Analytical dimensions of MPA

1. Governance organisation & institutions
2. Tools of modernisation
3. Administrative burden on businesses
4. Efficiency in use of (EU) public funds
5. Justice system (quality, efficiency, independence)
6. corruption
5. MPA in 2015 CSRs
5.1 GOVERNANCE ORGANISATION & INSTITUTIONS

- Horizontal and vertical coordination of governance levels
  HR; FR (decentralisation); IT; ES; DE; FI
- Restructuring/privatization of State owned companies
  LV; LT; PT; SI; AT DE (banks)
- Increase efficiency tax systems
  FR; HU; IT; MT; PT; SK
- (social) housing policy
  NL; PT
- Shadow economy
  PT; IT; BG; RO; ES
5.2 TOOLS FOR MODERNISATION

- e-governement
  - BG
- HR management
  - BG; SK
- Evidence-based instruments
  - PT; SI; SK
- CZ: long awaited Public Service Act
5.3 REGULATORY AND ADMINISTRATIVE BURDEN FOR BUSINESSES

- Time and costs to start business
  FR; HU; IT; LV; LT; PT; SI; SK; ES; HR; PL; DK
- Reform of regulated professions
  AT; CZ; FR; PL; SI; ES
- Insolvency procedures
  BG; LV
- Payment delays
  PT
- Tax compliance burden
  HU
5.4 EFFICIENCY PUBLIC INVESTMENT

• EU Funds
  CZ; HR; IT (especially South)
• Low value public contracts
  AT; DE
• Improve public procurement system
  BG; CZ; HU; MT; SK
• e-procurement
  HU; IT
• Implementation public tenders at local level
  CZ
• Management public companies
  HR
5.5 JUSTICE SYSTEM

• Quality
  BG; HR; SK; ES; IR (Legal Services Regulation Bill)

• Efficiency
  HR; IT; LV; MT; PT; SI; SK; IR

• Independence
  BG
5.6 CORRUPTION

• Irregular payments/ bribes/ diversion public funds

BG; CZ; HR; HU; SI; SK; IT; ES
6. Reforms on MPA
6A. EU overview
Total number of identified reforms by MPA dimensions - NRP 2015

- Corruption: 7
- Justice system: 13
- Tools of modernisation: 25
- Efficiency public investment: 32
- Governance organisation & institutions: 39
- Administrative burden on businesses: 42
Identified reforms by countries - administrative burden on businesses
Identified reforms by countries - corruption
6B. Thematic overview of country cases
6B.1 GOVERNANCE AND INSTITUTIONS

Czech Republic
- Civil Service Act ultimately occurred in 2014
- conceived to regulate areas related to the coordination of governance and the quality and efficiency of the PA, as well as the introduction of important tools of modernisation such as improved HR management and wage settings procedures
- ‘efficiency of the tax system’ : adoption a new system of VAT collection (extension of the reverse-charge mechanism to more goods and services ) and new measures to tackle tax evasion (strengthened cooperation between the fiscal administration, customs and police officers) and improvements in electronic information

France
- a review of missions carried out by the State at the central level and decentralized to avoid redundancies identified in certain public policies, including the action of local authorities (implementation on 2015 and 2016)
- Merger of Regions to 1\textsuperscript{st} January 2016
- consolidation of the regional services of the State, in order to adapt them to the new map of the regions and in the same calendar.
- Facilitate mergers between local authorities, specify the territorial organization and inciting the rationalization of expenditure
  - creation of cities and regions of European size, incentives to mergers of municipalities and prohibition of cumulation of mandates
  - suppression of the general jurisdiction clause, clarification of competences, strengthening of the region and the intercommunality
  - implementation of the Odedel, decrease of financial assistance from the State to local communities and reform overall staffing operation.
Italy
• Law n. 56/2014: modifying the composition of their elected bodies of Italian provinces and by changing their competences
• constitutional reform is being debated by the Parliament. Foresees: changes in the distribution of legislative competences among the State and the regions and a review of the law-making process, with the Senate expected to keep legislative competences only on a reduced number of matters.
• State territorial offices (‘Uffici territoriali dello Stato’): single contact point between citizens and decentralised State structures

Finland
• The ‘Local Government Structure Act’, which entered into force the 1st July 2013, aims at promoting mergers of municipalities by obliging them to jointly conduct studies on the potential benefits of mergers
  • metropolitan authority in the Helsinki region with a view to better addressing problems related to land use, housing and transport in that area
• the ‘Act on the Arrangement of Social and Healthcare Services’ aiming at transferring administrative responsibilities over those services from municipalities to five regional providers
6B.2 TOOLS FOR MODERNISATION

Czech Republic

• e-Government tools.
• new Strategic Framework for the Development of Public Administration of the Czech Republic for the Period 2014-2020
• Reform increasing the efficiency and effectiveness of the ‘Public Employment Services’
  • consistent hiring in the sector, methods of working both with the unemployed and with employers, specific training, performance evaluation, monitoring indicators
6B.3 ADMINISTRATIVE AND REGULATORY BURDEN

Simplification of regulations

Czech Republic
• new Civic Code and a new Law on Trading Companies: reduction of time and cost to start a business
• 34 measures to reduce administrative burden implemented by the end of 2013 and 60 measures have been set as a new goal by 31st December 2015
• an ‘expert group on systematic reduction of the administrative burden on businesses’ established in April 2014, which will collect and address complaints coming from the business environment directly

France
• establishment in January 2014 of the Council of the simplification of businesses
  • this Council announces new simplification measures every 6 months, and presents the balance sheet of the implementation of the measures already announced. He makes proposals implemented by different legal instruments (laws, orders, decrees, orders) or changes in organization of the administration. The Council introduced in April 2014 a first series of 50 measures, translated for their legislative arm in the Act of 20 December 2014 to simplify the life of companies
• law on the simplification of the corporate life
• implementation of the principle 'silence is agreement '
• program 'tell us once '.
• referral to administration electronically

Italy
• ‘Simplification Agenda for 2015-2017’
• ‘Public system for the management of digital identity of citizens and enterprises’

Finland
• simplifying licencing requirements. Simplification mainly concerns some sector-specific permits and permits related to construction and the environment
• ‘National Digital Services Infrastructure’ to increase the availability of e-government services
Remove restrictions to access and exercise of regulated professions

France
- Act relating to consumption, law on taxis and VTC, legislation concerning the regulated professions of law and the figure
- Regulatory modernization for the professions of law in the Bill for growth, activity and equality of economic opportunity: this Bill modernizes the functioning of certain legal and judicial professions of freedom of establishment to facilitate the entry of new players

Ireland
- Legal Services Regulation Bill
- Introduce independent regulation and implement recommendations around transparency and competition made by the Competition Authority and the Legal Costs Working Group
6B.4 EFFICIENCY USE OF PUBLIC FUNDS

improvement of the public procurement system

Czech Republic
• Public Procurement Act.
• further steps aiming at improving the transparency of public tenders through the adoption of the technical amendment to the Public Procurement Act
• coming planned adoption of a new Public Procurement Act

Italy
• A National Strategy for Public Procurement is being developed
• a draft enabling law for the reform of the public procurement code (also aimed at transposing the new directives on EU public procurements) was tabled by government but not approved yet

management of the EU funds

Czech Republic
• Improvement of functioning of the Czech Audit Authority and to the absorption of the funds
• implementation of harmonized rules and administrative procedures for all implementation bodies

Italy
• set-up of the Agency for Territorial Cohesion: part of a broader attempt to reform the governance of cohesion policies by reinforcing planning, coordination and monitoring functions of the central administration. The Agency is expected to support and monitor the implementation of the operational programmes and to directly manage specific programmes and measures.
6B.5 REFORMS OF JUSTICE

Italy
- efficiency of civil justice:
  - the reorganization of the judicial geography (through the reduction of the number of first instance civil courts) and the creation of specialized courts for businesses
  - measures reinforcing digitalization in civil, administrative and tax-related trials
  - measures introducing accelerated administrative proceedings concerning public procurement
  - and measures aiming at reducing the backlog of civil cases
  - reform of the civil proceedings, with the aim to reduce their length extend the competences of business courts and create courts specialized in family law disputes and human rights.

Ireland
- important reform of the court system (“the Act”). A new Court of Appeal is instituted between the High Court and the Supreme Court, and the scope of the jurisdiction of Circuit Courts and of Districts Courts is extended.
- Improvement of data collection systems on judicial proceedings
- removal of the ‘solicitor’s lien’
Czech Republic
• since 1999 the Czech Republic has adopted five different Anti-corruption action plans but in the last three years the country has met with consistent delays in the adoption of the legislation on the subject matter
• the new strategy adopted for the year 2015 include missing measures : Acts on financial control, public prosecution, financing of political parties, protection of whistle-blowers, a new policy on the management of state-owned companies and an amendment to the Act to free access to information.

Italy
• initiatives to reinforce the powers of the Italian National Anti-corruption authority (ANAC) – whose function is to prevent and tackle corruption in the public administration