



Press release of the Public Services Employers' Forum

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Employers of Public Services in Europe call on EU policy-makers to “think the future”

In a joint declaration prepared in view of the Tripartite Social Summit of 18 October, partners of the Public Services Employers' Forum (PSEF) have highlighted the need for EU policy-makers to “think the future”.

The declaration puts forward several suggestions structured around three key messages that address major challenges for Europe's future:

- Adopt a long-term view while planning the future;
- Adopt measures to mitigate the effects of demographic and human resources change, especially in view of the high number of employees leaving the labour market in the next few years;
- Ensure that Public Services Obligations are respected by public authorities all over Europe.

Looking at the macro-economic framework, partners of the PSEF urged that the necessary recovery of economic fundamentals should not take place to the detriment of essential investments. Budgets for public services should be viewed with great care as their direct and indirect contribution to the economy has an important impact for Europe's future infrastructure and investment. Austerity programmes may indeed be necessary in some circumstances, but they should remove inefficiencies or inessentials rather than damage the ability to provide essential services effectively and sustainably.

Public services contribute more than 26% to the EU GDP and employ around 64 million people, corresponding to around 30% of the EU workforce. The services provided are essential for Europe's economic, social and territorial cohesion.



Signatories to the declaration include: CEEP – European Centre of Employers and Enterprises providing Public Services, EURELECTRIC – Union of the Electricity Industry, HOSPEEM – European Hospital and Healthcare Employers’ Association, EFEE – European Federation of Education Employers, CER – The Community of European Railway and Infrastructure Companies, CEMR – Council of European Municipalities and Regions, UITP – International Association of Public Transport.

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Joint declaration

Thinking the future

Europe is at a turning point. Important decisions need to be made to ensure smart, sustainable and inclusive growth for the future. With this declaration, partners of the Public Services Employers' Forum put forward their ideas for a better future for Europe.

Europeans need to be bold and optimistic about their future. While there is no room for complacency about the financial, demographic, competitive and environmental challenges we face, we are not powerless to rise above those challenges. With the right support from policymakers, public service providers can continue to be the physical and social backbone of our market economies.

Public services provide the critical infrastructure for the functioning of the economy and society. They contribute more than 26% to the EU GDP and employ around 64 million people, corresponding to around 30% of the workforce.

Public services (or services of general interest) provide services that are essential for Europe's economic, social and territorial cohesion. Regardless of their ownership, structure or whether they are provided under public service obligations or universal service obligations, public services are key to our economy and in particular to the development of a sustainable future.

At a time when public service providers are facing huge challenges, partners of the PSEF would like to emphasise three key ideas that are crucial to the ability of public services to play their full part in ensuring a dynamic future for Europe:



1- Ensure continuous support

It is imperative to ensure that public services continue to function as effectively and efficiently as possible. An economy without a backbone has no chance of recovery; and without recovery, there is no growth.

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The necessary recovery of economic fundamentals should not be made to the detriment of essential investments. **Budgets for public services should be viewed with great care as their direct and indirect contribution to the economy has an important impact for Europe's future infrastructure and investment. Austerity programmes may indeed be necessary in some circumstances, but they should remove inefficiencies or inessentials rather than damaging the ability to provide essential services effectively and sustainably.**

The current negotiation on the EU's Multi-Annual Financial Framework is of great importance. Care must be taken to ensure that the budget lines on the Connecting Europe Facility and the cohesion policies for the programming period 2014-2020 are preserved.

We also urge governments and public authorities to respect their part in contracts related to public service obligations (PSOs). The lack of respect of PSOs creates adverse effects in the provision of services that hinders future development.

Under-compensation of PSOs enhances market distrust. Without a fair, appropriate and proportionate compensation of the PSO a decent quality of services cannot be maintained.

Investing in public services creates assets for the future of Europe. If public services are not properly supported, the health and skills of employees, as well as the essential infrastructure of Europe cannot be maintained at the appropriate level. This will have long-term effects on domestic productivity and by consequence on the entire economy, compromising the ability of member states to recover from the economic crisis.

Public services are essential for Europe's future. Employers and enterprises of public services are working towards a better future, but this requires the help and support of political leaders at national and European level.



As a consequence, policy-makers should:

1. Ensure that public service obligations are respected and duly compensated by authorities all over Europe;
2. Ensure the proper and quick implementation of the Project Bond Initiative as agreed by the European Council on the 27th of June 2012;
3. Work closely with national social partners in member states to ensure a public debate on the role and importance of public services and the consequences for the population and future economic growth if essential public services were not or partially delivered.

2- Adopt a long-term view in planning the future

The building of a new railway line has a direct impact on territorial and economic cohesion. The provision of education or healthcare is a clear commitment to social cohesion and future economic development. The same reasoning can be applied to all public services.

Investment in public services pays off. Each euro publically invested in rail infrastructure brings an added value of two euros for national economies¹. Every direct employment in public transport creates 2.5 jobs indirectly². The millions of students in our schools and universities are acquiring the knowledge, skills and competences needed in the modern labour market. Each hospital and clinic contributes to the improving health and well-being of our society.

Services of general interest (SGIs) are fundamental to economic, social and territorial cohesion. Their approach to integrated, measured planning facilitates the cohesive growth of a Europe ready to meet its Europe 2020 targets at all levels. The decisions we take today will impact our future!

As a consequence, political leaders should:

1. Consider the impact of each of their decisions on the current and next generations;
2. Support innovation, research and education as a key for future growth;

¹ OBB-Economic, "Evaluation of the Rahmenplan 2009-2014", Institute for Advanced Studies (IHS), 2010

² CEEP, "Anticipation of Change in Public Services", 2010..



3. Support the development of green jobs. Providing 170 million passenger journeys a day, public transport plays a crucial role in the modal transfer towards a smaller environmental footprint.

3- Adopt measures to mitigate the effects of demographic and Human Resources change

Baby-boomers have started to retire from the labour market and fewer younger people are entering the labour market, as a result of the low birth rate. At the same time, there are significantly increasing numbers of elderly people for whom adequate pensions and health and long-term care provision will have to be secured.

Public services are faced with two types of problems. They generally have an older workforce than other parts of the economy. This means that a large part of the workforce needs to be replaced in the next 10 years and/or that ways of providing effective services with fewer people have to be found. This share can reach up to 30% of the workforce in some sectors³. At the same time, public services have to deal with much higher costs of demographic change than other parts of the economy, namely in delivering public services to an ageing population.

On top of this, employers need to work harder to match skills with the increased complexities of the workplace⁴. Technological and technical change, greener services, and increased flexibility are all factors causing employers in public services to adapt to change: new recruitment methods and increased skills management process but there is also the need to work on the attractiveness of public services.

As a consequence, we would:

- **Highlight the importance of social dialogue** at all levels, while underlining that social dialogue is key to resolving the crisis and challenges facing the enterprises. We call upon the EU institutions and national governments to support this dialogue;

³ EVA, "Employability in the face of demographic change-prospects for the European Rail Sector: A practical guide to design the future", 2011.

⁴ See for more information reports for the "Change in Public Services" project



- **Underline** the importance of education, good skills & competences and life-long learning to enable public services to provide services with high standards. This will help to attract new highly skilled workers to replace the large number of workers who will retire in the next decades.

In conclusion, and with a view to ensuring long-term, sustainable growth in Europe, PSEF recommends that European policymakers:

- **Adopt a long-term view while planning the future;**
- **Adopt measures to mitigate the effects of demographic and human resources change;**
- **Ensure respect for public services obligations.**



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The Public Services Employers' Forum is an informal forum of European employers' organisations collaborating on matters of joint interest. Partners are: CEEP, UITP, CER, EFEE, HOSPEEM, EURELECTIC and CEMR.

