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Well-performing public services for a fair and resilient European society

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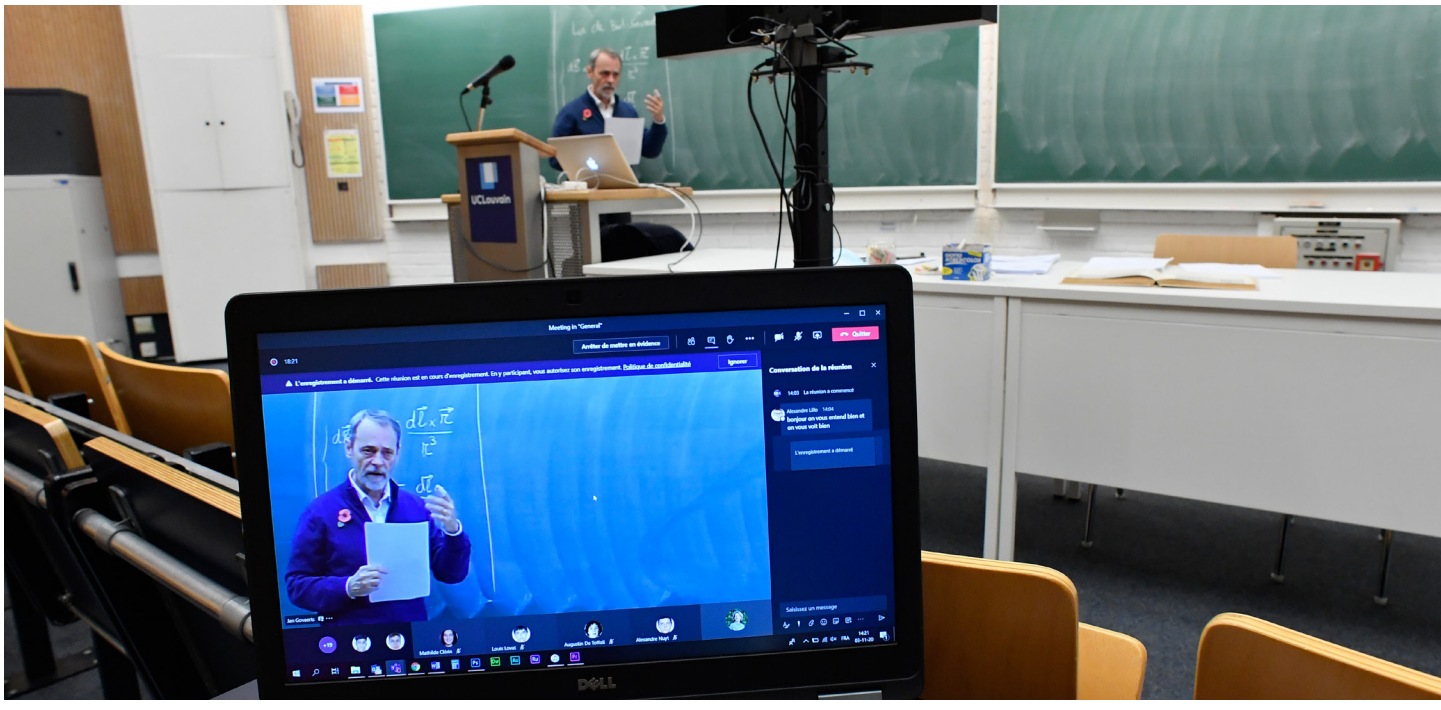

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List of abbreviations

ASGS	Annual Sustainable Growth Strategy
CEEP	European Centre of Employers and Enterprises providing Public Services
CESI	European Confederation of Independent Trade Unions
COFOG	Classification of the Functions of Government
CSR	country-specific recommendation
DESI	Digital Economy and Society Index
ECB	European Central Bank
EPC	European Policy Centre
EPSR	European Pillar of Social Rights
ESF+	European Social Fund Plus
EU LFS	European Union Labour Force Survey
HR	human resource(s)
ICT	information and communications technology
NACE	Statistical Classification of Economic Activities in the European Community
OECD	Organisation for Economic Co-operation and Development
OOP	out-of-pocket payment
PULSER	Performing public services and performing public service personnel for the best possible implementation of the European Pillar of Social Rights
R&D	research and development
RRF	Recovery and Resilience Facility

Executive summary

Is the European public service sector ready to realise the lofty ambitions of the European Pillar of Social Rights and guarantee equal opportunities and access to jobs, fair working conditions and social protection?

This European Policy Centre (EPC) Issue Paper, produced with the support of the European Confederation of Independent Trade Unions (CESI), analyses how certain global trends are challenging the operating models of Europe's public service sector.

Digitalisation requires the public service workforce to upgrade their digital skills, and more investment in digital infrastructure. An ageing population is putting a heavier burden on both the supply and demand of public services. On the one hand, the EU public service workforce is getting older, while it is becoming increasingly difficult to recruit young talent. On the other, an ageing population means a rise in the demand for health- and long-term care, and more people needing to rely on social protection systems.

Public service providers in Europe, having to meet increasing demands, must also deal with budgetary concerns. And although employment trends in this sector look more favourable than those in the broader economy, the relatively high incidence of atypical work contracts presents a challenge.

Furthermore, the COVID-19 crisis has exposed structural weaknesses in the sector. Among them are the absence of emergency preparedness, the lack of adequate budgets and fragile supply chains.

There are also significant differences between the EU member states. Eastern and Southern European countries will suffer more from demographic changes and are already characterised by low levels of public trust in their public institutions. Since institutional trust is crucial for public services to achieve their objectives, and public service performance essential for maintaining institutional trust, these countries could become trapped in a vicious cycle that damages the performance of their public service providers further.

To help European public services cope with these challenges and prepare for future disruptions, EU member states and European institutions must set an **EU public service agenda** centred on five building blocks:

- National governments must be encouraged to renew their support for public services, addressing the current financial and investment shortcomings.
- EU member states must aim to improve the resilience and service quality of public services through comprehensive and ambitious reforms.
- The public sector workforce must be equipped with the right tools to face the ongoing transformations.
- European public services must attract new and young talent to address labour shortages.
- Public services must be digitalised to meet the expectations of consumers.

The EU has a crucial role in incentivising its member states to build future-proof public services, by steering innovative and progressive changes, not least through the European Semester process which is now intrinsically linked with the Recovery and Resilience Facility.

Chapter 1 studies the EU public service sector as a whole and analyses its evolution over the last two decades. It provides a general understanding of how the COVID-19 pandemic exacerbates global and continent-wide challenges and transformations, and identifies structural weaknesses. Chapter 2 dives into recent developments in four specific public services: (i) central, regional and local administration; (ii) healthcare; (iii) education; and (iv) public order and safety. Finally, Chapter 3 outlines the building blocks of a revamped EU public service agenda that would enable EU countries to better equip their public sectors and deliver on the European Pillar of Social Rights' promises and ambitions.

If the European Pillar of Social Rights is to be implemented, member states must support their public services adequately, now more than ever. Only then will the European public service sector continue to deliver economic and social prosperity to its citizens and be resilient in the face of new challenges and trends.

Introduction

In 2015, the then President of the European Commission, Jean-Claude Juncker, announced his intention to build the European Pillar of Social Rights (EPSR), to take stock of European societies' changing realities and serve as a compass for the renewed convergence within the euro area.[1] At that time, European society and economy were very much changing, still recovering from the successive hits of the financial and euro crisis. By 2015, GDP was rising past the -4.4% GDP drop experienced in 2009. However, unemployment remained a problem, as only a handful of countries were recovering from the crises.[2]

The unequal speed of recovery fuelled long-existing trends of rising inequalities, putting the cohesion of the Union at risk. Furthermore, European societal changes were also long in the making due to demographic ageing, globalisation, digitalisation and the subsequent shift in work patterns. These developments were coupled with additional, country-specific social challenges, prompting the Union to act.[3]

After two years of negotiations, the EPSR was proclaimed by the European Parliament, Council and Commission in November 2017. The proclamation document (2017/C 428/09) states that the Pillar aims to guide the member states to efficiently achieve employment and social outcomes when responding to the current and future challenges, and strengthen and deepen the Economic and Monetary Union.

The Pillar is built around 20 principles, which are grouped under three areas of action: (i) equal opportunities and access to the labour market; (ii) fair working conditions; and (iii) social protection and inclusion. The principles range from the right to education, gender equality, secure and adaptable employment, social dialogue, childcare and healthcare, to name but a few.[4]

Although the proclamation signalled an important step towards better social rights, it must be viewed in the context of past EU social policies. Before the EPSR, another similar attempt – the Community Charter of the Fundamental Rights of Workers – was declared by former Commission President Jacques Delors in 1989. This Charter was also not legally binding. However, it did contribute to the adoption of numerous EU social policies that expanded social rights for EU workers, including directives on occupational health and safety, posted workers, working time, pregnant workers and young workers.[5]

Many of the 2017's EPSR principles had already been laid out in the Charter of 1989, such as the right to access social protection, education and vocational training, freedom to associate and collectively bargain.[6] However, newer principles aim to enrich the existing scope of the social *acquis*, like the right to an adequate minimum wage.

As such, the EPSR is very much in tune with the EU's previous attempts to expand social rights. Similarly to the Community Charter, the Pillar's impact lies in the groundwork it laid for new social legislation, such as the Directive on Transparent and Predictable Working Conditions (2019/1152) and the Work-life Balance Directive (2019/1158).

Although the EPSR signalled an important step towards better social rights, it must be viewed in the context of past EU social policies. It is very much in tune with the EU's previous attempts to expand social rights.

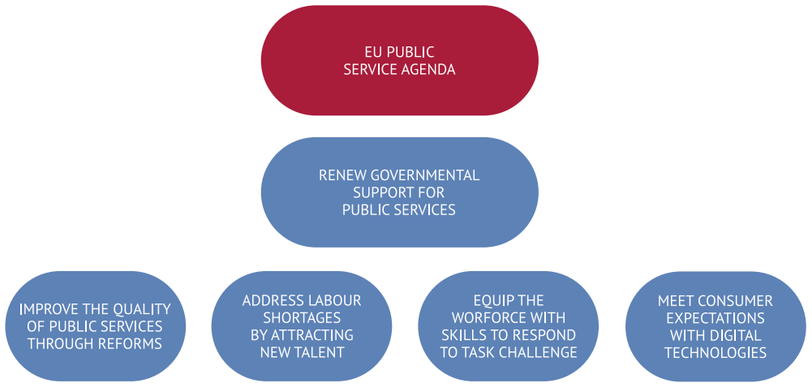
Apart from these two directives, the non-binding nature of the EPSR proclamation means that its implementation – turning the 20 principles from social goals to effective rights – requires legislative measures and actions at the member state level to increase the quality and access to public services. Several principles, such as the right to quality and inclusive education, and to affordable, preventive and curative healthcare, drive this point home. In order to implement the Pillar, the performance and vulnerabilities of public services must be examined to ensure that they are fit for the task.

For its part, the European Commission presented the Social Scoreboard in 2017, which laid out 14 indicators to be integrated into the European Semester mechanism and for measuring member states' progress in implementing the Pillar. However, the indicators do not cover all 20 principles, such as access to social housing. More is needed to assess whether public service providers across the Union are funded adequately and have the capacity to match the demands enshrined in the principles of the Pillar.

The "PULSER – Performing public services and performing public service personnel for the best possible implementation of the European Pillar of Social Rights" project is funded by the European Commission and is delivered by the European Confederation of Independent Trade Unions (CESI). Running between December 2019 and December 2021, this project aims to assist European public service providers in meeting the Pillar's objectives. As the implementation of the EPSR is tied to the performance of public services, the European Policy Centre (EPC) bridges the gaps in the understanding of the state of European public services. This Issue Paper analyses the interplay between public service performance, global transformations and challenges in the sector, and employment trends across the Union, to map out which vulnerabilities stand in the way of implementing the EPSR fully.

Fig. 1

THE BUILDING BLOCKS OF A REVAMPED EU PUBLIC SERVICE AGENDA



METHODOLOGY

Throughout this Issue Paper, the authors use a multidisciplinary approach to analyse and measure the state of play of Europe's public service sector. The crux of this research paper is built upon the authors' analysis of Eurostat data, which is complemented by the results of an EPC–CESI survey that was conducted under the PULSER project to increase the latter's comprehensiveness. This data is supported and further enriched by recent academic papers, and reports published by national governments and international institutions.

The crux of this Issue Paper is built upon the authors' analysis of Eurostat data, which is complemented by the results of an EPC–CESI survey that was conducted to increase the PULSER project's comprehensiveness.

To achieve a more comprehensive understanding of the European public service sector, this paper operationalises the definition of public services using two different Eurostat datasets. According to the EU, public services (or services of general interest) are services provided by either the state or the private sector. Public authorities classify them as being of general interest and, therefore, subject to specific obligations. These services can be divided further into three categories:[7]

- services of general economic interest carried out in return for payment (e.g. postal services);
- non-economic services (e.g. the police); and
- social services of general interest, responding to vulnerable citizens' needs and based on the principles of solidarity and equal access (e.g. employment services, social housing).

While this definition of public services is inclusive and respectful of national diversity, it also lacks clarity and operational capacity. To truly capture the differences between public services and their evolution, the definition must be compatible with European datasets.

According to a Eurostat methodological manual,[8] this can be done by referring to either the Classification of the Functions of Government (COFOG) or the Statistical Classification of Economic Activities in the European Community (NACE).[9] While the Organisation for Economic Co-operation and Development (OECD) and UN designed the former as a standard characterising the purposes of government activities, the latter was created by the EU to provide the framework for collecting a large range of statistical data categorised by economic activity.

This Issue Paper employs both COFOG and NACE classifications. More specifically, it uses the COFOG classification, under which Eurostat provides data on government expenditure, to analyse trends in public financing. For employment and working conditions trends, it uses Eurostat datasets organised under the NACE classification. Full consistency between COFOG and NACE codes is hard to achieve, given that each classification defines the activities slightly differently. Nevertheless, the authors provide comparability between the evolutions of public expenditure and working conditions by matching the COFOG and NACE classifications as reliably as possible.

Under the CESI's PULSER project, the EPC designed and conducted a survey based on a questionnaire to fill in the gaps remaining from the authors' analysis of said Eurostat datasets. The survey was aimed at all CESI members: representatives of national trade union institutions who work in public services and have experience with public service providers' issues and needs. Of CESI's 44 members, 14 responded: 7 represent workers from more than one public service sector, 4 represent workers from the education and training sector, 2 operate in public administration, and 1 represents workers from health services.

Chapter 1 studies the EU public service sector as a whole and analyses its evolution over the last two decades, using academic literature. It dives deep into several trends that have significant effects on the provision of public services: public financing, employment trends, trust in public institutions, technological and demographic changes, and, not least, the COVID-19 pandemic. The authors also use Eurostat data and other datasets from similar sources, complemented and enriched with results from the EPC–CESI survey.

Chapter 2 considers the evolution of four specific public services: (i) central, regional and local administration; (ii) healthcare; (iii) education; and (iv) public order and safety. It identifies and compares their financing, employment levels, working conditions and profile of workers to better understand each sector's specificities and these factors' impact on the quality of services. This chapter is based on the authors' calculations using publicly available data, as well as Eurostat data sent to the EPC upon request, between March and June 2020. It originates from the European Union Labour Force Survey (EU LFS) and reports the ages and educational backgrounds of the public service workforce. It also presents the numbers of both usual and atypical working hours of the workforce, as well as the prevalence of atypical contracts.

Finally, Chapter 3 outlines the building blocks of a revamped EU public service agenda that would enable EU countries to better equip their public sectors and deliver the European Pillar of Social Rights' promises and ambitions. More concretely, it provides multiple recommendations for EU policymakers to ensure social and economic prosperity for all European citizens. The recommendations can be grouped into five foundational steps: (i) renewing governmental support for public services; (ii) reforming public service; (iii) recruiting new talent; (iv) training workforces to have the skills to meet today's expectations; and (v) digitalising public services (see Figure 1).

Chapter 1: A panorama of public services in the EU

This chapter analyses the challenges which European public services face and determines whether they are prepared to implement the ambitious agenda of the EPSR. It maps the evolution of public services in terms of public financing and employment trends. Moreover, it analyses how trust in public institutions, technological disruptions, demographic changes and the COVID-19 pandemic are impacting the sector, to provide further context for their evolution.

1.1. THE EVOLUTION OF PUBLIC FINANCING[10]

The provision of quality public services is essential to the best implementation of the EPSR. To this end, it is crucial to pay attention to their financing, to assess whether they are sufficiently funded for the purpose they aim to serve.

One of the particularities of EU public services is that they are subjected to specific obligations to ensure that they are made available to the public. Besides these obligations, the member states also have a high level of discretion to determine how public services are organised and financed, which results in a wide variety and complexity of operating and funding models, from public ownership to direct payments funding (parts of) operational costs.[11]

Throughout these models, however, public sources play a crucial part in the financing stream. Taking healthcare as a prime example, while financing schemes differ from country to country – even in those where insurers play a significant role in financing the cost –, there is still a substantial amount of government funding. Direct government payments fund operational costs or investments in hospitals, to finance services that cannot be provided cost-effectively.[12]

As such, it is important to study the evolution of government financing in public services. However, covering all the services is complicated, given the classification issues discussed above (see Introduction). To ensure that the analysis of public financing matches that of employment trends, this chapter only focuses on health and social work,[13] education, public administration and the defence industry.[14]

In 2018, government expenditure on public services represented 23.6% of EU27 GDP. After an initial decline between 2001 and 2007, the 2008 financial crisis raised spending to a record high of 24.8% in 2009. Although it had dropped since, in 2018, expenditure remained 4.4% higher than in 2001, when it stood at 22.6%.

In 2018, Nordic countries spent the highest proportion of their GDP on public services: 31.9% in Denmark, 29.4% in Sweden and 28.6% in Finland. Southern European countries spent less, with figures ranging from 17.9% in Malta to 21.5% in Italy. In Western and Eastern Europe, national trends on government expenditure cannot be easily grouped based on geography. Western European countries, such as Belgium (27.4%) and France (27.1%), spent more than the EU27 average. However, Ireland (14.2%) had the lowest expenditure of all member states. Similarly, while Eastern European countries are mostly at the bottom of the list, with Bulgaria spending 17.4% and Romania 17.5% of their GDP, Hungary (24.1%) and Estonia (23.8%) are at the top.

When studying the evolution of trends, it is worth noting that public financing as a percentage of GDP increased in most EU member states between 2001 and 2018 (i.e. 15 out of 27). The most significant increases in public spending were registered in Estonia (+16.1%), Luxembourg (+15.6%), Belgium (+13.2%) and Latvia (+13.2%). However, several Eastern and Southern European countries, namely Slovenia (-13.5%), Portugal (-13.2%) and Croatia (-7.5%), turned from leaders to laggards during the same period.

Public financing in public services as a percentage of GDP increased in most EU member states between 2001 and 2018.

Another trend underway between 2001 and 2018 was the increasing national divergence in spending patterns. The differences between the highest- and lowest-spending countries increased from 14.5 percentage points in 2001 (Denmark 30.7% and Romania 16.2%) to 17.7 in 2018 (Denmark 31.9% and Ireland 14.2%). Furthermore, when looking at the evolution of standard deviation across the analysed period – a method used to evaluate whether countries become more or less similar –, it can be observed that member state expenditure has become more divergent, as the standard deviation increased from 3.5 in 2001 to 3.8 in 2018.

When breaking down the aggregate to look at expenditure on specific government functions, essential differences can be observed. In 2018, government expenditures varied significantly between public services, with EU spending on health and social services at 12.2% of EU27 GDP, public administration and defence services respectively at 6.8%, and education at 4.6%. Furthermore, while expenditure on health and social services grew (+10.9%), public administration spending stagnated, and education expenditure shrunk (-4.2%).

Beyond total government expenditure, government investment grants must also be studied. In cash or in kind, these are capital transfers made to institutional units to finance all or part of the costs of acquiring fixed assets, such as property or specialised equipment. It is an important indicator to measure how public services are being modernised to fill the needs of a modern socioeconomic reality.

EU public investment in the analysed services experienced a -33.5% negative growth between 2001 and 2018, from 0.12% to 0.08% of EU27 GDP.[15] Similarly, when looking at investment by government function, all services registered significant negative growth, ranging from -4.2% in education to -45.7% in public administration and defence services.

Although there is an overall growth in public service spending and increasing demand for services, providers report problematic budget constraints. This, in turn, is the primary driver pushing to make public services more efficient. According to a survey conducted by the European Centre of Employers and Enterprises providing Public Services (CEEP) in 2019, almost half of the respondent public service providers (48%) single out budgetary constraints and limited investment capabilities as one of their main challenges.[16]

Although there is an overall growth in public service spending and increasing demand for services, providers report problematic budget constraints.

The EPC–CESI survey conducted in the context of this study showcases similar results. Most public service trade unions (71%) stated that public service providers are not adequately funded to perform their mission. 43% pointed out that a lack of equipment is hindering their activities.[17] 67% mentioned the combined lack of investment and equipment as a reason why their sector is unable to implement the EPSR.

According to the European Commission's High-Level Task Force on Investing in Social Infrastructure in Europe, the investment gap in European public services is widening.[18] In the case of education and lifelong learning services, there is an acute need for more educational facilities and renovation. Investment should also target the technological infrastructure needs of schools and universities. As for healthcare, infrastructure investments are often delayed, fixated on hospital care, and overlooking preventive measures. Similarly to education, more investment is needed for digital platforms, data gathering and interoperability.

Although European member states increased their respective expenditure in public services over the last two decades, declining investment and an increase in demand for public services point towards the need for more government support. Geographic differences remain relevant at the European level, with some countries – especially those from Northern and Western Europe – spending more resources to provide adequate public services, while the others allocate more modest sums.

1.2. EMPLOYMENT TRENDS IN PUBLIC SERVICES

The provision of quality public services rests in no small part on the industry's ability to attract workers and provide good working conditions. To this end, it is important to analyse the evolution of employment trends in each sector to map whether European public services are fit for purpose and prepared to implement the EPSR.

Having a meaningful overview of employment trends in public services is a difficult task given the wide variety of forms and sectors in which they operate. However, according to 2010 CEEP analysis, almost 90% of employment in the public service sector was covered by a limited number of services: health and social work, education, public administration and defence, public transport, railway, postal services and telecommunications. In fact, around 80% was covered by the first three services alone.[19]

Employment in public services in the EU27 represented 24.8% of overall employment in 2019, increasing by +8.8% since 2008.

Due to their relevance and data availability, this section will focus on these three public services: (i) health and social work; (ii) education; and (iii) public administration and defence. The analysis will study different aspects, such as labour force, working time and contractual arrangements.

Employment in public services in the EU27 represented 24.8% of overall employment in 2019, increasing by +8.8% since 2008. When looking beyond EU aggregates, significant geographic differences can be observed. All Nordic states had above-average public service employment levels in 2019: 33.4% in Sweden, 32.1% in Denmark and 28.2% in Finland. In comparison, all countries from Eastern Europe were below the EU27 average, with Romania having only 13.9% of its workers employed in this sector. There is more diversity in Western and Southern Europe, with both above- and below-average employment numbers. For example, while most Western European countries were above the EU27 level, Austria was below. Similarly, while most Southern European countries employed less public

Table 1

PUBLIC SERVICE EMPLOYMENT AS A PERCENTAGE OF TOTAL EU LABOUR FORCE

COUNTRY	2008	2019	Growth rates
EU27	22.8%	24.8%	+8.8%
Austria	21.4%	24.1%	+12.5%
Belgium	30.9%	32.0%	+3.5%
Bulgaria	17.8%	17.8%	+0.1%
Croatia	16.5%	22.3%	+34.8%
Cyprus	19.2%	20.2%	+5.6%
Czechia	18.4%	20.3%	+10.3%
Denmark	31.0%	32.1%	+3.5%
Estonia	19.5%	21.6%	+10.8%
Finland	26.2%	28.2%	+7.4%
France	29.6%	31.2%	+5.4%
Germany	24.6%	26.9%	+9.5%
Greece	20.4%	23.3%	+14.3%
Hungary	21.6%	23.5%	+8.8%
Ireland	21.9%	25.3%	+15.4%
Italy	20.2%	20.4%	+0.8%
Latvia	20.7%	22.5%	+8.4%
Lithuania	21.5%	22.9%	+6.3%
Luxembourg	30.2%	28.7%	-4.9%
Malta	24.9%	25.0%	+0.4%
The Netherlands	28.3%	27.4%	-3.1%
Poland	19.1%	20.2%	+5.4%
Portugal	19.1%	24.4%	+28.0%
Romania	13.3%	13.9%	+4.4%
Slovakia	19.8%	23.8%	+20.1%
Slovenia	18.8%	21.5%	+14.5%
Spain	18.3%	22.3%	+21.4%
Sweden	31.7%	33.4%	+5.3%

Source: Authors, based on *Eurostat* [20]

service workers, Malta was above the EU27 average (see Table 1).

These geographic imbalances are also underpinned by the concerns of public service worker representatives. In the EPC–CESI survey, 43% of trade unions and confederations reported understaffing to be one of the most critical challenges to public service performance. Furthermore, 78% mentioned staffing concerns as one of the main issues why the sector is not ready to implement the EPSR.

While the average number of working hours decreased in the rest of the economy over 11 years, it actually increased in public services.

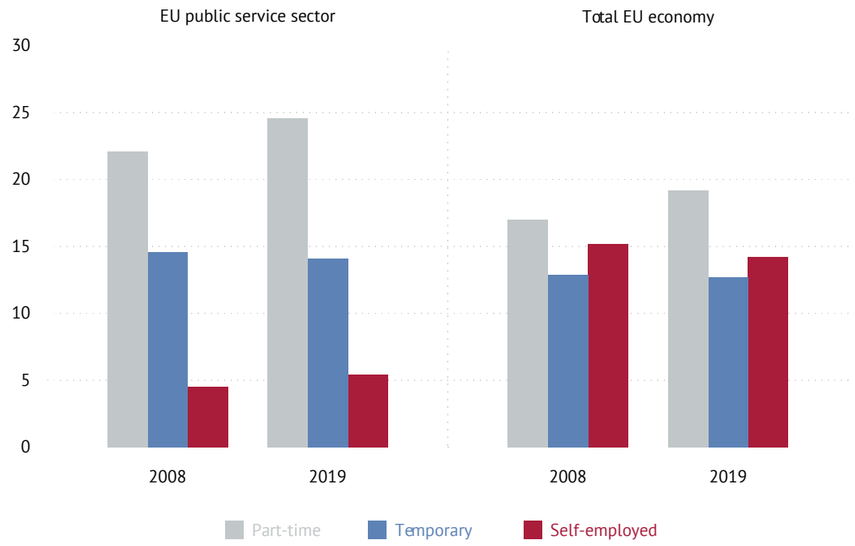
When researching the **working time** at the EU27 level, those employed in public services spend a substantially lower number of hours at work than the rest of the economy: 34.3 compared to 37.1. That being said, while the average number of working hours decreased in the rest of the economy over 11 years, it actually increased in public services. Compared to the -0.9 hour decline in the broader economy between 2008 and 2019, after an initial -0.1 hour drop between 2008 and 2015, the number of working hours in public services increased by +0.1 hours.[21]

In 2019, the hourly difference between those working in public services and the average worker was highest in Italy (4.6 hours), Greece (4.2) and Belgium (3.7). In Croatia and Romania, the public service sector worked 2.3 and 0.3 hours more than the rest of the economy respectively.[22]

When studying the changing patterns of **contractual arrangements** in public services, one can observe diverging trends depending on the type of contract

Fig. 2

ATYPICAL WORK IN EU PUBLIC SERVICE SECTOR (%)



Source: Authors, based on *Eurostat* [23]

in question. In 2019, 12.7% of those employed in the overall EU27 economy performed their services based on temporary work contracts, whereas in public services, that figure stood at 14.1%. Growth rates between 2008 and 2019 showcase a declining trend in the overall number of temporary workers, with those in public services (-3.5%) declining faster than the rest of the economy (-1.3%) (see Figure 2).

Part-time work is also more widespread in public services than in the overall economy. In 2019, 23.6% of public service workers were employed under a part-time contract, compared to only 19.2% in the overall economy. Growth rates between 2008 and 2019 showcase that the number of part-time workers increased faster in the overall economy (+12.8%) than in public services (+11.2%) (see Figure 2).

Lastly, in 2019, self-employment was significantly more common in the wider economy (14.2%) than in public services (5.4%). While their numbers have shrunk by -6.9% since 2008, they grew by +19.9% in public services (see Figure 2).

The incidence of atypical work is not a negative development by default. Nevertheless, in-work poverty is higher among atypical workers, and a significant proportion would rather work under a typical contract. Both temporary and part-time employment offer advantages, such as allowing workers to participate in childcare or eldercare activities or inserting workers in the labour market through apprenticeships. However, in 2019, 25.8% of part-time workers and 52.1% of temporary workers reported accepting atypical contracts because they could not find other forms of employment. Furthermore, the spread of atypical contracts in the EU public service sector is worrying given their higher share of in-work poverty: 14.4% in part-time work compared to 7.5% for full-time employment, and 16.3% in temporary work compared to only 5.9% for permanent jobs.[24] The same holds for self-employment.[25]

The incidence of atypical work is not a negative development by default. Nevertheless, in-work poverty is higher among atypical workers, and a significant proportion would rather work under a typical contract.

Altogether, the employment trends in public services look more favourable than those of the broader economy. The share of workers engaged in public services increased between 2008 and 2019. Although their working hours increased slightly, they still remain below the general average. The incidence of atypical work presents a more complicated picture. Both temporary and part-time contracts are more widespread in public services than in other sectors. While the number of self-employed workers is considerably lower than in the wider economy, its recent growth represents a worrying trend.

1.3. TRUST IN PUBLIC INSTITUTIONS[26]

Trust is a critical ingredient for the efficiency of public services in achieving key policy objectives, such as broad citizen participation in government programmes. Public services like education and healthcare are some of the most trusted institutions, especially compared to national governments.[27] Positive perceptions of public services influence (more) trust in government.

However, the reverse is also true, as negative public attitudes towards central authorities sweep over other services, including public services. As such, negative attitudes towards the government can lead to a poorer evaluation of public service quality and make citizens less inclined to use them.[28] It is therefore important to analyse the European evolution of trust in public institutions, from national governments and local and/or regional authorities to public administrations and justice and legal systems.

Negative attitudes towards the government can lead to a poorer evaluation of public service quality and make citizens less inclined to use them.

The 2001 EU trust level in **central governments** was 47.6%. This was the maximum value attained and the only time in the authors' analysed timeframe where the number of citizens trusting governments overtook those who did not. Since then, trust in governments has declined, reaching its lowest point in 2013 following the financial and euro crises, when only 22.9% of EU citizens trusted their governments. By the end of 2019, EU governments managed to rebuild confidence, with 33.7% of citizens indicating trust in their national governments.

Looking at national variations, in 2019, trust in government was highest in Northern (58.3% average) and Western Europe (46.8%), and lower in Southern (32.8%) and Eastern Europe (32.3%). While trust in government increased in Northern, Western and Eastern European countries from 2004[29] to 2019, it declined by -11.9 percentage points in Southern Europe.

For **regional and local governments**, institutional trust is considerably higher than that for central governments. In 2008, 49.9% of EU27 citizens trusted their regional and local authorities. After a decrease in 2015, when trust was at its lowest point (41.6%), it increased to an all-time high in 2019 (54.4%).

Unlike trust in national governments, the EU27 trend for regional and local authorities is almost universally shared among all member states, with 21 countries experiencing an increase in trust during the analysed timeframe.[30] In 2019, trust levels were highest in Northern (72%) and Western Europe (68.7%), and lowest in Eastern (49.3%) and Southern Europe (44.3%). Between 2008 and 2019, all regions experienced an increase in trust, with Eastern Europe making the most progress (+8.7 percentage points).

Since 2016, the standard Eurobarometer asks citizens how much they trust their **public administration**. Records show that trust has gone up by +4 percentage points and, in 2019, 48.8% of citizens indicated that they trust public administration.

This positive trend applies to most EU countries (i.e. 24 out of 27).[31] In 2019, trust in public administration was highest in Nordic countries (71.4%) and Western Europe (63.6%). In contrast, Eastern (43.6%) and Southern Europe (35.9%) had considerably lower levels. Since 2016, trust has increased in all regions, specifically in Northern Europe, where it increased by +7.8 percentage points.

Lastly, in the case of **justice and legal systems**, in 2019, 51% of EU27 citizens expressed trust. This represents a modest increase of +1.5 percentage points since 2000, when the Eurobarometer started recording data on this matter.

Public service providers' capacity to run smoothly and deliver efficiently is partly affected by citizen perceptions of government, and vice versa.

Once again, when breaking down this aggregate at the 2019 member state level, Nordic countries have the highest levels of trust (82.4%), followed by Western (62.3%), Southern (43.5%) and Eastern Europe (37.1%). While trust has gone up across the Union since 2004, the greatest improvement was recorded in Nordic countries (+12.6 percentage points). The only exception is Southern Europe, where trust declined by -3 percentage points. It is important to note, however, that even within geographical clusters, variations exist. For example, in Southern Europe, between 2004 and 2019, three countries witnessed improved trust levels in their legal system, while they declined in another three.[32]

The data on institutional trust provides ambivalent implications for public services. As previously mentioned, EU citizens' perception of and trust in public services are positively correlated to their trust in government institutions.[33] Hence, public service providers' capacity to run smoothly and deliver efficiently is partly affected by citizen perceptions of government, and vice versa.

In Northern Europe, trust in institutions represents a great asset which allows public services to perform with less friction. Meanwhile, public services in Southern and Eastern Europe find themselves at a disadvantage. More worryingly, while trust in Eastern European public institutions has improved in recent years, Southern Europe is at risk of falling into a vicious cycle where a lack of appreciation for government institutions is reflected in lower levels of trust in public service, which creates less appreciation for governments.

1.4. DEMOGRAPHIC CHANGES AND PUBLIC SERVICES

Demographic changes – 'greying' workforces, understaffing – pose some of the biggest challenges for European public services. Quality public services require an adequate number of employees, and because the European population is getting older, service providers will soon have to compete harder to replace those who will retire.

Based on Eurostat population projections, in the next 50 years, the percentage of EU citizens over 65 will increase from 20.3% in 2019 to 30.3% in 2070. However, while all countries will experience ageing, not all will be affected to the same extent. Taking Nordic countries as examples, 26.2% of the Swedish population will be over 65 by 2070, a +6.3 percentage point increase from 2019. In contrast, 32% of Finland will be over 65, representing an increase of +10.2 percentage points.[34]

As Europe ages and the public service workforce shrinks, the financial pressure on social services to respond to the increased demand and smaller tax base will grow.

Ageing is not the only process that will impact the future delivery of European public services. It is also important to note that the overall population of the EU27 will shrink by -5% in the next 50 years. Again, there are major national differences. While Sweden, Malta, Luxembourg, Cyprus and Ireland will experience population growth of over +20%, other countries will shrink significantly more than the average. Among the latter, Eastern European countries will be most affected, with Romania, Lithuania and Latvia experiencing drops of over -20% due to declining fertility rates and migration.[35]

As the continent ages and the workforce shrinks, the financial pressure on social services to respond to the increased demand and smaller tax base will grow. In fact, the ratio between those paying taxes and social security contributions and those receiving benefits is already declining rapidly. While there were 2.9 persons of working age for every person above 65 in 2019, that number will fall to only 1.7 by 2070.[36]

Furthermore, ageing will accelerate the existing trend of elevated levels of age-related public spending. According to the European Central Bank (ECB), spending on health- and long-term care, predominantly provided by the state, is projected to increase rapidly given that older people are more likely to need these services.[37]

Besides healthcare and pensions, demographic changes are also strongly linked with expenditure on education services. By 2070, expenditure on education as a percentage of EU27 GDP will stabilise at around 4.5% – a small decline compared to 2019 levels. While 15 EU countries will experience an increase in expenditure, the other half will experience a decline. For countries experiencing a reduction in expenditure, the most significant driver would be the lower demand for primary and secondary education.[38]

There are already signs of an ageing workforce, and the numbers of young people set to replace those who will retire are low.

It is essential to recognise that these projections have several built-in assumptions, such as that the number of students per teacher will not change. Besides demographic changes, other factors also play an important role in influencing government education expenditure, such as the involvement of general governments in education systems, the duration of mandatory education, enrolment rates in upper secondary and tertiary education, relative wages in the education sector, and the average size of classes.

Taken together, according to a 2020 European Commission report, the total cost of ageing in the EU –public spending on pensions, healthcare, long-term care, education, unemployment benefits – is projected to account for 26.6% of EU27 GDP by 2070. This would be a +14.2% increase from 2018 (23.3%).[39]

Besides influencing the demand for public services, demographic ageing is also shaping up the supply. With a smaller labour pool, public services will need to compete harder for recruitment. There are already signs of an ageing workforce, and the numbers of young people set to replace those who will retire are low.

Within the broader economy, the percentage of workers above 55 was 20.2% in 2019 – an increase of +6.7 percentage points since 2008. In comparison, this category makes up 23.4% of the public service

workforce. This category also grew faster than in the general economy, with an +8.7% percentage point increase between 2008 and 2019. Among public services, the most aged workforce can be found in the public administration and defence sector (24% over the age of 54), followed by education (23.9%) and health and social services (23.2%). Case in point, 64.4% of trade union responses to the EPC–CESI survey mentioned ageing workforces as a major concern of the public service sector.[40]

Southern and Eastern European countries have the highest differences between the percentages of workers aged 55 and over in their public services, and in total. In 2019, the highest difference was registered in Italy: 22.1% in its total economy and 31.1% in public services. Second was Lithuania: 24.4% in its total economy and 30.9% in public services. In third place, Bulgaria: 22.0% in its total economy and 27.9% in public services.[41]

For public services, changing customer demands must be translated into an institutional response designed around a user-driven perspective.

Eastern Europe will be the region most affected by population decline due to ageing and migration. Coupled with the increasing demand for public services, the workforce age imbalances in the sector will only continue to grow. As such, public services must become a more attractive line of work for young workers and promote new recruitment schemes if they are to stay competitive in the labour market and perform their duties.

For public services, demographic ageing will significantly impact both the demand and supply of services. On the one hand, a greying population will require more services, such as health- and eldercare. On the other, a shrinking working-age population will increase the competition for labour and decrease tax and insurance resources into which providers could tap. It is also bound to accelerate existing geographic inequalities, with faster ageing countries, such as those in Southern and Eastern Europe, being the first to bear the cost of these changes.

1.5. TECHNOLOGICAL CHANGES IN PUBLIC SERVICES

Digitalisation and the wide adoption of new technologies in the workplace are retransforming the European economy. With the rise of customised service delivery pioneered by private digital firms like Uber, Airbnb, Facebook and Amazon, citizens' expectations for public services to adopt similar features have increased in recent years. These prospects relate to usability, accessibility, friendliness, convenience and effectiveness. For public services, these changing customer demands must be translated into an institutional response designed around a user-driven perspective.[42]

Public service providers have rushed to meet these consumer demands. For example, according to the European Commission's 2020 Digital Economy and Society Index (DESI) report, in 2019, 67% of EU citizens were e-government users. This comprises a +3% increase from 2018, and a +26% increase from 2013.[43]

The impact of these changes is vast, with significant ramifications for all areas of operation. This Issue Paper focuses on three overarching questions in academia to make sense of these implications. First, what is the impact of digitalisation on cost efficiency and the streamlining of processes? Second, what is the impact of digitalisation on transparency and trust in public institutions? Third, what is the relation between the use of digital services, and the financial pressures to acquire the infrastructure to supply them and train existing personnel?

1.5.1. Impact on efficiency: Digitalisation is no panacea

Given the continuous decline of public investment and reported budget constraints in most public services, providers must optimise their delivery processes to stretch out existing resources. To this end, digitalisation presents an opportunity to remove administrative barriers and cut costs by freeing up labour for other purposes.[44] However, this should be pursued with caution, as studies are yet to find tangible results proving this.

Digitalisation potentially presents an opportunity for public service providers to remove administrative barriers and cut costs by freeing up labour for other purposes.

In any case, this thinking has been the driving force behind the push towards digitalising public services, at both national and European levels. According to the Commission, in Denmark, electronic invoicing saves taxpayers €150 million and businesses €50 million a year. If introduced across the EU, annual savings could exceed €50 billion.[45] Digitalisation has had a positive effect on efficiency gains and cost-saving for the broader economy, too. According to a recent ECB survey on the impact of digitalisation on European companies, most respondents said that digitalisation streamlines their production processes, reducing costs while increasing margins.[46]

However, others argue that digitalisation is no panacea and that there is no conclusive evidence that digitalisation will lead to more cost-efficient public services.[47] According to the OECD, the potential of digital technologies to improve efficiency and cut costs has yet to materialise for public services, especially public social services (e.g. education, healthcare, social protection). In fact, it could actually represent a substantial cost inducer instead.[48] One potential reason is that besides streamlining processes, digitalisation also brings forth new problems that need to be addressed, such as maintenance and workforce training costs.[49]

Digitalisation has only accelerated a governmental trend of the past two decades: empowering citizens to actively participate in the process of governance.

Despite concerns about digitalisation's overall impact on cost efficiency, there are studies and real-world examples that point to its potential to reduce public service costs. One such study assessed the potential benefits of e-justice services in Greece. According to the authors, digitalising the procedures of tax-related or insolvency cases, among others, could result in significant cost reductions. The overall benefit derived from the annual use of information and communications technology (ICT) to deal with administrative tasks is around €19.25 million.[50]

Furthermore, case studies of Nordic digital public services have shown positive results of cost effectiveness in social services. The Swedish My Pages app, which allows patients to interact with the administration of and track health-related payments easily, improved user satisfaction and reduced internal administration costs.[51]

Hence, taken together, the literature points towards caution. Although there have been successful deployments of digitalisation, the lack of evidence of an overall improvement in cost efficiency should deter public service providers from relying on digitalisation as a silver bullet.

1.5.2. Impact on transparency and trust: A great expectation that lacks evidence

Besides efficiency gains, another implication of public service providers' adoption of ICT is that it increases transparency and trust in public institutions. However, this impact is yet to be measured substantively.

A new digital environment could induce a more participatory relationship between the different actors involved in public services delivery, with positive effects on transparency and trust. Digital technologies can break down the understanding barriers between users and service providers, as access to information is provided rapidly and is more easily digested through user-friendly interfaces.

That being said, digitalisation has only accelerated a governmental trend of the past two decades: empowering citizens to actively participate in the process of governance. Governments set objectives to extend transparency and cater to the individual service user through personalised services.[52]

Several studies illustrate how the use of e-government tools either increases or prevents the decline of trust in government. It has been argued that an increase of transparency associated with e-government incites people to use, recommend and express trust in government agencies. However, the use of digital government services is significantly influenced by citizens' confidence in public authorities, which, as previously mentioned, puts certain countries at a disadvantage and may dampen the effectiveness of this digitalisation strategy.[53]

The financial pressures of adopting digital technologies are greater for the public service sector than the general economy.

In social services like education, healthcare, and social care and protection, notable increases in trust and transparency are yet to be measured.[54] While the potential is still there, more comprehensive studies should be conducted at the public service level specifically, rather than just the governmental more generally.

1.5.3. Impact on structural challenges: More investment to combat technological disruption

Although academics are still debating the impact of digitalisation on public services, providers have adopted digital technologies in recent years to meet consumers' growing demands. 85.7% of the respondents to the EPC–CESI survey mentioned that their workers employ digital technologies in the workplace.

Transforming public service delivery requires more investment and expenditure on behalf of both governments and private–public services providers. However, existing public financing has put considerable pressure on public service providers, limiting their

potential to make the necessary investments (see section 1.1.).

It is also important to note that the financial pressures of adopting digital technologies are greater for the public service sector than the general economy. One reason is the vast difference between the numbers of users and services to be integrated. While private corporations generally manage just a few customer journeys, public authorities are responsible for 50 to 100 journeys, accounting for thousands of individual services.[55] Furthermore, given that these services consist of sensitive data like health and judicial records, security threats have become a critical problem for public services.[56]

Another issue is that public services fall under the responsibility of different departments and/or agencies, all of which have some legal independence. Many have started their own digitisation programmes, spending considerable resources in the process. This makes the task to provide integrated services more difficult.[57] Moreover, according to Accenture, the public sector is slower to adapt to digital changes due to the prevalence of legacy systems and older software that requires different skillsets from new software, and a lack of leadership support, internal skills and capacity to recruit 'digital natives'.[58]

An additional considerable cost inducer that the digital transformation process adds to public services is the demand for digital skills. New technologies mean new skills to be acquired by the workforce, or new talents to be hired. Consequently, public services must either compete with other sectors to recruit ICT specialists or train their existing workforce to master the skills required to use new gadgets and features.[59]

New technologies mean new skills to be acquired by the workforce, or new talents to be hired.

According to the EPC–CESI survey, most public service worker organisations pointed out that tasks have become both more complex and diverse (85.7%) and more knowledge-intensive (35.7%). To fill in the gaps, the workers participate in training, usually domain-specific ones where worker knowledge is updated to innovation in their respective field of work. This is followed by inter-personal training, management training and, lastly, digital skills and equipment-related training. Of these training, domain-specific ones and digital and equipment-related training are reportedly the best at preparing the workforce for the changing nature of tasks and work patterns.

Altogether, digitalisation promises significant positive externalities, although academics are still debating how tangible they are. One certainty, however, is that adopting a digital public service delivery adds pressure to the budgets of service providers, requires more coordination between public institutions and increases the competition for digital natives.

1.6. THE IMPACT OF COVID-19 ON PUBLIC SERVICES

Besides these trends, which have been long in development, the ongoing COVID-19 pandemic is set to radically shape how public services are delivered in Europe. Having uncovered numerous cracks in the public service sector and accentuated existing trends like digitalisation, the impact of the pandemic is both immense and difficult to pinpoint accurately.

The ongoing health crisis adds another layer of pressure upon public service providers, who find themselves on the frontline battling the socioeconomic fallout from the crisis. Healthcare services were the first to experience this pressure, as their resources were spread thin to respond to the rapid surge in COVID-19 infections. Education services were also disrupted, as lessons moved online to protect the health of pupils and their families. Similarly, judicial services also moved online to process cases safely. Central, regional and local administration services acted quickly to assist those who have lost their income due to the economic crisis that followed the health one.[60]

Public service workers – nurses, medical practitioners, care workers, police officers – are those most exposed to the coronavirus.

Public services have had to adapt and innovate their supply chains and delivery infrastructure to ensure the continuity of services essential to European citizens. The burden was not limited to logistics: public service workers have been at the forefront of the battle against the coronavirus and are among the ones hit hardest. According to the Jobs at Risk Index, public service workers – nurses, medical practitioners, care workers, police officers – are those most exposed to the virus.[61]

Due to the risks public service workers are now facing, citizens are being reminded of their crucial role in ensuring the well-being of the population and the economy. CESI members believe that, before the pandemic, EU citizens did not sufficiently recognise the social value of public services: 50% of the EPC–CESI survey respondents reported moderate recognition, 21% low levels. It is important to note that those organisations which reported high levels of recognition (29%) also reported that their public authorities spend resources on communication campaigns regarding the importance of public service work, even before the COVID-19 pandemic. Meanwhile, those who reported low levels of recognition indicated that governments are not doing enough to promote their work.

Furthermore, the crisis highlighted some of the pre-existing weaknesses in the European public service sector. Among them is the lack of emergency preparedness, as many member states' public services lacked adequate budgets and the global pandemic disrupted coordination and fragile supply chains quickly.[62]

When studying the quality of public services and consumer satisfaction during the pandemic, it can be noted that citizens had expectations that remained unmet. According to a survey by the European Foundation for the Improvement of Living and Working Conditions, only 15.7% of EU27 citizens agreed or strongly agreed that support from public services was easy and efficient to access during the pandemic. In general, countries from Northern and Western Europe performed better at meeting consumer expectations, while Eastern and Southern European countries encountered difficulties.[63]

Satisfaction is split not only by country but also the public service. Overall, health services addressed European citizens' health needs successfully, with only 21.1% claiming that they had a health problem that remained unmet. On the other hand, while the education sector mobilised to move their services online, only 28.6% of EU citizens were satisfied with the quality of their children's online schooling.[64]

This picture highlights that while public services are an essential defence against economic and social crises, they must be adequately funded to meet the citizens' needs. However, the COVID-19 pandemic should not be viewed in isolation, but rather as a disruption which tested member states' welfare systems and can do so again in the future, near or distant.

The external shock that was the coronavirus highlights that public services need resources to scale up their capacity, redeploy workers and make new arrangements with staff and suppliers if they are to provide an effective response in changing circumstances.[65] Governments must provide adequate funding for public services to develop this capacity via adequate employment, training, digital infrastructure and up-to-date technology.

1.7. INTERIM CONCLUSIONS: FACING DISRUPTIVE CHALLENGES AND PATCHING EXISTING PROBLEMS

This chapter presents the many issues that public services across the Union are facing. Two challenges are particularly significant:

- There is a significant decline in public investment. Although public spending has increased in amount, many public service providers still struggle with budget constraints and limited investment capabilities.
- The employment trends present a mixed picture. While some countries experience increases in the number of workers, others have a shrinking workforce when compared to the wider economy. Working time is, on average, lower in the public service sectors. The prevalence of atypical work depends on the respective subsector, but is generally higher with respect to part-time work and lower when it comes to self-employment levels and temporary work.

These two challenges are complemented by two important transformation processes, which are bound to shake public services' operating models:

- With digitalisation, the adoption of new technologies prompts a rise in the demand for digital skills in public services. Furthermore, it also increases the need for more expenditure and investment to catch up to the private sector, which, in many ways, has fewer difficulties in adapting to these realities.
- Ageing will profoundly affect the demand for public services and the workforce employed to provide said services. An aged population increases the need for public services and decreases the available pool of workers. To cope with this development, providers must attract new talent and innovate to stay competitive.

Eastern and Southern European countries' public services will suffer from the most radical demographic changes in the Union.

Finally, it is essential to note that Eastern and Southern European countries' public services will suffer more than other EU member states as they will suffer the most radical demographic changes in the Union (i.e. the combined effects of ageing and migration). In addition, these countries are characterised by low levels of trust in their public institutions, while trust represents an excellent asset for the rest. Consequently, Eastern and Southern European member states could become trapped in an unvirtuous cycle that damages the performance of their public service providers.

Chapter 2: Snapshots of four public services in the EU

Chapter 1 focuses on significant trends that affect public services in the EU. Moving beyond this general analysis, in this chapter, the authors take a closer look at four different public services: (i) central, regional and local administration; (ii) healthcare; (iii) education; and (iv) public order and safety. Although similar patterns can be found across all types of public services, a sectoral analysis is imperative to understand each sector's specificities.

More concretely, using EU data, this chapter will analyse all four public services by examining five key aspects: (i) government expenditure and investment; (ii) size of the sector; (iii) profile of workers; (iv) working conditions; and (v) public sector performance.

2.1. CENTRAL, REGIONAL AND LOCAL ADMINISTRATION[66]

Central, regional and local administration services consist of a wide array of functions performed by national authorities. These include, but are not limited to, the regulation of economic and social activities, budget implementation and the management of public funds and public debt, the administration and operation of economic and social planning, statistical services at the various levels of government, and more.

2.1.1. Government expenditure and investment: Slightly high expenditure, more divergence and less investment[67]

Government expenditure on central, regional and local administration as a percentage of GDP has increased slightly between 2001 and 2018. That being said, spending growth also gave way to increased disparities between member states. While overall expenditure increased, government investment decreased in all but 6 countries.

In 2018, the EU27 spent around 3.9% of its GDP on central, regional and local administration services. Northern European countries spent the most (6.7% in Finland and 5.7% in Sweden), while Eastern European countries spent the least (2.3% in Lithuania and 2.6% in Bulgaria), with Hungary (5.8%) being the only outlier. In the case of Southern European countries, trends diverge significantly, with countries like Greece (4.7%) and Cyprus (4.5%) spending above the EU27 average and Spain (3.0%) and Malta (3.6%) spending below it. The same is true for Western European countries, with Belgium (4.5%) and France (4.2%) above the European average and the Netherlands (2.7%) and Ireland (1.3%) below it (see Figure 3).

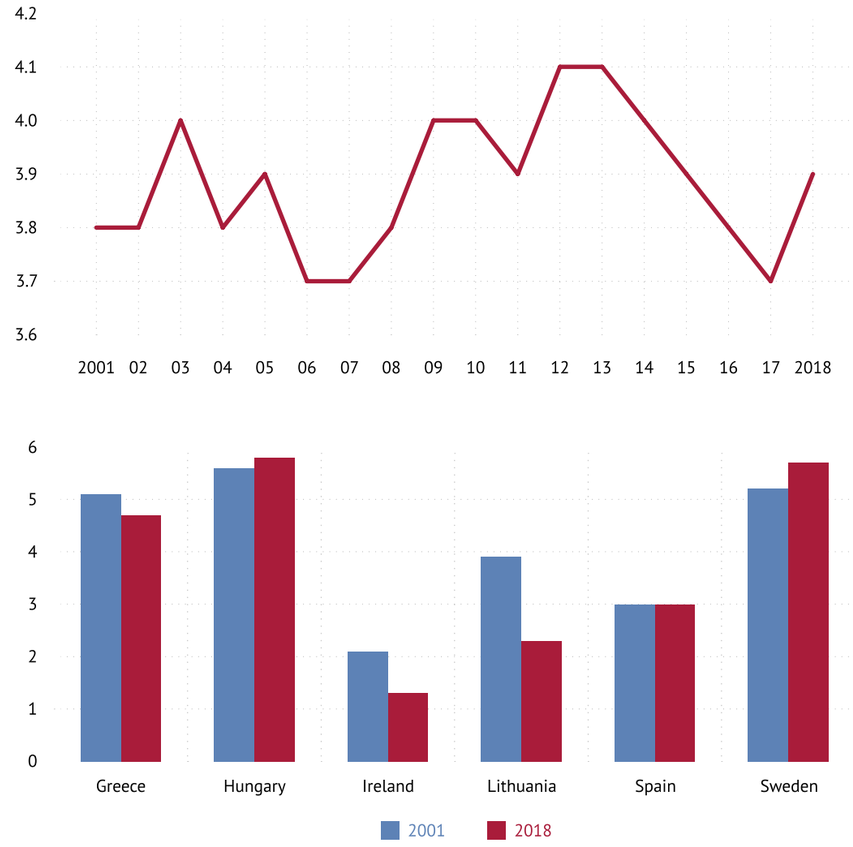
Fig. 3

GOVERNMENT EXPENDITURE ON CENTRAL, REGIONAL AND LOCAL ADMINISTRATION (2018, %)

Source: Authors, based on *Eurostat*[68]

Fig. 4

GOVERNMENT EXPENDITURE ON CENTRAL, REGIONAL AND LOCAL ADMINISTRATION IN EU27 AND SELECTED COUNTRY (GDP%)



Source: Authors, based on *Eurostat*[69]

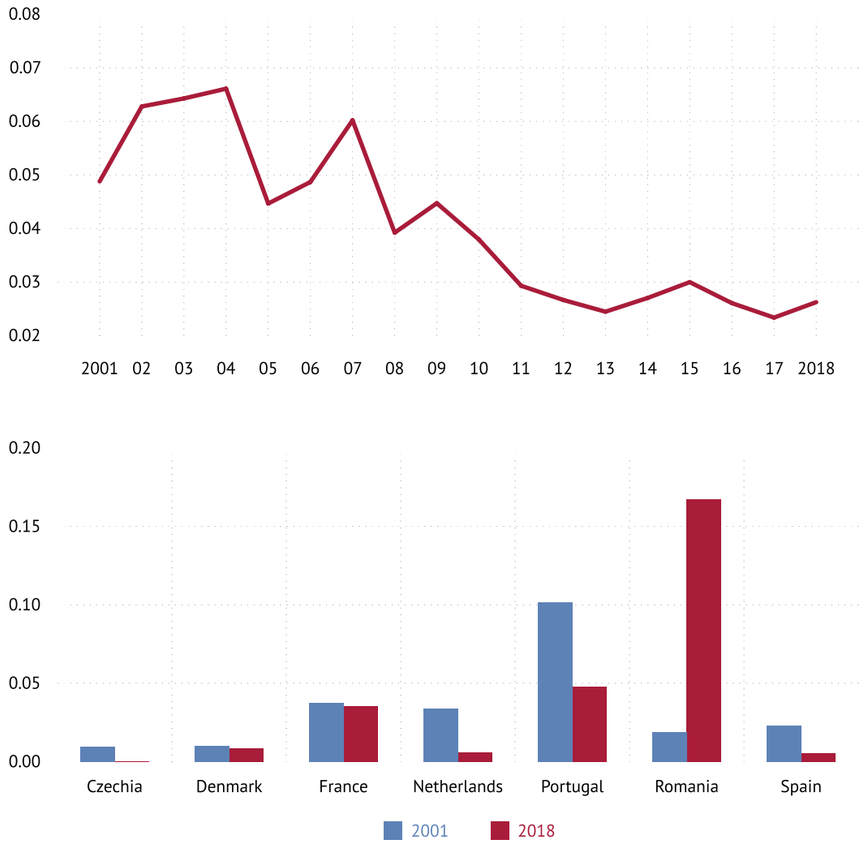
Between 2001 and 2018, state expenditure increased slightly. In 2001, government spending on central, regional and local administration services represented 3.8% of the EU27 GDP (see Figure 4). However, slightly more countries experienced a decline in government expenditure during this period, rather than an increase (i.e. 13 members states compared to 12). Countries that increased expenditure the most are Finland (+48.9%), Czechia (+42.3%), Estonia (+38.5%) and Germany (+24.2%). The countries that cut down spending the most are Croatia (-46.9%), Lithuania (-41.0%), Ireland (-38.1%) and Bulgaria (-36.6%). It is also important to mention that Slovakia, Slovenia, Lithuania, Croatia and Bulgaria transformed from high-spending countries in 2001 to below the EU27 average by 2018.

The differences between the highest and lowest spenders have greatly increased in the analysed timespan. In 2001, there was a 3.5 percentage point difference between the highest spending country, Hungary (5.6%), and the lowest spending country, Ireland (2.1%) (see Figure 4). In contrast, in 2018, the difference between the highest and lowest spender, respectively Finland (6.7%) and Ireland (1.3%), was 5.4 percentage points.

At the EU27 level, public investment shrunk by -46.2% between 2001 and 2018, from approximately 0.05% to 0.03% of EU GDP (see Figure 5, page 22). Only 6 out of 24 countries experienced some level of growth.[70] Furthermore, it is worth mentioning the significant discrepancy between member states. In 2018, higher public investment can be seen in countries like Romania, Estonia and Portugal, where public investment accounted for 0.17%, 0.08% and 0.05% of GDP respectively. On the other side of the scale are Luxembourg, Czechia, Latvia and Ireland, where investment is at almost 0%.

Fig. 5

GOVERNMENT INVESTMEN ON CENTRAL, REGIONAL AND LOCAL ADMINISTRATION IN EU27 SELECTED COUNTRIES (GDP%)



Source: Authors, based on *Eurostat*[71]

2.1.2. Size of the sector: EU27 growth sustained by a minority of member states[72]

The central, regional and local administration sector represents a significant segment of the European workforce. Between 2008 and 2019, EU27 employment levels grew, but the situation was actually in reverse in most member states. The number of administration workers per 1,000 citizens reveals significant disparities between EU countries.

The central, regional and local administration sector represents a significant segment of the European workforce: 3.9% of the total.

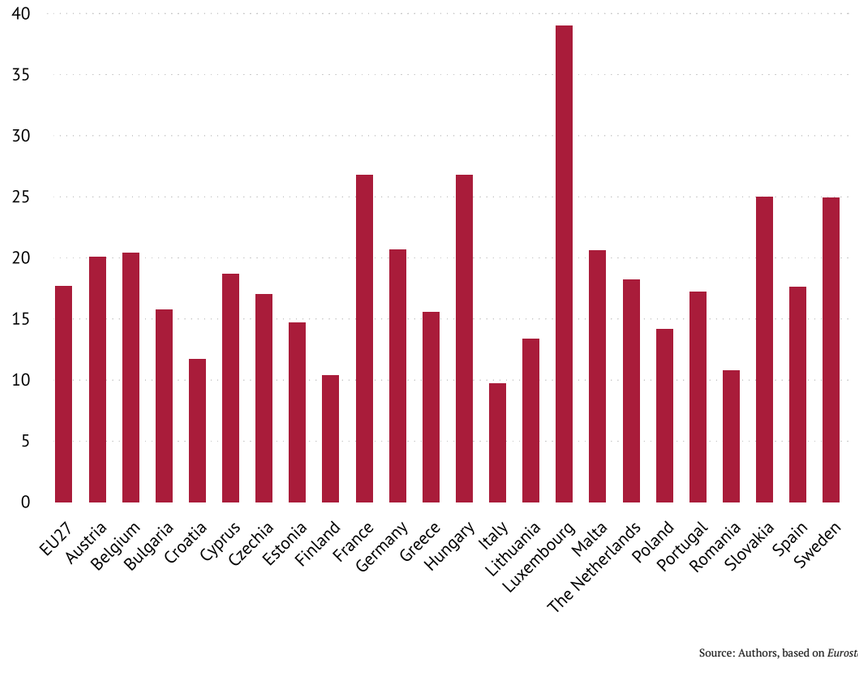
According to the EU LFS, in 2019, 199.9 million people were employed in the EU27.[73] Around 7.9 million of them worked in central, regional and local administration, accounting for 3.9% of the total workforce. In the last decade, this subsector's workforce as a percentage of total EU27 employment grew by +12.8% (from 3.5% in 2008), and the absolute number of workers grew by +16.7% (from 6.77 million in 2008).

This trend, however, is not universally shared across the Union. Increases can be seen in some Eastern European countries, ranging from +0.1% growth in Poland to +58.2% growth in Croatia. Nevertheless, many countries experienced a decline in employment levels, with negative growth rates ranging from -0.5% in Estonia to -24.9% in Malta.

When studying national differences, Western and Southern European countries tend to employ more central, regional and local administration workers

Fig. 6

EU CENTRAL, REGIONAL AND LOCAL ADMINISTRATION WORKERS PER 1,000 INHABITANTS (2019)



Source: Authors, based on *Eurostat* and EU LFS[74]

relative to the total workforce. In Nordic countries, trends vary significantly, with Finland below the EU27 average in 2019 (2.2%) and Sweden above it (5.0%). The same trend applies to Eastern European countries. In 2019, the share of central, regional and local administration workers in Romania was only 2.4%, while in Hungary it was 5.8%.

This divergence is also illustrated in Figure 6, which shows the number of central, regional and local administration workers per 1,000 inhabitants in 2019. The values range from 39 workers per 1,000 inhabitants in Luxembourg to only 9.7 workers in Italy.

2.1.3. Profile of workers: Highly educated but greying workforces[75]

The percentage of workers in central, regional and local administration with tertiary education is significantly higher than in the wider economy. However, between 2001 and 2019, their growth did not correlate with that of other sectors. Furthermore, the central, regional and local administration workforce is greyer than other sectors, and is ageing at a much faster rate.

Educational attainment[76]

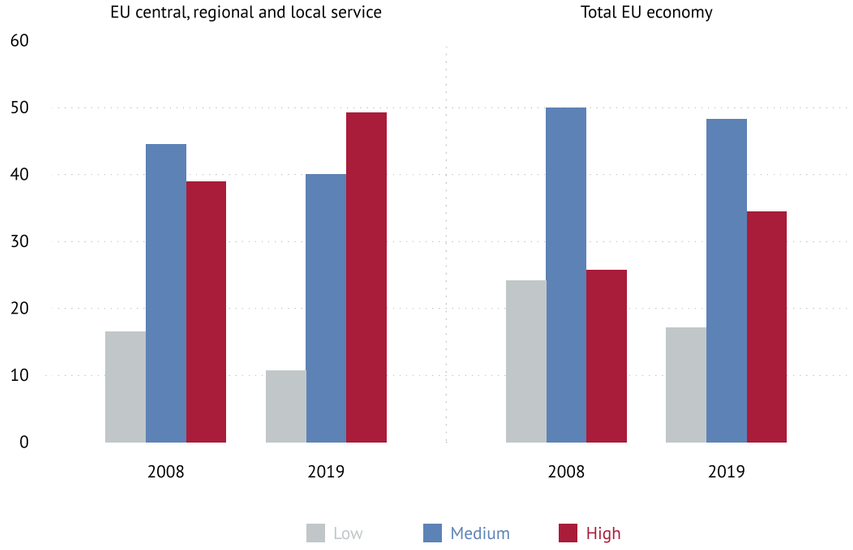
The educational profile of workers in central, regional and local administration differs from that of the average EU worker. To start, the sector has higher numbers of workers who completed tertiary education: 49.3% compared to 34.5% (2019). Moreover, unlike the broader economy, tertiary education workers overtook those with medium educational attainment. Lastly, it is essential to note that the percentage of workers who have less than primary, primary or lower secondary education in central, regional and local administration is significantly lower than that of the total economy: precisely 6.5 percentage point difference in 2019 (see Figure 7, page 24).

The central, local and regional administration sector has higher numbers of workers who completed tertiary education than the general EU economy.

The percentage of central, regional and local and administration workers who have completed tertiary education grew slower than in the broader economy: +26.3% versus +33.9% between 2008 and 2019. However,

Fig. 7

EDUCATIONAL ATTAINMENT OF EU CENTRAL, REGIONAL AND LOCAL ADMINISTRATION (%)



Source: Authors, based on *Eurostat* and EU LFS [77]

the decline in the number of workers with lower educational attainment was greater than that of the broader economy: -35.2% compared to -29.1% in the same period (see Figure 7).

Finally, Northern and Eastern European countries (barring Hungary and Slovakia) have both higher percentages of central, regional and local administration workers with tertiary education (e.g. 88% in Lithuania, 83% in Finland, 73% in Sweden) and lower percentages of workers with primary education (2% in Poland, 4% in Sweden, 5% in Romania).

Age structure

Compared to the broader economy's age distribution, central, regional and local administration workers tend to be older. In 2019, 28.7% were older than 55, representing an 8.5 percentage point difference from the broader economy. Furthermore, since 2008, the central, regional and local administration workforce aged faster than the rest of the economy. In these 11 years, the percentage of workers 55 years and older grew by +69.1%, while they only grew by +49.6% in the total economy.

These findings are consistent with the realities of most EU27 member states, albeit with varying degrees of intensity. Austria, Luxembourg and Malta are the only countries in which the percentages of young workers (i.e. 15- to 24-year-old) increased between 2008 and 2019. Similarly, Sweden is the only country where the proportion of workers above 55 years decreased.

2.1.4. Working conditions: Better hours but a higher incidence of temporary contracts [78]

Working conditions in central, regional and local administration continue to be advantageous, with fewer working hours and atypical working hours, and less part-time contracts and self-employment than the general economy. That being said, the differences in working hours have dropped over the years, and temporary contracts remain more prevalent in this sector than the wider economy.

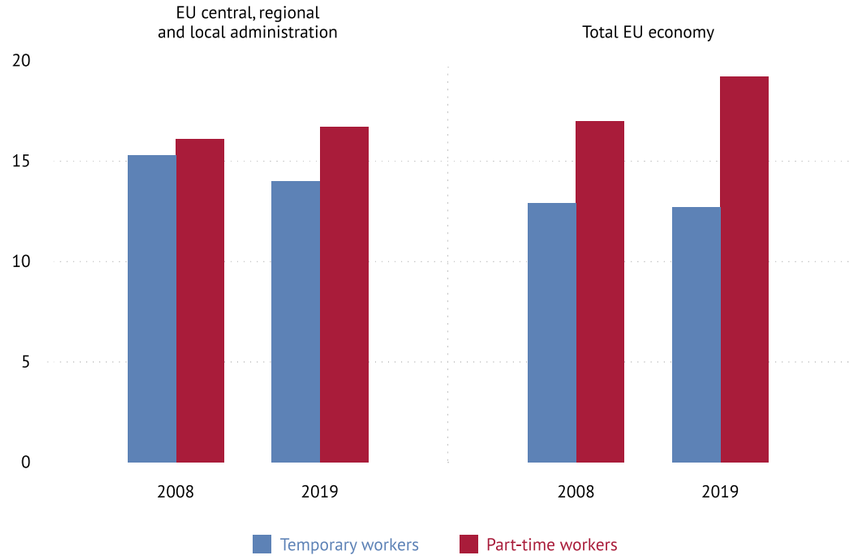
Contractual arrangements

At a glance, atypical working contracts are less common in central, regional and local administration than in the overall economy, barring temporary contracts. In 2019, 14% of workers in central, regional and local administration in the EU27 were hired under temporary contracts, compared to 12.7% in the wider economy. In contrast, part-time work is a less common working arrangement, as only 16.7% of the administration workforce were hired under such contracts, compared to 19.2% in the overall economy (see Figure 8).

Eurostat has significant data gaps concerning self-employment, which limit the possibility of performing a comprehensive analysis. Nevertheless, it can be noted that the EU27 percentage of self-employed workers without employees – which is a subpart of total self-employment – is far smaller in the central, regional and local administration (0.15% in 2019) than in the overall economy (9.9%).

Fig. 8

ATYPICAL WORK IN EU CENTRAL, REGIONAL AND LOCAL ADMINISTRATION (%)



Source: Authors, based on *Eurostat* and EU LFS [79]

Between 2008 and 2019, the number of temporary workers in central, regional and local administration shrunk faster than in the overall economy (-8.7% compared to -1.7%), while the percentage of part-time workers grew slower (+3.8% compared to +12.8%).

There are important national differences between the percentages of atypical contracts. Despite the many data gaps, the available information shows that the rate of temporary contracts in central, regional and local administration employment varies from 6.8% in Belgium to 27.1% in Slovakia.

In the case of part-time employment, similar data availability issues affect the possibility of conducting a comprehensive, comparative member state analysis. Nonetheless, there is considerable variation in the percentage of part-time workers across the member states, too. In 2019, the rate varied from 3.8% in Poland to 38.3% in the Netherlands.

Working time

When comparing the working time of central, regional and local administration to that of the broader economy, the former is lower. In 2008, workers in this service worked a weekly average of 1.5 hours less than those in the wider economy (36.5 versus 38.0). However, these differences dropped over the analysed timeframe. While the working time in central, regional and local administration remained relatively stable (around 36.5 hours per week), that of the broader economy decreased by -0.9 hours between 2008 and 2019.

While this trend is representative of some countries, in at least 15 member states, the working time in central, regional and local administration is relatively high. For example, Portugal is slightly above the EU27 average (36.7 hours weekly), compared to the peak that is Romania (40.2 hours).

It is essential to analyse atypical working patterns when addressing working conditions in this sector. When studying night work, evening work and weekend work, it can be observed that central, regional and local administration workers have more regular working patterns.

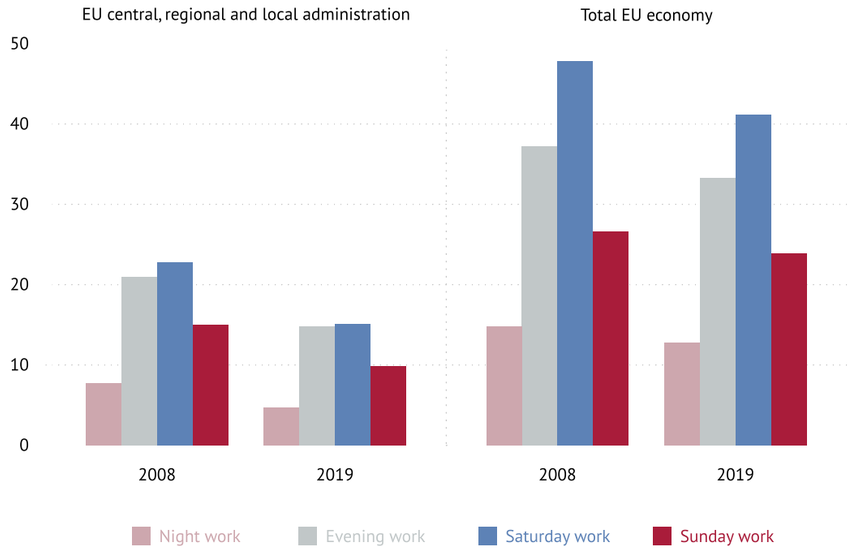
In fact, in 2019, 4.7% of EU27 central, regional and local administration workers worked nights, compared to 12.8% of total workers. Similarly, 14.8% worked evenings, compared to 33.3% of the total economy. Moreover, 15.1% and 9.8% of workers in central, regional and local administration worked on Saturdays and Sundays respectively, compared to 41.2% and 23.9% of workers in the broader economy. Lastly, between 2008 and 2019, the percentage of workers performing their tasks at atypical hours decreased faster in the central, regional and local administration than in the overall economy (see Figure 9, page 26).

2.1.5. Public service performance: A slight deterioration with a push towards the digital

The evolution of the service quality of central, regional and local administration points towards several issues.

Fig. 9

ATYPICAL WORKING PATTERNS IN EU CENTRAL, REGIONAL AND LOCAL ADMINISTRATION (%)



Source: Authors, based on *Eurostat* and EU LFS[80]

Besides digitalisation, service performance has stagnated or deteriorated in the EU over the last couple of years. However, looking beyond European figures, significant national variation exists, with Nordic and Western European countries leading in the quality of service and Eastern and Southern European member states lagging.

Besides digitalisation, the service performance of central, regional and local administration has stagnated or deteriorated in the EU over the last couple of years.

To assess the performance of central, regional and local administration, this Issue Paper follows the methodology outlined in a 2018 European Commission report (to the extent that the data allows).[81] The quality of central, regional and local administration is measured against five variables:

1. **Transparency and accountability** measures citizens' access to government information; the predictability of governments and central, regional and local administration; how well the state can prevent corruption; and whether the judicial powers can ensure that the administration acts in conformity with the law.

2. **Bureaucratic coordination** measures the extent to which civil servants of individual ministries can effectively coordinate the drafting of policy proposals with other ministries.

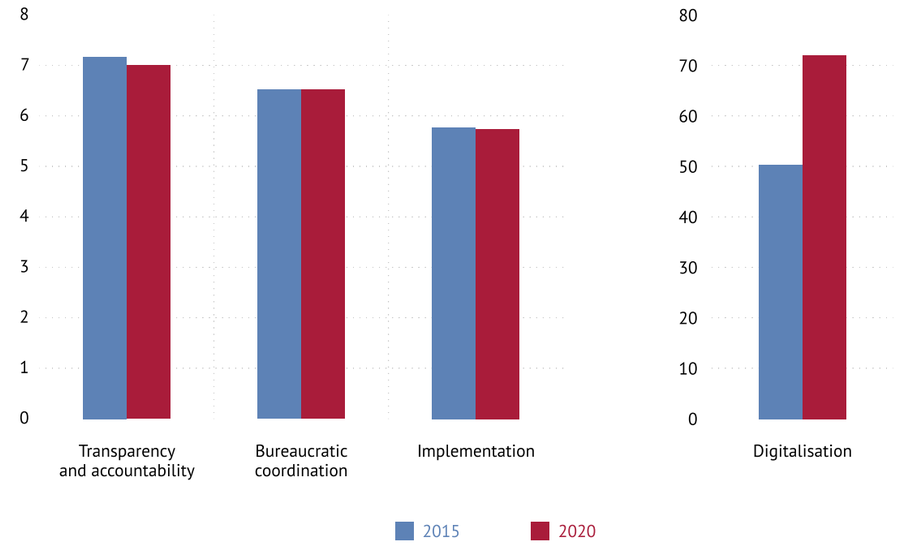
3. **Implementation** measures how well administrations monitor the implementation of specific policies and services, and how well bureaucracies and the implementing agencies are monitored. Moreover, it measures the autonomy of implementing agencies and how well they are funded to achieve their goals. Finally, it evaluates whether there are national standards to ensure that results are subject to at least a basic quality check.

4. The Commission's DESI is an indispensable resource for measuring **the digitalisation of service delivery**. It measures the quality of digital public services by studying e-government users, the use of prefilled forms, online service completion, digital public services for businesses, and open data.

5. There are important institutional differences in **human resource** (HR) **management**, such as (i) the merit system versus the patronage system; and (ii) career-focused recruitment versus position-based recruitment.[82] There is evidence that merit-based recruitment can reduce corruption and improve the quality of public services. Furthermore, career-based recruitment systems aim to maintain a high level of generalists who can transition between different parts of the central, regional and local administration, making the latter more flexible and responsive.[85]

Fig. 10

QUALITY OF SERVICE IN EU CENTRAL, REGIONAL AND LOCAL ADMINISTRATION (OUT OF 10, OUT OF 100)



Sources: Authors, based on *Sustainable Governance Indicators*[83] / European Commission (2020b)[84]

Concerning **transparency and accountability**, the average EU27 score was 7.0 out of 10 in 2020 and 7.2 in 2015, marking a slight decline in the past five years (see Figure 10). Countries that scored highest in this category are the Nordic countries and Estonia, with a score of 9.5 in 2020 respectively. In contrast, Eastern European countries scored lowest, with Hungary scoring 3.5, followed by Poland, with 4.3. Similarly, some Southern European countries also registered low scores, such as Malta (5.5). Most member states improved since 2015 or had no change, while a minority of 8 countries recorded a decline.[86] The most significant difference can be seen in Poland, where transparency and accountability dropped by -4 points since 2015.

On **ministerial, bureaucratic coordination**, the average EU27 score was 6.5 in 2020, marking a stagnation compared to 2015 (see Figure 10). There has been little development at the member state level over the analysed timeframe. However, there have been slight increases in Austria, Ireland and Malta, matched by decreases in Italy, Lithuania and Poland. Higher degrees of cooperation can be viewed in countries like Finland (10), Estonia (10) and Portugal (9). In contrast, countries such as Bulgaria (4), Croatia (4) and Greece (4) have less ministerial bureaucratic coordination.

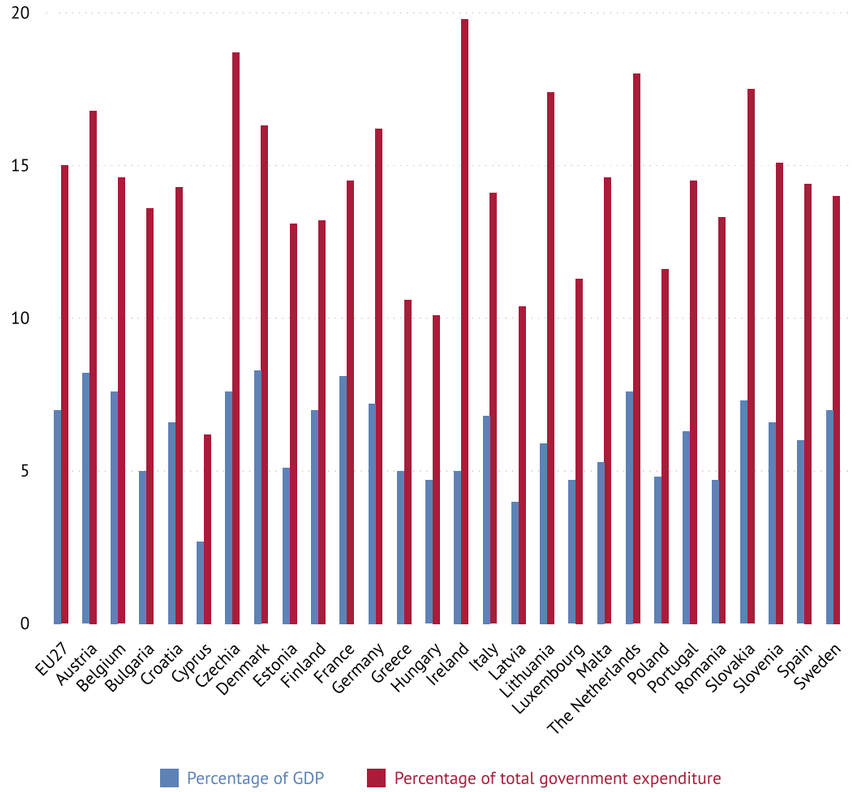
When observing **public service implementation**, the average EU27 score was 5.7 in 2020 and 5.8 in 2015, marking a slight drop over the past five years (see Figure 10). Here, too, in 2020, Nordic countries scored higher than the rest of the Union, with Denmark having the highest score of 8.3. Western European countries also scored high, including Austria with 7.8 and Germany with 7.5. In contrast, countries from Eastern and Southern Europe ranked lower, with Cyprus and Romania at the bottom of the list, scoring 3.3 and 3.8 respectively. Similarly, most countries saw either an improvement or stability in their scores over the past five years. However, 6 countries experienced a decline,[87] with Poland experiencing a drop of -2 points, from 7.5 in 2015 to 5.5 in 2020.

In 2020, the average EU27 score for **the digitalisation of public services** was 72.1 out of 100 – a noticeable increase from 50.9 in 2015 (see Figure 10). When studying national differences, in 2020, Estonia (89.3), Spain (87.2) and Denmark (87.1) scored highest. In contrast, the lowest-ranking countries were Romania (48.4), Greece (51.5) and Slovakia (55.6). It is important to note that geography does not play a significant role when analysing the scores. Eastern and Southern European countries are both at the bottom and top of the ranking, while the rest are evenly distributed. Countries below the EU27 average in 2015 registered the most improvement, such as Luxembourg (41.5 in 2015, 73.7 in 2020) and Greece (20.6 in 2015, 51.5 in 2020).

Regarding **HR management**, it can be noted that institutional make-up is stronger in Western and

Fig. 11

GOVERNMENT EXPENDITURE ON HEALTH (2018, %)



Source: Authors, based on *Eurostat*[88]

Northern Europe, with some notable exceptions in Southern and Eastern Europe. Merit-based HR systems are widespread in countries like Belgium, Cyprus, Denmark, Estonia, Finland, France, Germany, Ireland, Latvia, Malta and Sweden. Furthermore, countries like Belgium, Cyprus, Denmark, France, Germany also have strong career-based systems.

Taking all these variables together, the quality of central, regional and local administration in the EU has had a sinuous evolution in the past few years. On the one hand, all countries made improvements in digitalising their public services. This is a testament to the importance of digitalisation in the priorities of central, regional and local administration reforms across Europe. On the other, it is essential to note the deterioration or stagnation that some countries faced in terms of transparency and accountability, and implementation. This shows that although it is essential in its role to meet consumer demands, digitalisation is not a silver bullet and must be pursued with a more comprehensive set of public policies designed to enhance the quality of central, regional and local administration services.

2.1.6. Interim conclusions: Lows for central, regional and local administration

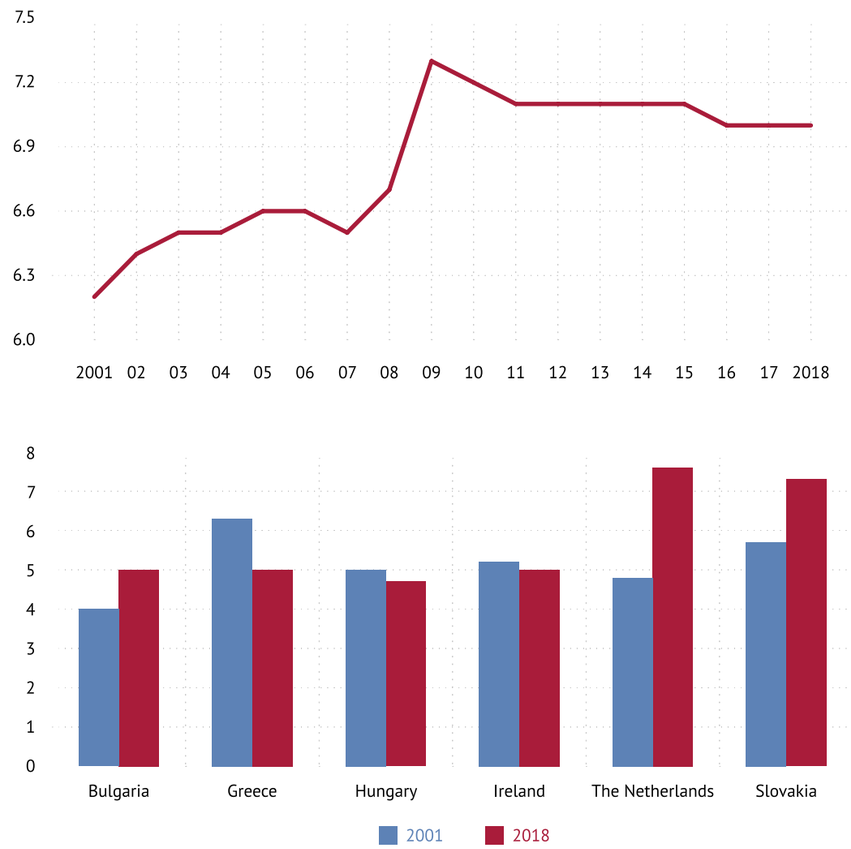
The analysis shows that EU27 government expenditure for central, regional and local administration increased slightly over the last two decades, whereas public investment as a percentage of GDP declined slightly on average.

The sector workforce represented around 4% of total EU27 employment and experienced a minor increase in the last decade. However, the workforce of central, regional and local administration tends to be older than the rest of the economy and, more worryingly, is greying faster.

Employment in central, regional and local administration is largely characterised by typical working contracts and patterns. Part-time and self-employment working arrangements are less common in central, regional and local administration, and workers in this sector spend considerably fewer hours working nights, evenings and weekends than the overall economy. Furthermore, central, regional and local

Fig. 12

GOVERNMENT EXPENDITURE ON HEALTH IN EU27 AND SELECTED COUNTRIES (GDP%)



Source: Authors, based on *Eurostat*[89]

administration workers work fewer hours. Nevertheless, temporary contracts remain prevalent.

When looking at the performance of central, regional and local administration in terms of transparency and accountability, the digitalisation of service delivery, and quality of implementation, European countries score disparagingly. Overall, the improvement of the delivery of digital public services was consistent across Europe. However, when studying transparency and accountability, and public service implementation scores, progress stagnated or was absent.

2.2. HEALTHCARE[90]

In this Issue Paper, health services and activities include, but are not limited to, general and specialised medical services, hospital and residential care activities, the provision of pharmaceutical products, public health services, and research and development (R&D) activities.

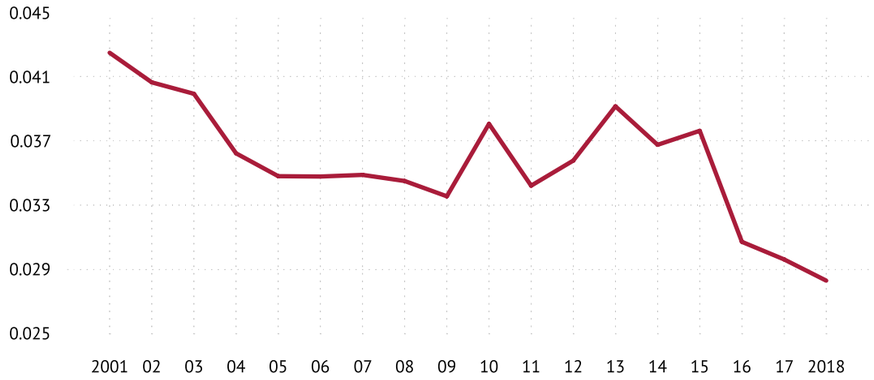
2.2.1. Government expenditure and investment: While EU health spending increases, investments shrink[91]

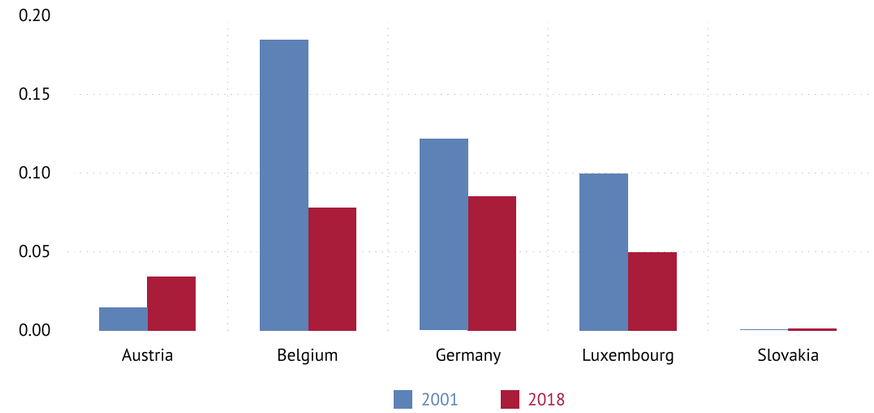
Health systems perform a vital social security function, mitigating health and financial risks and contributing to social and economic progress. While EU member states all uphold the common values of universal access to quality and affordable care for all, the organisation and financing of healthcare vary greatly across the Union. Most health financing comes from government schemes and social health insurance schemes.[92]

The following section shows that EU27 health spending accounts for significant shares of the Union's overall GDP and total government spending. Since 2001, health expenditure generally increased across Europe, with some countries spending more than others. Nevertheless, investments in the health sector have decreased significantly over the last two decades. Moreover, the COVID-19 pandemic has exposed the

Fig. 13

GOVERNMENT INVESTMENT IN HEALTH IN EU27
AND SELECTED COUNTRIES (GDP%)





Source: Authors, based on *Eurostat*[93]

existing structural weaknesses of European health systems and, in many cases, their unpreparedness to absorb a health crisis of this magnitude.

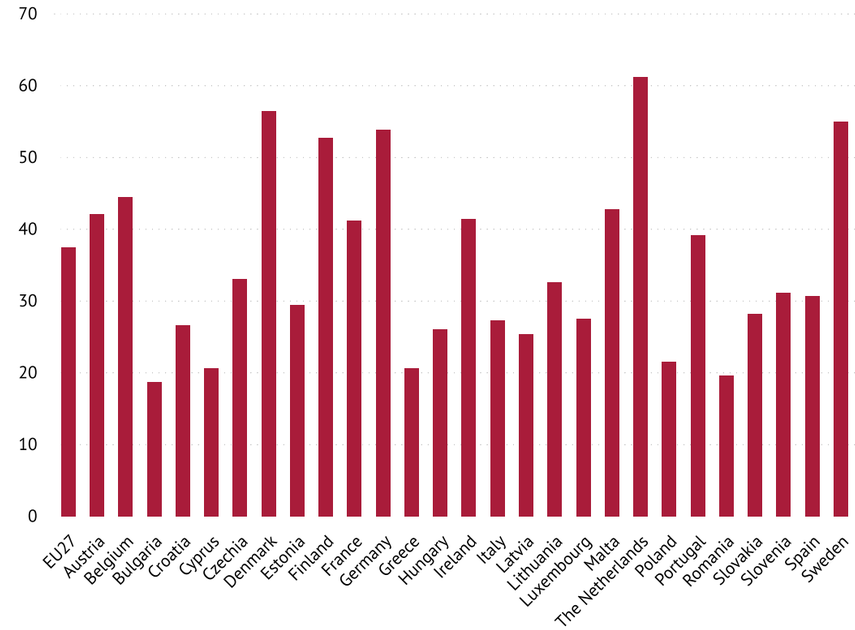
As mentioned above, the bulk of health financing derives from government schemes and social health insurance schemes. In fact, in 2016, those sources accounted for around 77% of health spending in the EU.[94] When considering EU27 government expenditure on health, in 2018, it amounted to 7.0% of the Union's overall GDP and 15.0% of total general government expenditure. The EU countries that spent the most on health as a percentage of GDP were Denmark (8.3%), Austria (8.2%) and France (8.1%). Cyprus (2.7%), Latvia (4.0%), Luxembourg (4.7%), Hungary (4.7%) and Romania (4.7%) scored at the bottom of the ranking. In terms of total government expenditure, Ireland, Czechia and the Netherlands dedicated 19.8%, 18.7% and 18.0% to health in 2018 respectively, whereas Cyprus, Hungary and Latvia only allocated 6.2%, 10.1% and 10.4% respectively (see Figure 11, page 28).

EU27 government expenditure on health increased between 2001 and 2018, as both percentages of GDP (+12.9%) and total government expenditure (+13.6%). However, it is worth noting that EU27 health spending as a share of GDP remained steady in more recent years (7.1% in 2014 and 2015; 7.0% from 2016 to 2018) (see Figure 12, page 29). Health spending as a share of total government expenditure steadily grew from 2012 to 2018, rising from 14.2% to 15.0%.

Although government expenditure on health across Europe experienced an increase over the last two decades, a handful of countries presented diverging patterns. Greece, for example, reduced health spending from 13.7% of its total government expenditure in 2001 to 10.6% in 2018. Hungary followed a similar path, from 10.5% in 2001 to 10.1% in 2018. Furthermore, those two countries also experienced a reduction in health spending as percentages of GDP, from 6.3% and 5.0% in 2001 respectively to 5.0% and 4.7% in 2018. Some of the countries which experienced the highest increases

Fig. 14

EU HEALTH WORKERS PER 1,000 INHABITANTS (2019)



Source: Authors, based on *Eurostat* and EU LFS[95]

in health spending as percentages of GDP and total government expenditure between 2001 and 2018 were the Netherlands (+58.3% and +60.7% respectively), Slovakia (+28.1% and +38.9%) and Bulgaria (+25.0% and +38.8%) (see Figure 12, page 29).

When studying public investment at the EU27 level, it emerges that in 2018, investments in health amounted to 4.4% of total public investment and were only 0.03% of GDP (see Figure 13). At the EU27 level, between 2001 and 2018, capital transfers in the sector decreased as both percentages of GDP (-33.3%) and total public investment (-7.7%).

Differences across EU member states are significant. In 2018, public investment in health was high in Germany (0.09% of GDP, 9.1% of total public investment) and Belgium (0.08% of GDP, 13.2% of total public investment). In other countries like Ireland, Greece, the Netherlands, Finland and Sweden, public investment in health accounted for almost 0%, as both percentages of GDP and total public investment. Cross-country variation between 2001 and 2018 is also substantial: very few countries experienced relevant increases in public investment in health (e.g. Slovakia, Austria), while most countries faced declines (see Figure 13).

2.2.2. Size of the sector: An expansion, but is it enough?[96]

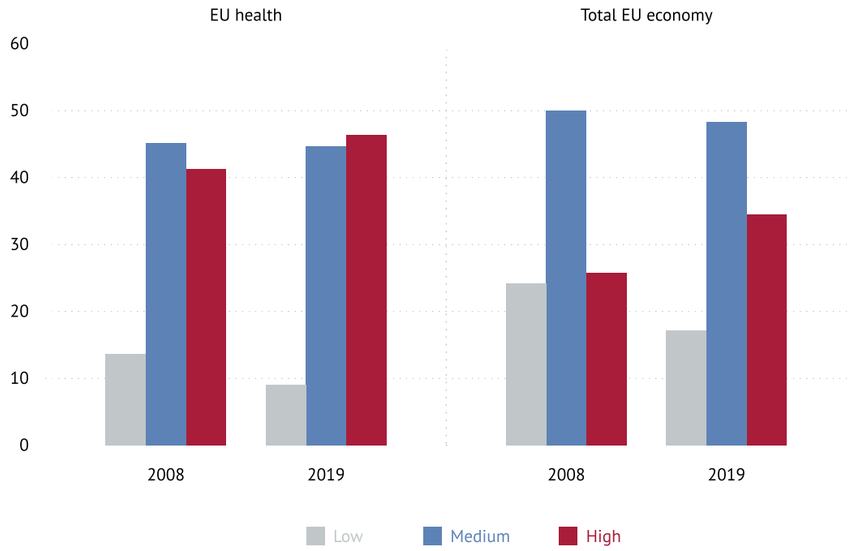
Health workers represent an important share of the European workforce and have experienced a steady increase in numbers over the last decade. However, despite the generalised increase across Europe, worryingly stark national differences exist in terms of the ability of health professionals to meet citizens' healthcare needs. Such differences, combined with concerns over future shortages of staff, point to the need to attract new talent and address cross-country divergences in working conditions.

According to the EU LFS, in 2019, 199.9 million people were employed in the EU27.[97] The health sector accounted for 8.4% of the total workforce, with some 16.8 million workers. EU27 employment in this sector has, on average, been increasing at a steady pace since 2008. Moreover, over the last decade, the absolute number of health workers increased by +19.7%, while its share of total employment grew by +15.6%.

This trend can be seen everywhere in the Union. Some countries experienced significant growth rates, including Malta (+90.1%), Portugal (+62.3%) and Luxembourg (+34.1%). Despite the growing trend, a closer look at the data reveals stark national differences in terms of the a(vaila)bility of health professionals to meet care needs. Those differences became even more apparent once the

Fig. 15

EDUCATIONAL ATTAINMENT OF EU HEALTH WORKERS (%)



Source: Authors, based on *Eurostat* and EU LFS [98]

COVID-19 pandemic hit Europe, with some national health systems suffering from severe staff shortages more than others.

Figure 14 (see page 31) shows the serious divergence across EU countries in the number of health workers per 1,000 inhabitants. While countries like the Netherlands, Denmark and Sweden have more than 55 health workers per 1,000 inhabitants (with the peak of 61.2 in the Netherlands), other countries count less than a third of these figures. For example, Bulgaria and Romania only have 18.7 and 19.6 health workers per 1,000 inhabitants respectively.

It is important to mention that the availability of health workers in each country is impacted by labour migration, among other factors. Differences in working conditions across countries are the main cause of labour migration. Health professionals are by far the most mobile workers within the EU, with high numbers of doctors and nurses working in a country other than the one where they obtained their qualification.[99]

2.2.3. Profile of workers: A highly skilled but rapidly greying workforce[100]

Data analysis reveals that the European health workforce has a higher educational level on average than the rest of the workforce. However, it is also older and, more worryingly, is greying at a faster pace. This ageing trend, combined with difficulties in recruiting new graduates, sparks concern regarding future shortages of health professionals.

Educational attainment[101]

In 2019, most European health workers had medium- or high-level education backgrounds (91.0%): 44.7% completed upper- and post-secondary education, and 46.3% attained tertiary education. Only 9.0% of health workers had (less than) primary or lower secondary education. The European health workforce has a higher educational level than the total workforce, which counts 82.8% of medium- and high-skilled workers, and 17.2% of low-skilled workers (see Figure 15). When looking at the national level, in 2019, the health workforce in Baltic states, Romania and Slovakia only comprised medium- and high-skilled workers, while Cyprus (81.2%), Bulgaria (76.0%) and Greece (72.0%) had the highest share of high-skilled workers.

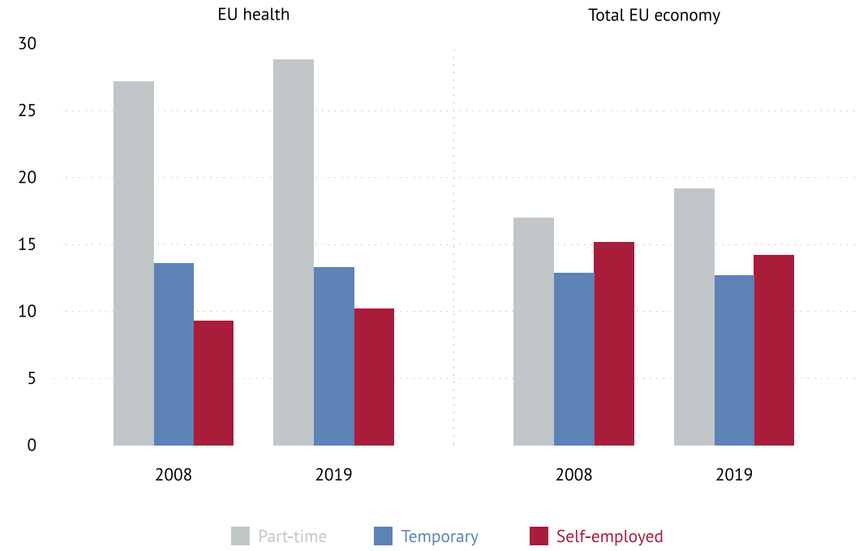
Between 2008 and 2019, the EU27 health workforce experienced significant changes in educational attainment levels, with a -33.3% drop in the number of low-skilled workers and +12.1% increase in the number of high-skilled workers. The number of medium-skilled workers remained mostly stable, going from 45.2% in 2008 to 44.7% in 2019. This evolution largely followed patterns of the total economy, even though the drop in low-skilled workers was more accentuated in the health sector. In contrast, the total economy experienced a higher increase in high-skilled workers (see Figure 15).

Age structure

Lastly, it is relevant to study the health workforce's demographic structure, as the capacity of national

Fig. 16

ATYPICAL WORK IN EU HEALTH (%)



Source: Authors, based on *Eurostat* and EU LFS [102]

health systems to meet the care needs of their population depends largely on the availability of healthcare professionals. Overall, the EU health workforce is older than the general economy, with that of some EU countries greyer than others. In 2019, EU healthcare workers aged 55 years or older accounted for more than 23% of the workforce, as opposed to 20.2% of the total economy.

More worryingly, the health workforce is ageing much faster than the total workforce. The number of health workers aged 65 years and more has more than doubled in the last decade (i.e. from 1.0% in 2008 to 2.8% in 2019, as opposed to an +0.8 percentage point increase in the wider economy). This greying trend, coupled with difficulties in recruiting and retaining new graduates, sparks serious concerns about having an adequate supply of health workers and health systems equipped to respond to future health crises.

There are worrying peaks in the age distribution of national health workforces, with workers aged 55 years and older accounting for more than 25% of the workforce in at least 7 countries. Bulgaria (35.1%), Latvia (34.1%) and Lithuania (33.0%) are at the top of this ranking.

The age distribution of the EU healthcare workforce and the stark national differences in the availability of health professionals raise serious concerns about future shortages of professionals in the sector. This picture is also worrisome when one considers the growing pressure on the workforce due to an ageing European population's increasing care needs.

The current pandemic has only exacerbated concerns around staff shortages in the health sector and the uneven capacity of European health systems in terms of staff. In coping with the spread of coronavirus, many health systems across Europe have been strained beyond their limits, and health workforces stretched thin.[103] This shows that despite the increase in the number of health professionals over the last decade, it has not been enough to equip European health systems to respond to sudden increases in demand for care.

2.2.4. Working conditions: Atypical work on the rise[104]

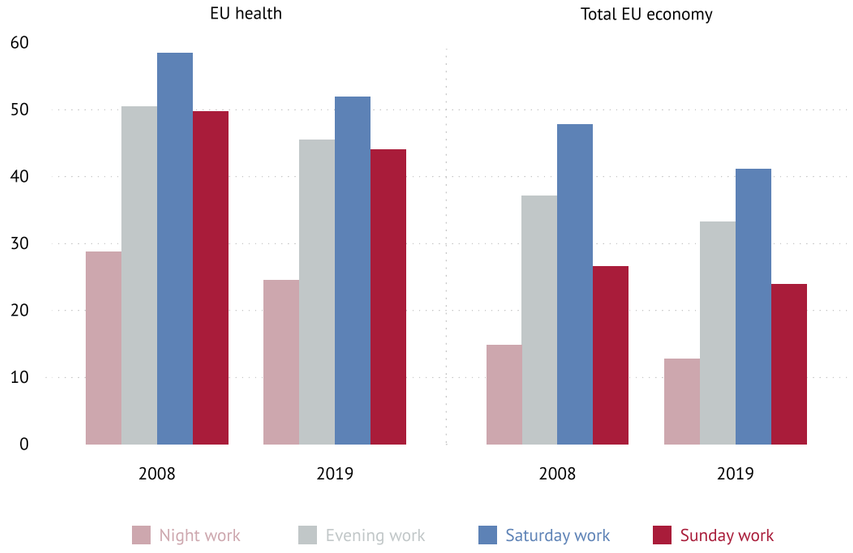
Most health professionals in Europe are employees and work full-time. However, atypical work is still prominent in the sector, with self-employment and part-time work on the rise over the last decade. Furthermore, the analysis shows that health workers have, on average, more irregular working patterns than the rest of the economy, performing tasks at nights, evenings and over weekends frequently.

Contractual arrangements

In 2019, most EU27 health workers were employees (89.7%), whereas self-employed workers accounted for 10.2% (i.e. 7.0% own-account workers and 3.2% self-employed with employees) (see Figure 16). In Lithuania,

Fig. 17

ATYPICAL WORKING PATTERNS IN EU HEALTH (%)



Source: Authors, based on *Eurostat*[105]

Malta and Romania, their health workforces in 2019 were entirely composed of employees, whereas the share of own-account workers was highest in Cyprus (16.7%), Greece (16.0%) and Italy (14.5%).

The changing patterns of contractual arrangements in healthcare over the last decade present interesting dynamics when compared to that of the total economy. The growth dynamics of employment by professional status in the total economy between 2008 and 2019 are characterised by a +2.3% increase in employee status and a -6.9% drop in the numbers of self-employed people (i.e. -10.2% self-employed with employees and -5.3% own-account workers). Meanwhile, the number of EU healthcare employees decreased by -0.9%, while self-employment rose steadily, with a +9.0% total increase. More interestingly, this growing trend has been fuelled by a significant increase in the number of own-account workers (+24.4%), while the self-employed with employees suffered a -13.8% drop.

In 2019, 71.2% of the EU27 health workforce was engaged in a full-time position, whereas 28.8% worked part-time. In contrast, 80.8% were full-time workers and 19.2% part-time workers in the total economy (see Figure 16, page 33). Significant cross-country divergence emerges: in 2019, some countries had an extremely high share of part-time workers in the health sector, such as the Netherlands (76.6%), Austria (44.3%) and Belgium (43.7%). In contrast, others had truly low percentages, like Hungary (1.7%) and Portugal (1.4%). Moreover, the entire health workforces of Bulgaria, Croatia, Romania and Slovakia were employed full-time.

While the EU27 number of full-time workers in the field of health increased in absolute terms in the last decade, from 10.2 million in 2008 to almost 12 million in 2019, its share of the total healthcare workforce faced a -2.2% drop, in line with the total economy (-2.6%). Conversely, part-time work in the EU27 health sector increased by +5.8% over the last decade, similarly to the total economy.

Lastly, in 2019, temporary employees represented, on average, 13.3% of the EU27 health workforce. This figure remained mostly stable over the last decade, showing only a minor decrease (-2.7% between 2008 and 2019). A similar trend can be observed in the wider economy, with temporary employment fluctuating around the 13% mark in recent years and at 12.7% in 2019 (see Figure 16, page 33). When looking at the national level, the percentage of temporary workers in most EU countries in 2019 was lower than average. Outliers were Spain (30.6%), Sweden (17.2%), Finland (17.0%) and France (14.3%).

Working time

In 2019, workers in the European health sector spent fewer hours at work than the total economy: 34.3 weekly hours versus 37.1. National differences are striking, with health workers in Croatia (43.3), Greece (40.5) and Romania (40.4) working more than 40 hours per week,

and fewer hours in Germany (32.6), Denmark (32.5) and the Netherlands (26.7). The average working time in the health sector remained mostly stable over the last decade, ranging from 34.2 hours per week in 2008 to 34.3 in 2019, while it decreased in the total economy, from 38.0 hours to 37.1.

When considering night work, evening work and weekend work, significant differences emerge from the total economy. Higher percentages of health workers perform such atypical shifts. In 2019, 51.9% of health workers worked on Saturdays, 44.1% on Sundays, 45.5% in evenings, and 24.5% at night. Percentages for the total economy were lower: 41.2% on Saturdays, 23.9% on Sundays, 33.3% in evenings, and 12.8% at night (see Figure 17).

Atypical working patterns in the health sector experienced a decrease in line with the general trend in the total economy over the last decade. Saturday and Sunday work in the health sector declined by -11.3% and -11.4%, compared to -13.8% and -10.2% in the total economy. Night and evening work decreased by -14.7% and -9.9% in the health sector, respectively, compared to -13.5% and -10.5% in the total economy (see Figure 17).

2.2.5. Public service performance: Overall satisfaction, but no room to rest on laurels

European citizens are generally satisfied with the affordability and accessibility of health services. However, stark cross-country differences in access to care still exist. Furthermore, despite rising life expectancy and better health outcomes across Europe, important challenges still need to be addressed; not least the structural weaknesses of European health systems that the COVID-19 pandemic has exposed.

There are different indicators at the EU and international levels that help assess the performance of health systems and services. The OECD analyses public service performances and overall citizen satisfaction in OECD countries, providing relevant data on the level of access to care, the responsiveness of health systems to patient needs, and the quality of healthcare policies. In 2018, an average of 70% of citizens in OECD countries reported being satisfied with their healthcare system. The Netherlands (90%) and Belgium (89%) boasted the highest scores, while Latvia (40%) and Greece (42%) were on the other end of the spectrum.[106] At the EU level, the State of Health in the EU cycle supports policymakers with a cross-country assessment of European health systems' performances and an analysis of their effectiveness, accessibility and resilience.[107]

When assessing the accessibility of health systems, relevant indicators include the affordability of services and their geographical accessibility. In 2016, the share of the EU population reporting that their medical care needs were unmet for financial, geographic or accessibility reasons was generally low across EU countries. The population groups most exposed to the risk of unmet needs are low-income groups. In 2016, around 20% of total health spending was borne by private households across the EU through out-of-pocket payments (OOPs). Cross-country variation is significant, as the share of health spending financed by OOPs was around 10% in countries like France, Luxembourg and the Netherlands. In contrast, it amounted to 45% and more in Bulgaria, Cyprus and Latvia.[108]

Access to care is also heavily affected by the availability of health professionals. The numbers of doctors, both generalists and specialists, and nurses varies across EU countries greatly. There is a severe divergence across EU countries in the number of health workers per 1,000 inhabitants. Countries like the Netherlands, Denmark and Sweden count more than 55 health workers per 1,000 inhabitants, while others have less than 20 (e.g. Bulgaria, Romania). The uneven geographic distribution of health workers and growing concerns about possible future shortages and difficulties in retaining workers in certain regions are among the most pressing issues hindering access to care for all in Europe.

Another critical indicator of well-performing health systems is their ability to prevent diseases and address acute or chronic health problems. European health systems' positive performances of the last decade have fuelled a rising life expectancy across the continent. Projections up to 2060 show that in the EU, life expectancy at birth is expected to increase by 7.1 years for males and 6.0 years for females.[109]

Despite this progress, Europe is still faced with important challenges in terms of avoidable mortality. In 2015, over 1 million people in EU countries died from diseases that could have been prevented or treated. Among the leading causes of premature deaths are non-communicable diseases, such as heart diseases and cancer.[110] Thus, more needs to be done to tackle the burden of chronic diseases and strengthen primary care systems responsible for prevention and early diagnosis.

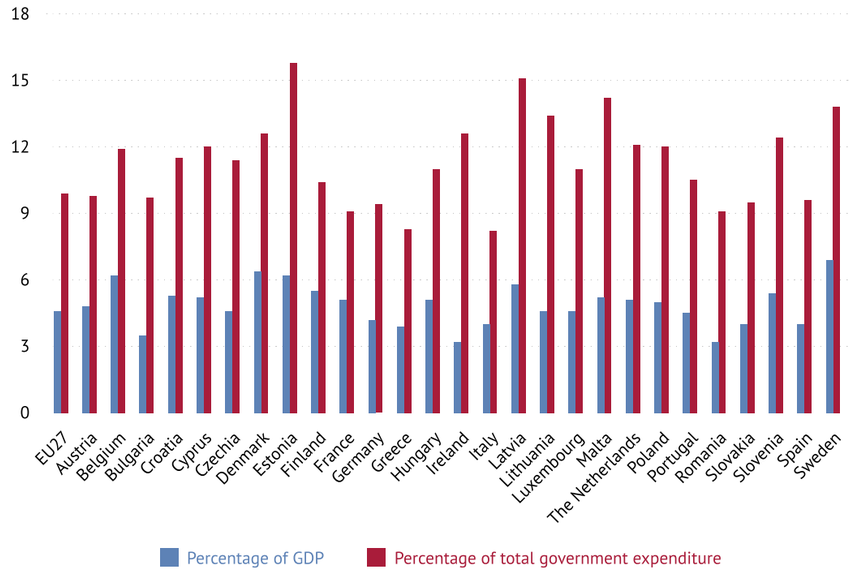
Moreover, the COVID-19 pandemic has revealed important structural weaknesses in European health systems. In many cases, the unprecedented and rapid surge in the demand for care, especially acute and intensive care, has exposed the systems' unpreparedness to absorb the shock, with health workforces stretched thin and medical resources becoming rapidly scarce. More must be done to strengthen European health systems' resilience, with a view to equipping them to better respond to the rapid spread of infectious diseases.

2.2.6. Interim conclusions: Preparing for future challenges

The main sources of health financing in the EU are government expenditure and social health insurance schemes. In 2018, EU27 government expenditure on health amounted to 7% of EU GDP and 15% of the total general government expenditure. Health spending has generally increased over the past two decades across Europe, as both percentages of GDP and total government expenditure, except for a handful of

Fig. 18

GOVERNMENT EXPENDITURE ON EDUCATION (2018, %)



Source: Authors, based on *Eurostat* [111]

countries, such as Greece and Hungary. Nevertheless, investments in the sector have decreased significantly over the last two decades.

The European health workforce represents a significant portion of the EU total: 8.4% in 2019, or 16.8 million workers. While EU27 employment in this sector increased at a steady pace since 2008, there are significant differences among EU countries in terms of the availability of health professionals to meet the care needs of its populations. Such cross-country differences become even more concerning when paired with the greying trend affecting the overall health workforce: a high share of elderly employment, which is also growing more rapidly than in the total workforce. This scenario sparks serious concerns about future shortages of health professionals, which have also been highlighted and exacerbated by the immense pressure that the COVID-19 pandemic is exerting on health systems.

The European health workforce is also characterised by a high rate of atypical forms of work. On average, part-time work is much more prevalent in the health sector than in the total economy, and self-employment is rising. Furthermore, health workers experience higher percentages of atypical working patterns, performing tasks at nights, evenings and over the weekend more often than the average worker.

Lastly, health systems across Europe are faced with several specific challenges. Being a pillar of social security systems, they must ensure affordable access to quality care for all, meet the evolving needs of an ageing population and address the growing burden of chronic conditions, while also embracing the digital transformation. Moreover, the COVID-19 pandemic has exposed the existing structural weaknesses of European health systems and, in many cases, their unpreparedness to absorb a health crisis of this magnitude. Considering some of the lessons learnt from this health crisis, health systems must become better prepared to absorb and respond to shocks like the spread of infectious diseases.

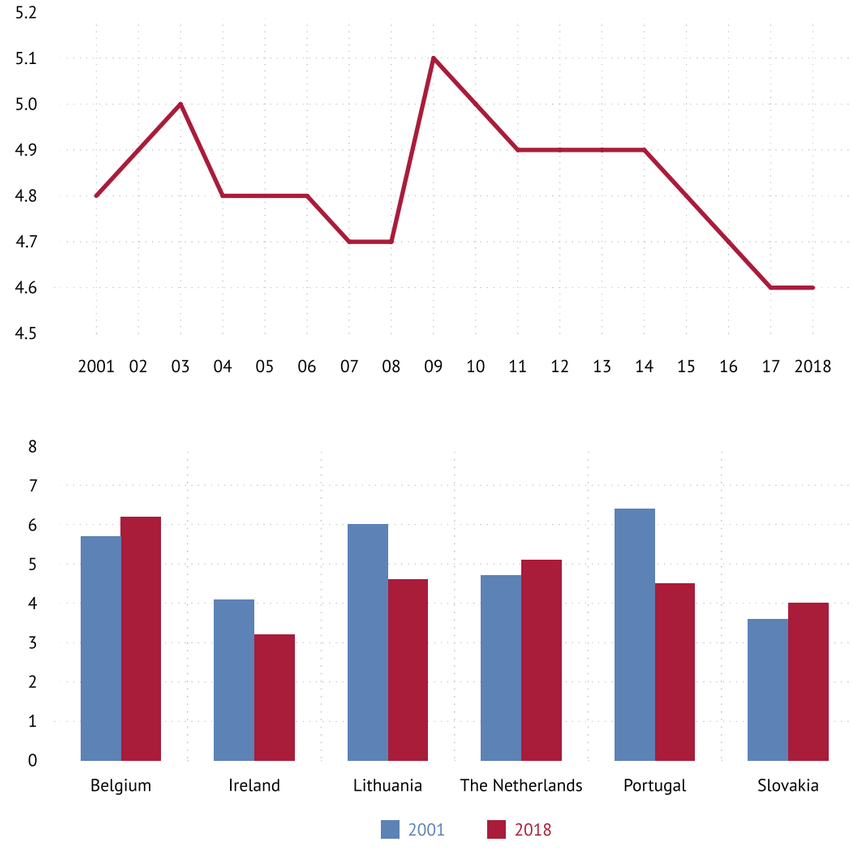
The COVID-19 pandemic has exposed the existing structural weaknesses of European health systems and, in many cases, their unpreparedness to absorb a health crisis of this magnitude.

2.3. EDUCATION [112]

In this Issue Paper, education services and activities include, but are not limited to, the provision of pre-primary, primary, secondary and tertiary education, as well as other education and R&D activities.

Fig. 19

GOVERNMENT EXPENDITURE ON EDUCATION IN EU27 AND SELECTED COUNTRIES (GDP%)



Source: Authors, based on *Eurostat* [115]

2.3.1. Government expenditure and investment: Decreasing resources for education [114]

Government expenditure represents the main financing source of education across Europe. In 2018, EU27 education spending accounted for almost 5% of EU GDP and 10% of total government expenditure (see Figure 18). While a few countries experienced some increases in education spending, EU27 education government expenditure generally decreased since 2001 as shares of both GDP and total expenditure. Investments in education as a share of total public investments grew over time, but only a few countries increased their investments in education resources as a share of GDP.

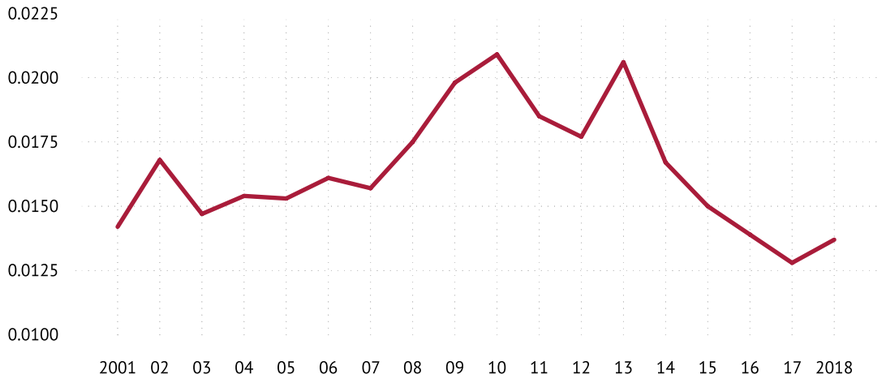
Education in Europe is financed by three primary sources: government expenditure, non-educational private sources and international organisations. Government expenditure is by far the main financing source, ranging from 74% in Cyprus (2015) to 94% in Finland and Austria (2015) and 98% in Romania (2016).[115]

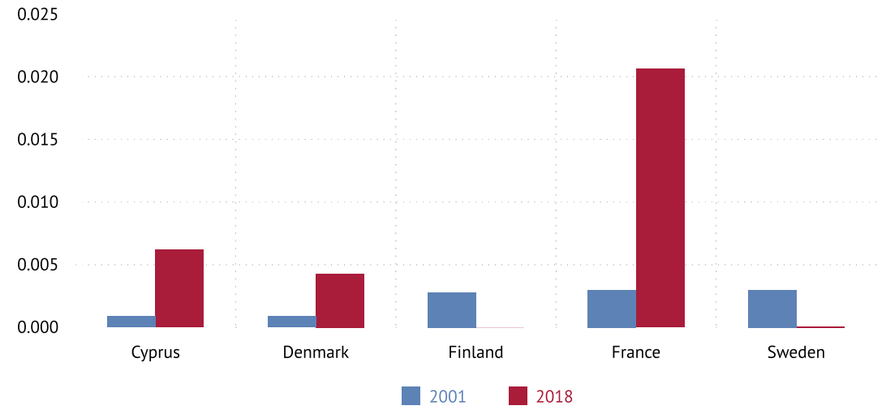
In 2018, EU27 government expenditure on education amounted to 4.6% of the Union's overall GDP and almost 10% of total general government expenditure. The EU countries that spent the most in education as a percentage of their GDP were Sweden (6.9%), Denmark (6.4%), Belgium and Estonia (6.2%), whereas Bulgaria (3.5%), Ireland and Romania (3.2%) rank at the bottom. In terms of total government expenditure, Estonia, Latvia and Malta dedicated 15.8%, 15.1% and 14.2% respectively to education in 2018. In contrast, France, Romania, Greece and Italy allocated around or less than 9% to education (see Figure 18).

Between 2001 and 2018, EU27 government expenditure on education decreased, as percentages of both GDP (-4.2%) and total government expenditure (-3.9%). However, it is worth noting that EU27 education spending as a share of total government expenditure in more recent years remained steady (9.9% between 2013 and 2018, except for 10.0% in 2016), while education spending as a share of GDP decreased (4.9% in 2013 to 4.6% in 2018) (see Figure 19).

Fig. 20

GOVERNMENT INVESTMENT IN EDUCATION IN EU27 AND SELECED COUNTRIES (GDP%)





Source: Authors, based on *Eurostat* [116]

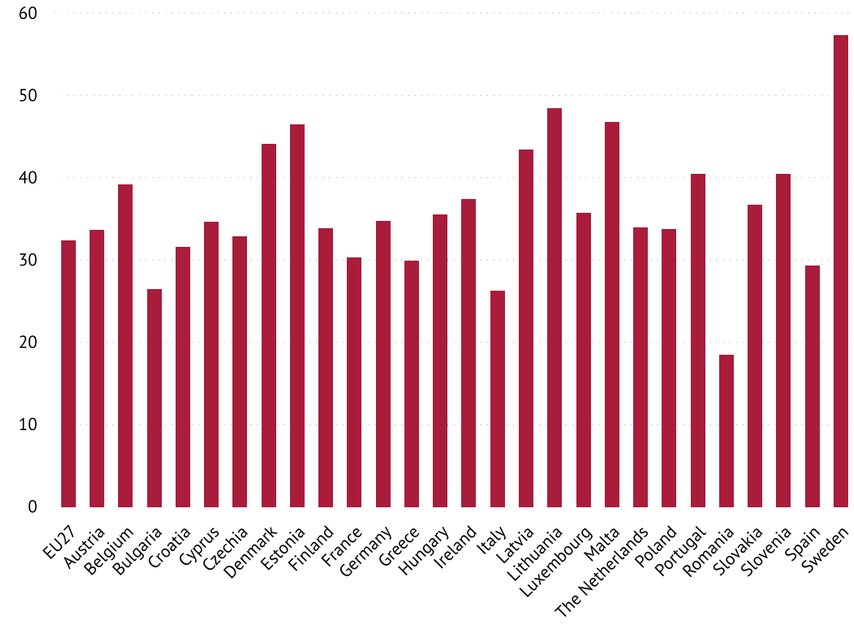
When focusing on the evolution of education spending at the national level between 2001 and 2018, diverging patterns emerge. Significant decreases in some countries fuel the EU27 reduction of education spending over the last two decades. Portugal (-29.7%), Lithuania (-23.3%) and Ireland (-22.0%), for example, reduced their government expenditure as a percentage of GDP. Nonetheless, increases can be found in Slovakia (+11.1%), Belgium (+8.8%), the Netherlands (+8.5%) (see Figure 19, page 37). A similar pattern is displayed in the evolution of education spending as a share of total government expenditure: some countries experienced relevant reductions over the last two decades (Portugal -27.6%, Cyprus -17.2%, Finland -16.8%, Lithuania -16.8%), while others had a positive trend (Slovakia +18.8%, the Netherlands +11%).

When looking at public investment, in 2018, investments in education at the EU27 level amounted to 2.1% of total public investment and only 0.01% of GDP (see Figure 20). Between 2001 and 2018, capital transfers in the sector decreased slightly as a percentage of GDP (-4.1%) but grew as a share of total public investment (+32.6%).

On a national level, in 2018, public investment in the education sector as a share of national GDP was low everywhere in Europe, with the highest percentages in Germany (0.03%), France (0.02%) and Austria (0.02%). Figures slightly increase when studying capital transfers as a percentage of total public investment. While in most countries, investments in education as a share of the total public investment ranged between almost 0% and 2%, Denmark (8.2%), Austria (4.9%) and Ireland (3.9%) allocated higher shares. Only a few countries experienced major rises in investments as a share of GDP over the last two decades,[117] as most countries faced declines in capital transfers to education (see Figure 20).

Fig. 21

EU EDUCATION WORKERS PER 1,000 INHABITANTS (2019)



Source: Authors, based on *Eurostat* and EU LFS [118]

2.3.2. Size of the sector: A generalised increase leaving behind a few countries[119]

The EU education sector employs a significant portion of the European workforce (7.2%), with around 14.5 million workers in 2019. Over the last decade, this specific workforce experienced a generalised increase: the absolute number of workers increased by +13.1% while its share of total employment grew by +9.2%.

The national divergence in number of education workers per 1,000 inhabitants, combined with the ageing trend that the EU workforce is experiencing generally, sparks concerns regarding future shortages of workers in the sector.

The countries which experienced the most significant growth rates are Malta (+71.1%), Croatia (+35.5%) and Austria (+29.1%). However, some countries' education workforces, especially in Southern and Europe – Romania, Bulgaria, Lithuania, Latvia, Greece, Italy –, shrank. Their decreases range from -10.1% in Romania to -0.4% in Italy.

When looking at the number of workers per 1,000 inhabitants, stark cross-country differences emerge. 7 European countries score well below the EU27 average number of workers in the field of education (32.4), with Romania having only 18.5 workers per 1,000 inhabitants, followed by Italy (26.3) and Bulgaria (26.5). On the other side of the spectrum are Sweden (57.3), Lithuania (48.4) and Malta (46.8) (see Figure 21). This divergence, combined with the ageing trend that the EU workforce is experiencing generally, sparks concern regarding future shortages of workers in the sector.

2.3.3. Profile of workers: A highly skilled but greying workforce[120]

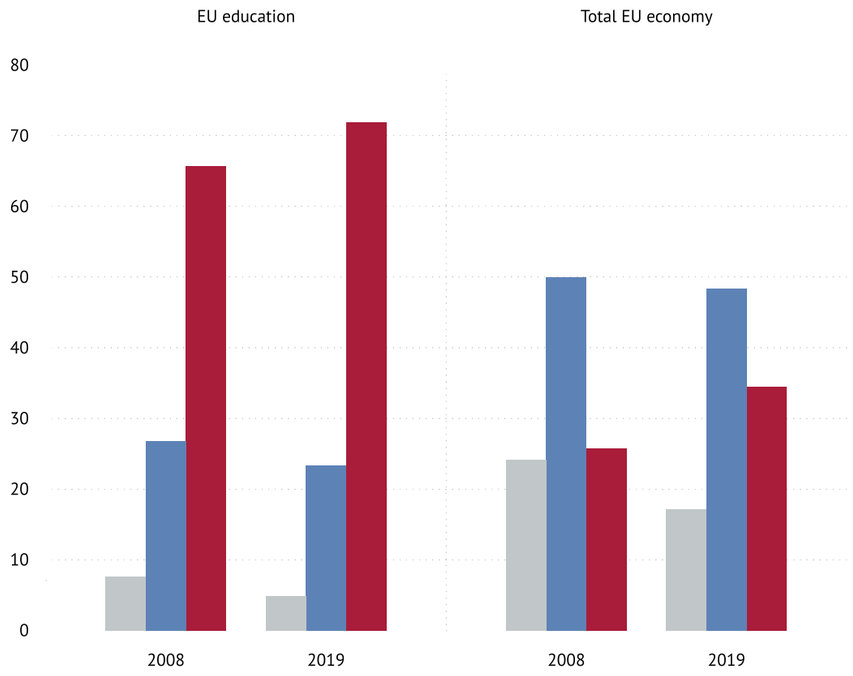
Workers in this field generally have a higher educational level than the rest of the workforce, and the number of high-skilled workers has increased considerably over the last decade. When considering the age structure, the education workforce is older than the total EU workforce. More worryingly, it is greying faster, with remarkable increases in the numbers of workers aged 55 and over.

Educational attainment[121]

In 2019, most workers in the European field of education were medium- or high-skilled workers (over 95%), with 23.3% having completed upper-secondary and post-secondary, and 71.8% having attained tertiary education. Only 4.9% of workers had (less than) primary or lower

Fig. 22

EDUCATIONAL ATTAINMENT OF EU EDUCATION WORKERS (%)



Source: Authors, based on *Eurostat* and EU LFS [122]

secondary education. Compared to the total economy, which is made up of 82.8% medium- and high-skilled workers and 17.2% low-skilled workers, the education workforce has a significantly higher educational level.

At the national level, in 2019, at least 7 European countries had education workforces that only comprised medium- and high-skilled workers.[123] In Cyprus (94.9%), Greece (87.5%) and Luxembourg (87.2%), high-skilled workers accounted for the majority.

Between 2008 and 2019, the EU27 education workforce experienced significant changes in the levels of educational attainment, with a -35.3% drop in the number of low-skilled workers, a -13.0% drop in medium-skilled workers, and a +9.3% increase in high-skilled workers (see Figure 22).

Age structure

In 2019, workers aged 55 years or older accounted for almost 24% of the EU education workforce, as opposed to 20.2% of the total economy. More worryingly, workers aged 55 to 64 increased by +33.0% between 2008 and 2019, while the number of those aged over 65 grew remarkably by +128.1%. Workers aged 25 to 54 experienced a -8.6% reduction during the same timeframe.

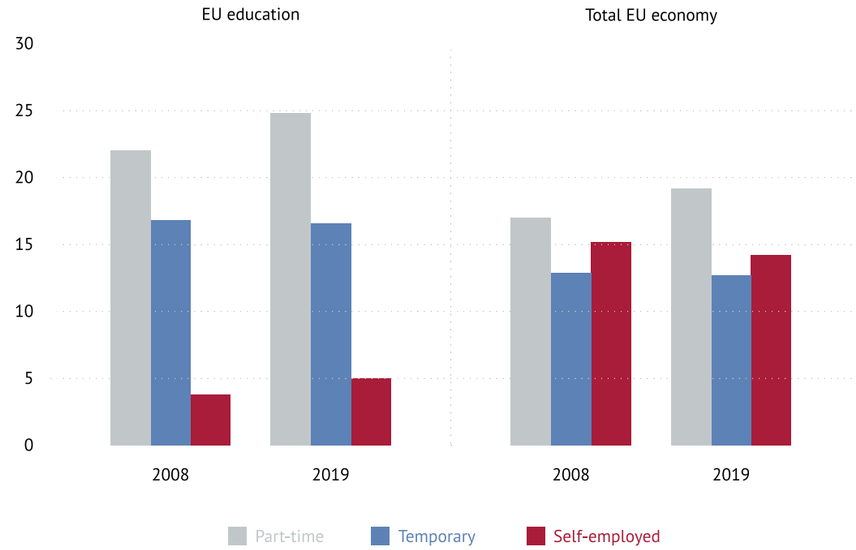
EU education workers aged 55 to 64 increased by +33.0% between 2008 and 2019, while the number of those aged over 65 grew remarkably by +128.1%.

2.3.4 Working conditions: Significant cross-country divergence[124]

In 2019, the vast majority of EU27 education workers education were employees, while only a small share was self-employed. However, in contrast with the general trend of the economy, self-employment in the education sector increased considerably over the last decade. The incidence of part-time work in education is also prominent and increasing. When considering temporary employment, while the EU27 trend has remained mostly

Fig. 23

ATYPICAL WORK IN EU EDUCATION



Source: Authors, based on *Eurostat* and EU LFS [125]

stable, a few countries experienced significant increases in temporary workers. Furthermore, the analysis shows that, in 2019, education workers spent fewer hours at work and less time working nights, evenings and weekends than in the total economy. However, cross-country differences are striking.

Contractual arrangements

In 2019, most EU27 workers in the field of education were employees (95.0%), as opposed to a mere 5.0% of self-employed workers (i.e. 4.2% own-account workers and 0.8% self-employed with employees) (see Figure 23). In Bulgaria, Lithuania, Luxembourg and Romania, the national education workforces were composed entirely of employees. In contrast, the share of own-account workers was highest in Cyprus (14.0%), the Netherlands (11.5%) and Germany (5.7%).

When comparing the evolution of contractual agreements over the last decade, interesting differences emerge. Between 2008 and 2019, the EU27 total economy experienced a +2.3% increase in employees and a -6.9% drop in self-employed workers. Meanwhile, total self-employment in the education sector increased by +31.5% (i.e. +30.8% own-account workers; +35.5% self-employed with employees) (see Figure 23).

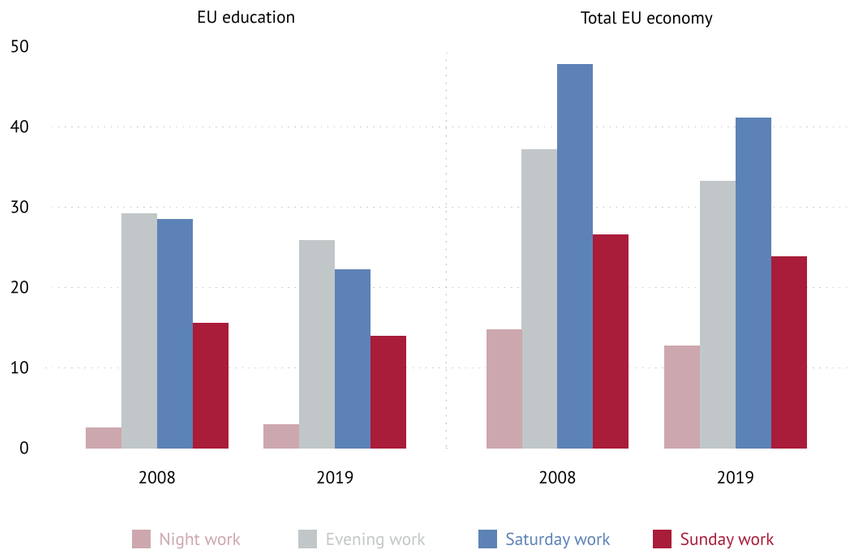
When studying working time arrangements, in 2019, 75.2% of the EU27 education workforce was engaged full-time, whereas 24.8% worked part-time. In the total economy, 80.8% of workers had full-time jobs, and 19.2% part-time (see Figure 23). The EU countries with the highest share of full-time working arrangements were Bulgaria and Romania (100%), followed by Slovakia (98.3%) and Hungary (96.4%). As regards the incidence of part-time work, most European countries (i.e. 21 out of 27) remained below the EU27 average (24.8%), with the noticeable exceptions of the Netherlands (65.7%), Germany (44.3%), Austria (34.3%) and Belgium (31.4%).

The share of full-time workers in the EU27 field of education decreased by -3.7% between 2008 and 2019, while part-time work experienced a +13.0% growth, in line with the trend of the total economy (i.e. part-time work +12.8%; full-time work -2.6%) (see Figure 23).

Finally, in 2019, temporary employees represented 16.6% of workers in the EU27 field of education, remaining mostly unchanged over the last decade (i.e. -1.2% drop since 2008) (see Figure 23). Temporary employment in the wider EU27 economy experienced a similar trend, slightly decreasing from 12.9% in 2008 to 12.7% in 2019. However, when looking at the national level, the landscape differs significantly. In 2019, at least 8 countries' education sectors had higher rates of temporary employment than the EU27 average, with peaks of 26.1% in Spain and 24.8% in Finland. More interestingly, most countries faced relevant changes over the last decade. Croatia (+118.2%), Austria (+89.2%) and Luxembourg (+42.5%) had major increases in the share of temporary employment in the sector. On the other hand, Cyprus (-50.4%), Slovenia (-28.9%) and Portugal (-17.3%) faced drops.

Fig. 24

ATYPICAL WORKING PATTERNS IN EU EDUCATION (%)



Source: Authors, based on *Eurostat* and EU LFS [126]

Working time

In 2019, workers in the EU education sector spent fewer weekly hours at work (33.3 hours) than the average worker (37.1 hours). Over the last decade, the sector's trend diverges from the total economy. Between 2008 and 2019, the EU education workforce's average working time increased from 32.7 to 33.3 hours, while the total economy experienced a decrease of -0.9 working hours.

National differences are also striking: in 2019, the average number of weekly hours of work in the education sector was above 38 hours in Bulgaria (39.5), Romania (38.9) and Hungary (38.8), while it remained below 30 in Greece (29.8), the Netherlands (28.7) and Italy (27.7).

When considering the atypical working patterns of the education sector, the workers spent less time working nights, evenings and weekends. In 2019, only 3.0% of education workers worked nights and 25.9% evenings, while in the total economy the share was 12.8% for night work and 33.3% for evening. A relevant divergence also existed regarding Saturday and Sunday work: 22.3% and 14.0% workers in the education sector worked Saturdays and Sundays respectively, as opposed to 41.2% and 23.9% in the total economy. Since 2008, night work in the education sector has increased slightly, from 2.6% to 3.0%. In contrast, the other atypical working patterns experienced the same decreasing trend of the total economy (see Figure 24).

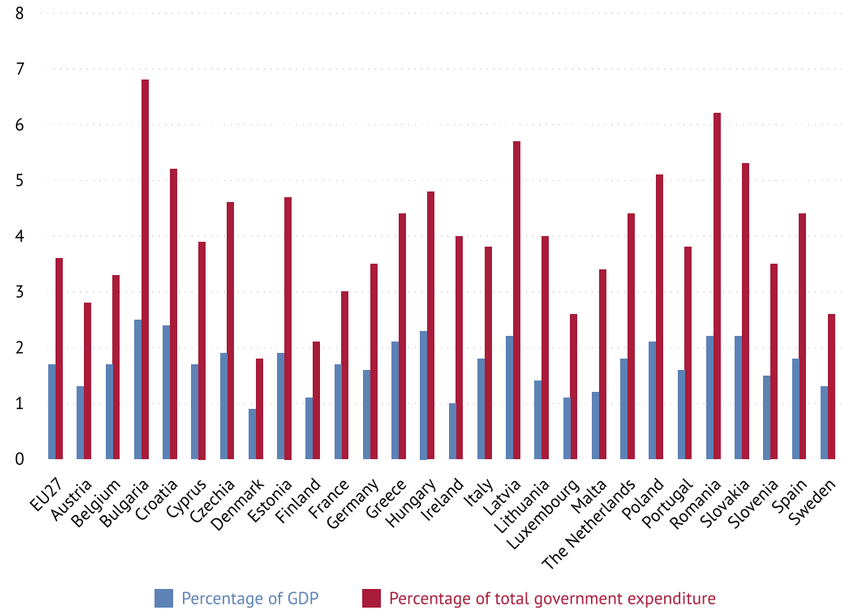
2.3.5. Public service performance: Lack of qualified teachers to respond to education challenges

Some of the indicators to measure the public service performance in education include citizens' overall satisfaction, school enrolment and student performance, and the availability of teachers qualified to respond to special needs.[127] Nordic citizens are the most satisfied with their education systems: existing OECD data reveals that, in Europe, Danish and Finnish citizens are the most satisfied with their education systems (84% expressed satisfaction respectively), as opposed to Lithuania (43%) and Hungary (48%).[128] Nonetheless, there are concerns throughout the Union regarding shortages of teachers qualified to respond to students' special needs, teach in multicultural settings and engage with students in disadvantaged socioeconomic situations.

School enrolment as an indicator assesses access to education. OECD countries guarantee universal access to primary and secondary education. Compulsory education in EU countries starts from either the final year of pre-primary education (International Standard Classification of Education level 0) or the first year of primary education (level 1), often at the age of 6.[129] In 2009, the strategic framework for European cooperation in education and training set the benchmark of ensuring that at least 95% of children participate in early childhood education. This goal was achieved in 2016 at the EU28 level (95.3%). However, for the EU27, in 2018, 94.8% of children were in early childhood education. Breaking this figure down at the national level, it

Fig. 25

GOVERNMENT EXPENDITURE ON PUBLIC ORDER AND SAFETY (2018, %)



Source: Authors, based on *Eurostat* [130]

emerges that in 2018, a total of 14 member states reached or surpassed the 95% benchmark. The rest reported lower ratios (e.g. Greece 75.2%, Croatia 81.0%, Slovakia 82.2%).[131]

Student performance is an important indicator that gauges the quality of education systems, as it contributes to an understanding of how effectively students assimilate the knowledge and skills needed for their personal and social development. According to the latest data from the OECD's Programme for International Student Assessment, in 2018, the highest-ranking EU countries in terms of student performance in literacy, mathematics and science were Estonia, Finland and Ireland. Bulgaria, Cyprus and Romania were at the opposite end of the ranking.[132]

Lastly, education systems must adapt and respond to the challenges posed by fast-changing and ever-evolving societies and labour markets. An interesting indicator of the responsiveness of education systems is represented by the availability of teachers qualified to teach students with special needs (e.g. students with mental, physical and/or emotional disadvantages), students with a socioeconomic disadvantage, or students coming from multicultural settings. In 2018, across lower secondary education settings in OECD countries, 31% of school principals reported shortages of teachers qualified to respond to students' special needs, 19% indicated shortages of teachers to teach in multicultural settings, and 16% reported the lack of teachers qualified to engage with socioeconomically disadvantaged students. France, Belgium and Italy were among the European countries which struggled the most with such shortages.[133]

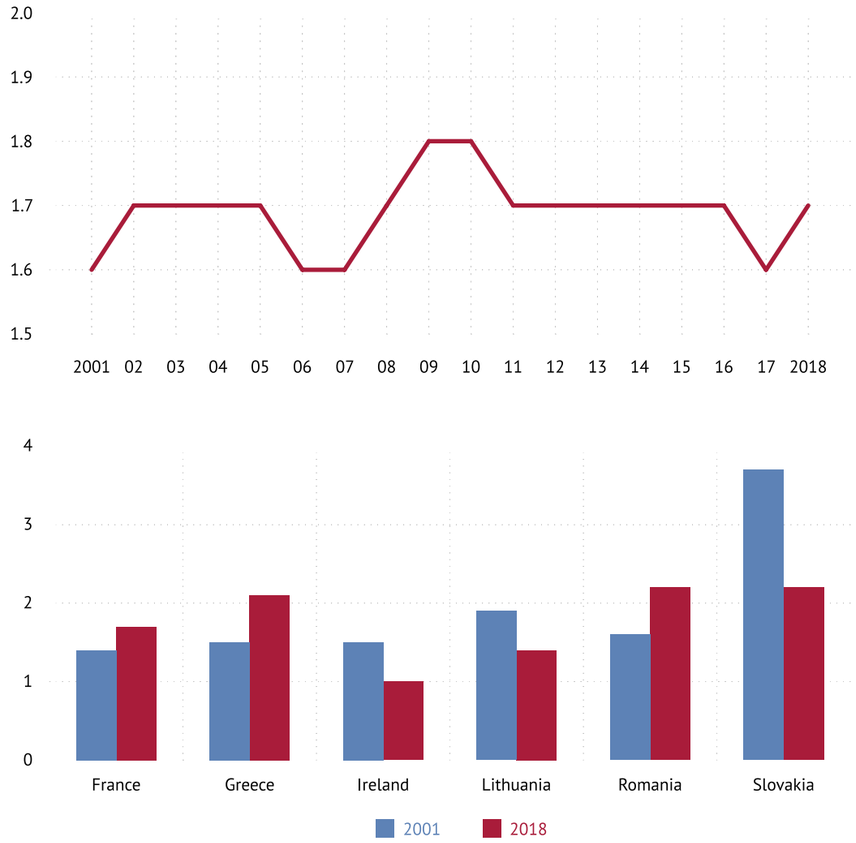
2.3.6. Interim conclusions: Better equip the education workforce

Government expenditure is by far the major financing source of education and represents almost 10% of total general government expenditure across Europe. However, EU27 education spending has decreased in the last two decades, mainly due to significant cuts in some European countries. Furthermore, public investment in the sector as a share of GDP is generally low in Europe, and most countries have faced declining capital transfers to education over the past years.

Despite decreasing financing on average, the education sector accounts for a considerable – and increasing – portion of the European workforce. Nonetheless, cross-country divergence in the availability of education professionals raises some concerns, as several countries have low numbers that do not meet their populations' needs. The education workforce is also generally older than the overall workforce and, more worryingly, is ageing at a swift pace. In the last decade, workers aged over 65 more than doubled, while younger workers have

Fig. 26

GOVERNMENT EXPENDITURE ON PUBLIC ORDER AND SAFETY IN EU27 AND SELECTED COUNTRIES (GDP%)



Source: Authors, based on *Eurostat* [134]

decreased. The ageing population of educators, paired with the difficulties in attracting and retaining young professionals, raises serious concerns about future staff shortages.

Furthermore, like the wider European economy, the world of education is subject to the impact of digitalisation and the adoption of new technologies. These transformative trends bring about the urgent need for continuous knowledge and skills updating, as well as a rethinking and adjustment of the initial training provided to teachers and education professionals.

Finally, employment in education is characterised by high percentages of atypical forms of work. European teachers are engaging in part-time work more than other workers in the total economy, with an upward curve over the past decade. Self-employment is also on the rise in the sector.

2.4. PUBLIC ORDER AND SAFETY [135]

In this Issue Paper, services and activities in the field of public order and safety include, but are not limited to, police and fire protection services, civil and criminal law courts and the judicial system.

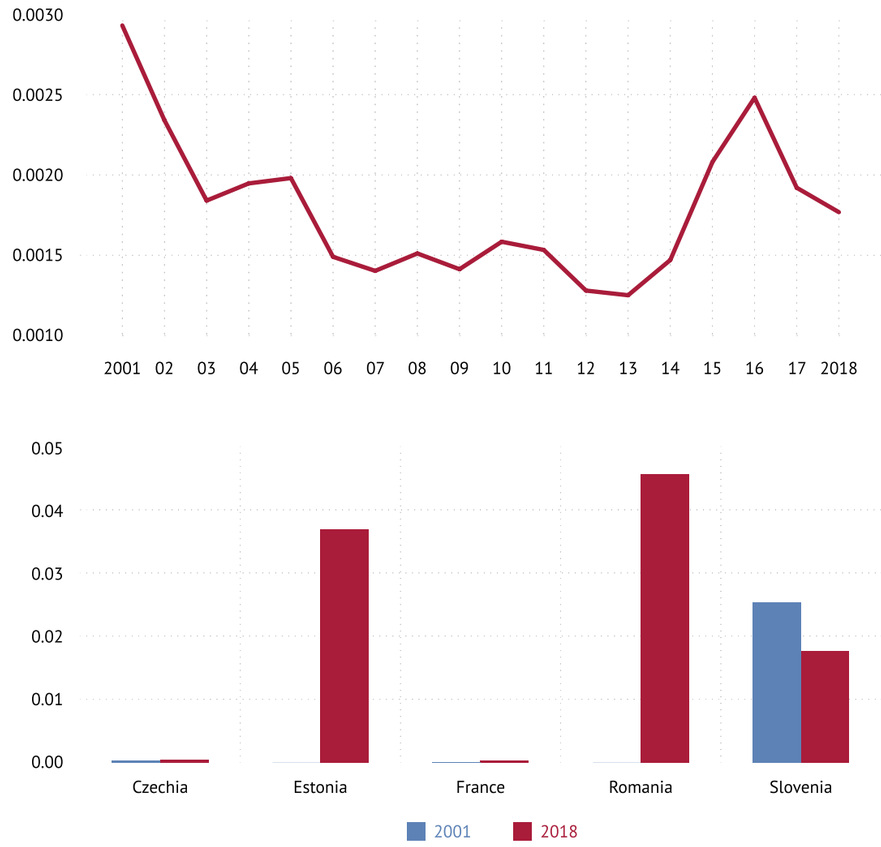
2.4.1. Government expenditure and investment: Unchanging expenditure, declining investment [136]

Over the past two decades, EU27 government expenditure in the field of public order and safety remained relatively stable, with only a few countries experiencing a significant increase in spending as a percentage of GDP. Public investment as a share of GDP is generally meagre across Europe, with a declining trend over the last two decades.

In 2018, EU27 government expenditure on public order and safety amounted to 1.7% of the Union's overall GDP and 3.6% of total general government expenditure.

Fig. 27

GOVERNMENT INVESTMENT IN PUBLIC ORDER AND SAFETY IN EU27 AND SELECTED COUNTRIES (GDP%)



Source: Authors, based on *Eurostat* [137]

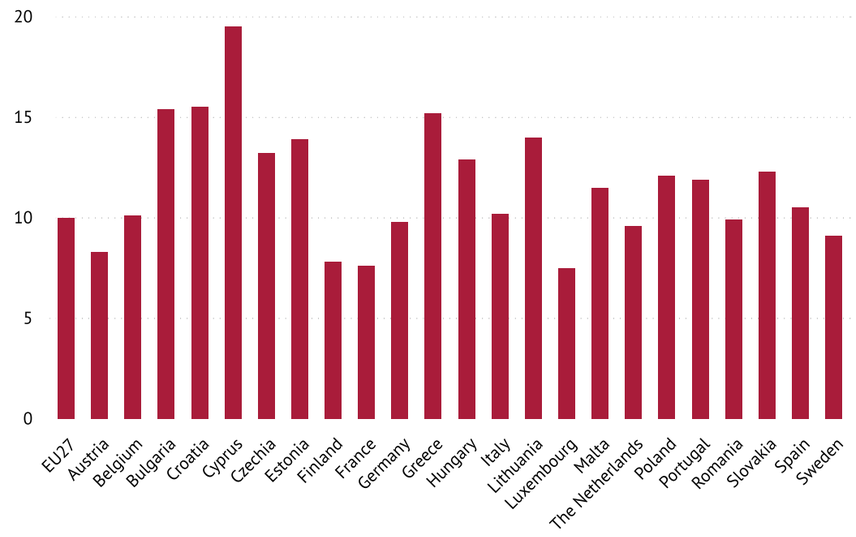
The EU countries that spent the most in public order and safety as a percentage of GDP were Bulgaria (2.5%), Croatia (2.4%) and Hungary (2.3%). In contrast, Luxembourg and Finland (1.1%), Ireland (1.0%) and Denmark (0.9%) scored at the bottom of the ranking. In terms of total government expenditure, Bulgaria, Romania and Latvia dedicated 6.8%, 6.2% and 5.7% to public order and safety respectively. In contrast, Sweden and Luxembourg (2.6%), Finland (2.1%) and Denmark (1.8%) allocated the least shares of their total government expenditure to public order and safety activities (see Figure 25, page 43).

When studying the evolution between 2001 and 2018, EU27 government expenditure on public order and safety remained relatively stable, as percentages of both GDP (+0.1 percentage point) (see Figure 26) and total government expenditure (+0.2 percentage points). When focusing on the evolution of national expenditure, it is worth noting that some countries experienced a significant increase in public order and safety spending as a percentage of GDP over the last two decades (e.g. Greece +40.0%, Romania +37.5%). At the same time, Slovakia (-40.5%), Ireland (-33.3%) and Lithuania (-26.3%) reduced their expenditure (see Figure 26). Regarding total national government expenditures, public order and safety spending saw a significant increase in Romania (+40.9%) and Greece (+37.5), whereas Estonia (-34.7%) and Slovakia (-34.6%) reduced the most.

Turning to public investment in public order and safety, in 2018, figures at the EU27 level were meagre, amounting to almost 0% of GDP and 0.3% of total public investment, with a decreasing trend between 2001 and 2018. At the national level, public investment in the sector as a share of GDP was exceptionally low everywhere in Europe (almost 0%), with the highest percentages in Romania (0.05%), Estonia (0.04%) and Slovenia (0.02%) (see Figure 27). The same consideration applies to capital transfers as a percentage of total public investment, which were low in Europe (between

Fig. 28

EU PUBLIC ORDER AND SAFETY WORKERS PER 1,000 INHABITANTS (2019)



Source: Authors, based on *Eurostat* and EU LFS [138]

0% and 1.9%), barring Estonia (9.0%), Slovenia (8.5%) and Romania (7.4%).

2.4.2. Size of the sector: Increasing EU27 employment fuelled by a few countries[139]

In 2019, the public order and safety sector employed a small share of the European workforce: 2.2%, or around 4.5 million workers. However, the sector workforce has expanded since 2008. Over the last decade, the sector gained almost 1 million workers, at a +27.5% growth rate. The sector's share of total employment also grew from 1.8% in 2008 to 2.2% in 2019. This growth has been fuelled by considerable increases in some countries, whereas other countries experienced significant declines.

Over the last decade, the EU education sector workforce gained almost 1 million workers, at a +27.5% growth rate.

The public order and safety workforce increased considerably in Estonia (+32.7%), Malta (+30.3%) and Hungary (+28.6%), whereas it decreased significantly in Romania (-8.8%) and France (-8.0%). When looking at the number of workers per 1,000 inhabitants, significant cross-country differences emerge. Cyprus (19.5), Croatia (15.5) and Bulgaria (15.4) rank well above the EU27 average (10.0 per 1,000 inhabitants). On the other side of the spectrum, Finland (7.8), France (7.6) and Luxembourg (7.5) have the lowest number of workers per 1,000 inhabitants in Europe (see Figure 28).

2.4.3. Profile of workers: A young and highly skilled workforce facing demographic pressures[140]

Workers in the public order and safety sector generally have a higher educational level than the rest of the workforce, and the number of high-skilled workers has increased over the last decade. When considering the age structure, the workforce is generally younger than the total EU workforce. However, the sector is experiencing the same worrying greying trend as the other three public services analysed in this chapter.

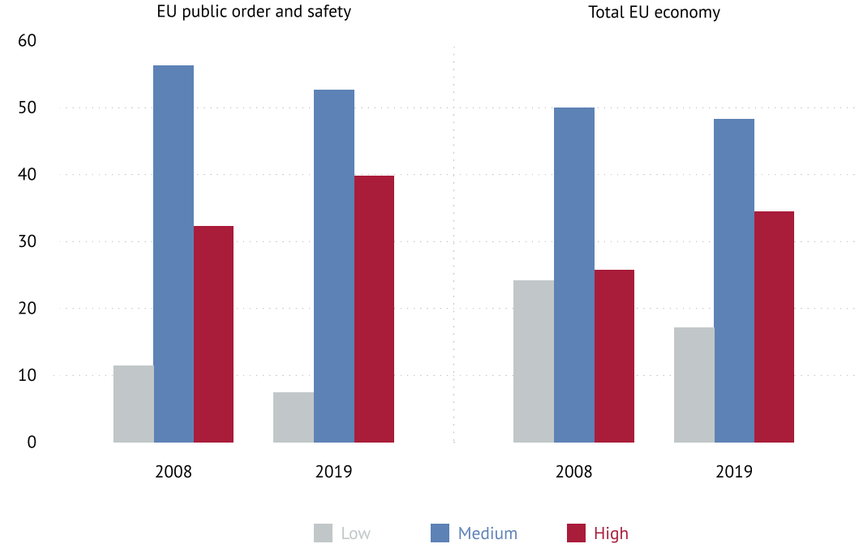
Educational attainment[141]

In 2019, most public order and safety workers were medium- or high-skilled (over 92%), with 52.7% having completed upper- and post-secondary and 39.8% having attained tertiary education. Only 7.5% had (less than) primary or lower-secondary education. In contrast, the total workforce counts 82.8% of medium- and high-skilled workers, and 17.2% of low-skilled workers (see Figure 29).

At the national level, in 2019, at least 10 European countries had workforces that only comprised medium- and high-skilled workers.[142] In Sweden, Lithuania and

Fig. 29

EDUCATIONAL ATTAINMENT OF EU PUBLIC ORDER AND SAFETY WORKERS (%)



Source: Authors, based on *Eurostat* and EU LFS [143]

Cyprus, high-skilled workers accounted for 63.4%, 62.4% and 59.4% of the sector total respectively.

In 2019, at least 10 European countries had workforces that only comprised medium- and high-skilled workers.

Between 2008 and 2019, the EU27 workforce in the sector faced a significant evolution in educational attainment levels that was in line with the total economy. The sector experienced a -34.4% drop in the number of low-skilled workers, -6.4% drop in medium-skilled workers, and +23.3% increase in high-skilled workers (see Figure 29).

Age structure

Workers aged 55 years or older are less present in the public order and safety sector (15.3% in 2019) than in the total economy (20.2%). This is a diverging trend from the health and education sectors, which have relatively older workforces. Despite this difference, the evolution of the age distribution between 2008 and 2019 has seen a similar path of ageing: a worrying increase in the number of workers aged 55 years and older, and drop in workers aged 15 to 54. In particular, the oldest workers (over 65) almost tripled from 0.3% to 0.8%, while those between 55 and 64 years increased by +72.3%.

2.4.4. Working conditions: Low incidence of atypical work but more irregular working times[144]

An almost absolute absence of self-employment characterises the European public order and safety sector. Temporary and part-time work represent small percentages of employment arrangements. Meanwhile, atypical working patterns are more common in this sector than the total economy: workers in the public order and safety sector spend more hours at work on average, and more time working nights, evenings and weekends.

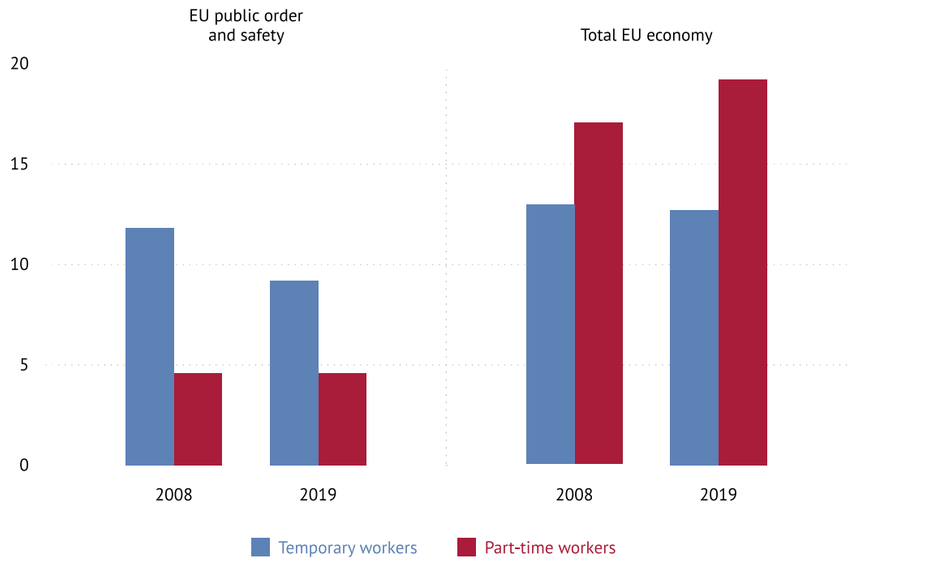
Contractual arrangements

The field of public order and safety was characterised by the almost absolute absence of self-employment contractual arrangements across Europe in 2019. All EU countries had 100% employment in the sector besides the Netherlands, which also had a small share of own-account workers (1.6%). This picture remained largely unchanged in the last decade. Only Italy and Czechia occasionally had small shares of self-employment in the sector in the past years, ranging from 0.3% to 1.5% over the years.

When studying the working time arrangements, in 2019, the vast majority of the EU27 public order and safety workforce was engaged in full-time positions

Fig. 30

ATYPICAL WORK IN EU PUBLIC ORDER AND SAFETY (%)



Source: Authors, based on *Eurostat* and EU LFS [145]

(95.4%), whereas 4.6% worked part-time. In the total economy, 80.8% of workers had full-time jobs and 19.2% part-time. In 2019, workforces in the sector of 14 EU countries had full-time positions,[146] while the incidence of part-time work was relevant in the Netherlands (23.6%), Austria (11.3%), Sweden (10.9%) and Belgium (10.2%). Between 2008 and 2019, the share of part-time workers in the EU27 field of education remained mostly unchanged (see Figure 30).

Lastly, in 2019, temporary employees only represented 9.2% of workers in the public order and safety sector in the EU27, following a -21.4% drop since 2008 (see Figure 30). The decrease was mainly fuelled by significant declines in some countries, such as Greece (-54.6%), Hungary (-48.4%) and France (-41.8%). In 2019, most EU countries had a rate of permanent employment in the sector well above the EU27 average (90.8%), while only a few countries placed below the average, such as Cyprus (78.0%) and Germany (81.0%).

Working time

In 2019, workers in the EU27 public order and safety sector spent more hours at work than the total economy. In the EU27, they worked an average of 39.5 hours per week, compared to the total economy's 37.1 hours. The average weekly working time in the sector decreased slightly over the last decade, from 40.3 hours in 2008 to 39.5 hours in 2019. This mirrors the negative trend of the total economy (38.0 hours to 37.1 hours).

Substantial cross-country differences in working times emerge. In 2019, the average number of weekly hours in the public order and safety sector was above 42 hours in Malta (42.5), Austria (43.0) and Cyprus (45.8). It remained below 38 in Spain (37.5), Italy (37.5) and the Netherlands (35.2).

When considering the atypical working patterns in the public order and safety sector, it is important to note that more time is spent working nights, evenings and weekends than in the total economy. In 2019, a significant share worked nights (37.1%) and evenings (46.7%), and even more worked weekends (Saturdays 48.6%, Sundays 43.0%). The evolution of atypical working patterns in the sector over the last decade followed the same negative trend as the total economy (see Figure 31).

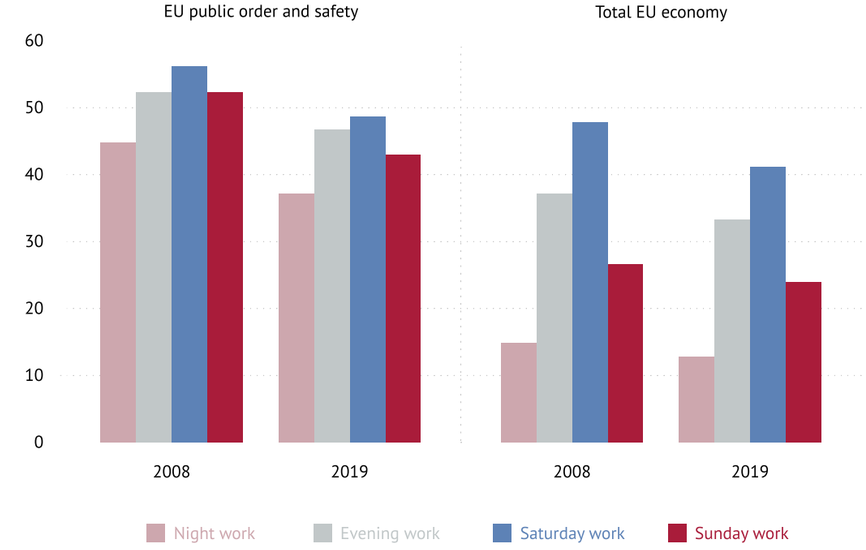
2.4.5. Public service performance: The challenges of accessibility and timeliness of justice

Indicators used to assess public service performance in public order and safety include citizens' confidence in judiciary systems and local police, and the accessibility and timeliness of justice services.[147] Citizens in Nordic countries have more trust in their judicial systems than the rest of the Union. Trust in the local police is generally high across EU countries, with some cross-country divergence. Significant challenges and stark cross-country differences in terms of accessing justice and the timeliness of dispute resolution persist.

In 2018, an average of 56% OECD citizens expressed confidence in their judicial systems. Across EU countries, Denmark (87%), Finland and Luxembourg (76%) placed

Fig. 31

ATYPICAL WORKING PATTERNS IN EU PUBLIC ORDER AND SAFETY (%)



Source: Authors, based on *Eurostat* and EU LFS [148]

on the higher side of the spectrum, while Latvia (28%), Slovenia and Italy (31%) ranked low. Trust in judiciary systems and courts can be influenced by citizens' perceptions of related governmental institutions, such as the police. In 2018, 77% of OECD citizens expressed trust in their local police. EU countries where trust in local police was high were Austria (89%), Germany (89%) and Finland (87%), as opposed to the low rates of Latvia (58%), Greece (68%) and Poland (70%).[149]

Access to justice services is a relevant indicator of performing judicial systems: it gauges individuals and businesses' ability to access legal information and counsel and obtain a just resolution. In 2018, 59% of OECD citizens reported experiencing a legal problem in the past two years, but only 32% of these people sought and received legal advice. Among the reasons for not attempting to obtain legal assistance were access barriers (30%), such as lack of information, distant location of services and high financial costs. Across EU countries, access barriers were perceived to be higher in Belgium (40%), Greece and Germany (38%), as opposed to Hungary (16%), Denmark (19%) and Finland (22%).[150]

Finally, the timeliness of dispute resolution is a crucial determinant of the quality of judicial services. Different factors, from the availability of judges and other relevant professionals to a lack of infrastructures and shortage of funds, can affect the quality. Data from the Council of Europe on disposition time – the estimated length of civil, commercial and administrative cases (i.e. cases not falling within the purview of criminal justice) – reveals that in 2016, non-litigious cases were disposed of in 21 days in Denmark, 40 in Estonia, and 41 in Lithuania. Meanwhile, it took 312 days in France and 387 days in Italy to resolve a non-litigious matter. When studying the disposition time for litigious civil and commercial cases, the timespan gets longer: only such cases in Lithuania (88 days) and Luxembourg (91) took under 100 days to resolve in 2016, while it took the longest in Greece (610) and Italy (514).[151]

2.4.6. Interim conclusions: Improve the quality of judicial services by boosting access and timeliness

EU27 government expenditure in the public order and safety sector has remained stable in recent years, accounting for less than 2% of EU GDP in 2018. However, public investment in the sector is exceptionally low everywhere in Europe and has been decreasing over the last two decades.

The sector employs some 4.5 million workers (i.e. 2.2% of the total EU27 workforce), and employment has been on the rise since 2008. Workers in the sector are generally younger than the total economy and the other sectors analysed in this study.

The is characterised by extremely low levels of atypical forms of work. Self-employment is almost non-existent. Only 4.6% of the workers are engaged in part-time employment, and temporary employment represents 9.2% of the sector's contractual arrangements, with decreasing numbers over the last decade. Conversely, the workers are more exposed to atypical working

patterns, as they work more hours than the total economy and more night, evening and weekend shifts.

In terms of public service performance, access to justice services is generally perceived as satisfactory across European countries. Despite national differences, most European citizens also express trust in local police. However, the timeliness of dispute resolution, which is a crucial determinant of the quality of judicial services, varies considerably from one country to the other, hinting at a potential structural weakness.

Chapter 3: Policy recommendations for fair and resilient public services in the EU

The previous chapters of this Issue Paper highlight how European public services have evolved over the past decade in relation to funding, changing employment dynamics and service quality. It outlines external trends like demographic ageing, digitalisation and trust in government; how they are projected to impact public services; and the challenges they pose to the sector.

There are several important findings underpinning this study:

- The overall decline in **public investment** is one of the most important developments in the European public service sector. This trend has had a significant effect on public service providers and workers: they report that budget constraints affect their ability to perform their duties and obligations.
- There are some favourable trends related to employment, such as increasing employment levels and fewer working hours than the rest of the economy. However, the spread of **atypical work** across the sector is worrying, given the higher incidence of in-work poverty associated with such contracts.
- The evolution of **service quality** highlights major differences between member states and, in some instances, deteriorating performance in various areas of public service delivery (e.g. public administration implementation of government decisions).
- Trends like **demographic ageing** and **digitalisation** are projected to have a significant impact on public services. Ageing is substantially increasing the demand for these services, while digitalisation is radically changing the way they are being delivered.

Overall, recent socioeconomic trends prove the crucial role that public services play to ensure European citizens' economic prosperity and well-being. In the context of the COVID-19 pandemic, public services have taken the spotlight: healthcare workers face immense challenges and dangers in battling the virus; and education, judicial and public administration workers changed the delivery of their services overnight to accommodate the needs of the population. With this realisation sinking in for both the public and its decision-makers, public services have an opportunity to solidify their importance for the European socioeconomic model.

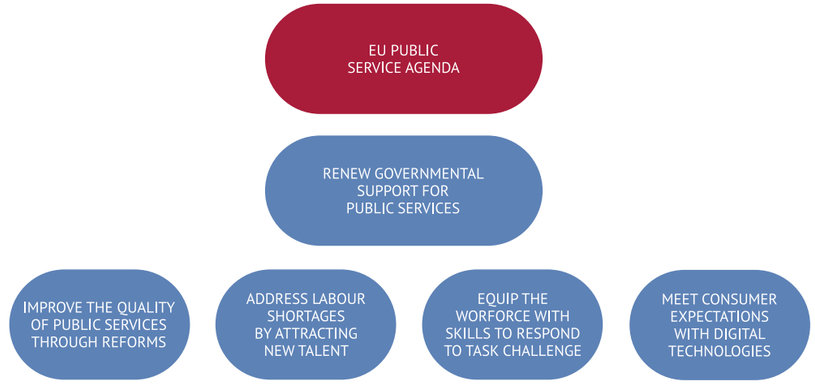
This chapter presents several policy recommendations meant to reflect and, at times, correct these concerning trends. They provide a blueprint for how the sector can thrive in the future, benefiting European citizens' social and economic prosperity (see Figure 32).

3.1. RENEW GOVERNMENTAL SUPPORT FOR PUBLIC SERVICES

Public services depend on state funding heavily, with public authorities being the primary financing source,

Fig. 32

THE BUILDING BLOCKS OF A REVAMPED EU PUBLIC SERVICE AGENDA



or at least an essential part of the financial puzzle. Although government expenditure has increased since 2001, the gradual decline of public investment is concerning and creates budgeting issues for service providers.

Governments must renew their faith in their public services by matching the objectives of the Pillar with the financial support required to achieve them.

With the proclamation of the EPSR, public services were handed an ambitious agenda and important responsibility. Governments must renew their faith in their public services by matching the objectives of the Pillar with the financial support required to achieve them.

3.1.1. 'Socialise' the European Semester to increase investment

The EU has a vital role in incentivising member states to increase their spending on public services. First and foremost, through the European Semester, the European Commission should unlock more investment by completing the reforms meant to socialise the process, placing social goals on equal footing with macroeconomic ones.

Over the last five years, and particularly in the wake of the proclamation of the EPSR, the European Semester – first introduced to coordinate the economic and fiscal policy within the EU – started to slowly highlight social outcomes. The introduction of the Social Scoreboard, which tracks member states' progress in implementing some of the goals of the proclamation, marked a substantial departure from the previous logic of macroeconomic stability.

Furthermore, as of 2019, the Annual Growth Survey – the European Commission's tool for setting the economic and social agenda for the following year – was replaced by the Annual Sustainable Growth Strategy (ASGS). In addition to the macroeconomic stability objective, the ASGS introduced three new priorities: (i) environmental sustainability; (ii) productivity growth; and (iii) fairness.

The 2019 ASGS mentions the need to invest in skills, social protection and the good functioning of public services, marking a necessary leap forward. Nevertheless, when studying the subsequent country-specific recommendations (CSRs), macroeconomic priorities still overshadow those related to fairness, with investment only being encouraged when the economic conditions 'allow' it.[152]

The CSRs in the European Semester must be fully aligned with the new ASGS objectives if the dual objectives of correcting the declining investment trend and ensuring that member states have well-financed public services are to be achieved. Social priorities must be placed on equal footing with economic objectives, to reflect the understanding that public services are essential for both outcomes.

With the integration of the Recovery and Resilience Facility (RRF) into the Semester cycle, this balance between social priorities and economic objectives must now also be replicated in the former. To date, this is not the case: the green and digital transitions play a far more prominent role than social priorities throughout the guidance documents. Of the RRF's seven flagship projects, only one (Reskill and Upskill) can be viewed as pursuing social objectives. However, it is also very clearly linked to the labour market and the digital transition. The Just Transition Mechanism, designed to address the social and economic effects of the green transition, tends towards a territorial and sectoral approach and will not reach all those at the sharp end of the move to a more sustainable economy.

It is crucial, then, that member states fully commit to implementing all recent CSRs respectively when designing their national recovery plans, if they are to reach the social objectives. With that in mind, the European Commission must firmly ensure that no national recovery plan is approved if it fails to address the reform requirements identified in the previous Semester cycles wholly.

3.1.2. Remove investment from national debt calculations

In response to the COVID-19 pandemic, the EU granted member states more flexibility when utilising their financial resources. With this newfound flexibility, national governments can, among other things, provide additional funding to public services without breaking the rules of the Stability and Growth Pact.

The EU should exempt social investment from its debt calculations. This would allow countries with high debt ceilings to still be able to invest in their public services and thereby provide not only social but also economic benefits.

As this Issue Paper reveals, EU member states which suffer from low government expenditure are often those with high debt burdens, such as Mediterranean countries. In this scenario, states are locked in a vicious cycle where the public services needed for a thriving economy are underfunded given the high debt, and debt is rising due to underperforming economies.

The EU should acknowledge this issue by exempting social investment from its debt calculations. This would allow countries with high debt ceilings to still be able to invest in their public services and thereby provide not only social but also economic benefits.

Social investment strengthens citizens' ability to participate in work and social life, by financing key areas like education, training, and healthcare. The overall decline in public investment in all four analysed sectors points towards the chronic need for funding (see Chapter 2). Furthermore, the digital and demographic transitions emphasise the need to invest in upskilling the public service workforce, improve social infrastructure (i.e. preventive care, educational units, digital infrastructure), and support providers to acquire sufficient equipment (e.g. laptops, specialised medical instruments) (see Chapter 1).

3.2. REFORM PUBLIC SERVICES WITH QUALITY AS A PRIORITY

The analysis of the quality of the four public service case studies in Chapter 2 reveals a complicated evolution: some services have improved, others have stagnated, and, in some cases, there was an overall deterioration (e.g. implementation of government decisions in central, regional and local administration).

The COVID-19 crisis has revealed that some public services are not prepared to respond to changes in service delivery nor increased demand – especially the healthcare sector. This vulnerability is clearly related to the unprecedented economic and social shock of the pandemic. However, it is also the result of national reforms that prioritised cost-efficiency above all else; at the expense of resilience and service quality.

What are the specific areas where each public service should improve service quality? How can the EU drive an intervention process through the European Semester? The following specific recommendations address these key questions.

3.2.1. Reform the priorities of public services

Central, regional and local administration:
Improve human resource systems, transparency and monitoring

In central, regional and local administration, the evolution of service quality points towards concerning trends: the slight decline in transparency and accountability, the more noticeable decline in implementation, divergence in HR management, and such.

These areas are interconnected, and it is hard to tackle one aspect individually. As such, member states must develop comprehensive reform plans, starting with the modernisation of the recruitment and career progression. The plans should focus on merit-based promotion and HR management systems that maintain many generalists.

The reform agenda should also make central, regional and local administration processes more transparent by requiring agencies and other public authorities to publish information of general interest on their websites and encourage them to consult more with civil society.

Finally, member states must develop better monitoring capabilities to ensure that workers follow standard implementation procedures. Ministries should monitor the activities of the bureaucracies without interfering in day-to-day business. Austria presents an example of good practice: all of its bureaucracies are legally bound to report to the ministries on their implementation progress regularly, and its Court of Audit monitors the government and its bureaucracies on a broader, cross-ministerial basis.[153]

Healthcare:
Extend coverage and prioritise preventive care

As seen in Chapter 2, health systems in Europe are witnessing several concerning trends that impact their quality: the (un)availability of health professionals, the number of deaths from preventable diseases, unmet medical needs due to financial difficulties, and more.

To prevent diseases and address acute or chronic health problems, national governments should invest more in early diagnosis schemes and primary care services. National reforms should shift the healthcare paradigm from disease management towards a person-centred model, by promoting well-being throughout the entire lifecycle rather than sickness treatment.

For this shift to be successful, these services must be accessible to the entire population without individuals having to reach deep into their pockets. OOPs represent one of the most cited reasons for unmet medical needs. Gaps in insurance coverage must be closed by either extending national schemes to atypical workers and the unemployed, or moving towards a universal healthcare model.

Education:
Invest in teachers, infrastructure and support for students

There are worrisome national differences in school enrolment, education outcomes, and the number of workers equipped to respond to students with special needs. To increase enrolment and prevent children from dropping out, national and/or regional governments should first and foremost increase the number of educational facilities and prevent students from having to repeat years by adopting 'automatic promotion' and increasing educational support. Furthermore, education systems should provide alternative pathways to secondary education, such as vocational training.[154]

To ensure better educational outcomes and enhance teachers' abilities to meet the needs of students with disabilities, or who are physically and emotionally disadvantaged, member states should increase funding for teachers to become highly qualified and incentivise attending life-long learning programmes. This would improve the qualifications and skills of the workforce.

Public order and safety:
Justice as an affordable and accessible social right

The quality of public order and safety services is affected by different factors, such as the lack of infrastructures or shortage of funds (see recommendation 3.1.) and the availability of workers. However, one crucial factor relates to national differences in access to judicial services, with countries like Belgium, Greece and Germany at the bottom of the rank. This hints to potential structural weaknesses. The gaps in the access to judicial services are even more concerning, given that public order and safety services, unlike other sectors discussed in this publication, are not addressed by the EPSR.

Member states should not consider justice to be separate from their citizens' social rights. Reforms must increase access to these services by tackling barriers like lack of information, the distance of service and high financial costs. One potential solution is to create national programmes that assist those who fall into low-income brackets to access legal services, by funding legal representation.[155]

3.2.2. Create an 'Annual Report on the Quality of Public Services in the EU'

Although public services remain under the responsibility of national and/or subnational governments and/or authorities, the EU has developed several complex monitoring and cooperation mechanisms through which it aims to support member states' reforms.

Given that the European Semester's fairness objectives continue to be subordinated to the macroeconomic ones, its priorities – whatever form it takes with the integration of the RRF – must be rebalanced to include quality and resilience.

The quality of public services is currently addressed through several different procedures, of which the European Semester remains the most important instrument. Member states receive CSRs on public service quality issues (e.g. public administration performance, educational enrolment and drop-out rates, access to childcare) via the Semester. Given that fairness objectives continue to be subordinated to macroeconomic ones, the European Semester's priorities – whatever form it takes with the integration of the RRF – must be rebalanced to include quality and resilience.

To achieve this goal, the European Commission should produce an 'Annual Report on the Quality of Public Services in the EU' every autumn, alongside the Commission's ASGS. The report would follow a common methodology to assess public service quality and produce cross-EU and country-specific insights. This information should then be reflected in the proposals prepared and published under the European Semester, to produce more socially relevant CSRs.

A similar process is already in place for healthcare services: in the context of the biennial State of Health in the EU cycle, the Commission publishes reports on health systems' performance, strengths and challenges, to support national policymakers. However, similar reports and processes for other public services like education, public administration, and public order and safety services are still absent. The Annual Report on the Quality of Public Services in the EU would fill these gaps. Publishing it annually – and not biennially, like the State of Health in the EU – would also align the process review with the European Semester's yearly exercise.

3.3. ADDRESS LABOUR SHORTAGES BY ATTRACTING NEW TALENT

Although employment levels in public services grew in the past decade, this trend is undercut by geographic inequalities in the number of workers per 1,000 inhabitants. Trade union organisations are reporting concerns regarding understaffed public services.

Labour shortages are forecasted to grow in the public service sector, given that its workforce is ageing faster than the overall economy, and that demographic ageing will increase the competition to recruit young talents. Furthermore, the ongoing digitalisation of public services is expected to increase the need for ICT workers and digital natives, who will either have to be recruited from the outside or trained internally.

To correct the existing imbalances and prevent these ongoing trends from fuelling the labour shortage, service providers, together with worker representatives and national governments, must work towards a solution based on communication campaigns and improved working conditions.

3.3.1. Fix the public service 'brand'

Despite their societal importance, public services are unfortunately suffering from low levels of social recognition, which translates to them often being overlooked by young people searching for a new career (see Chapter 1). Public authorities have a key role to play in this matter. In countries where public authorities invest in marketing and branding actions, CESI members reported higher levels of citizen recognition of the importance of public services in the EPC–CESI survey.

Public authorities should promote the activities and importance of public services to the broader public, as the current pandemic presents an unexpected and unique opportunity.

Public authorities should promote the activities and importance of public services to the broader public. The current pandemic presents an unexpected and unique opportunity, as people are constantly reminded of the crucial role public service workers play in securing social and economic prosperity.

To capitalise on this renewed attention, member states should first start a consultation process with employers and worker organisations to identify the recruitment gaps and the advantages of working in the sector. Based on these, they should then create information and promotional campaigns to promote public service employment. This point is especially important, given that researchers have pointed out that branding efforts aimed at increasing customer orientation may actually hurt employee satisfaction if they do not also take their concerns and preferences into consideration.[156]

Although there is no one-size-fits-all solution for fixing the public service 'brand' issue, certain characteristics are conducive for an efficient campaign:[157]

- improving citizens' understanding of public authorities and public services by informing them of their rights and the functions these institutions perform for society;
- focusing on specific services rather than the general sector; and
- making public services known to potential employees by highlighting the advantages of public service employment (e.g. working for the common good, interesting tasks, higher job security).

3.3.2. Improve working conditions to prevent brain drains

The numbers of public service workers per 1,000 inhabitants is subject to significant geographic divergence, with countries from Eastern and Southern Europe finding themselves below the EU27 average. This is often due to their lower working conditions and the high demand for their skills in other member states.

To combat the out-flow of skilled workers and reduce the incentives to emigrate, Eastern and Southern European countries should improve the benefits, wages and overall working conditions of their public service workers. Although this has started to happen in some Central and Eastern European countries, it is not yet enough to stop the brain drain phenomenon.

The European Commission has a clear mandate to promote greater social convergence among member states. The recent proposal for a directive on adequate minimum wages represents a step in the right direction by making all forms of work profitable and ensuring a decent standard of living.[158] That being said, minimum wages – although part of the puzzle – are insufficient to address working conditions comprehensively, given that other aspects like working hours, workload, and atypical working time and contracts are being overlooked.

The European Commission has a clear mandate to promote great social convergences of working conditions among member states.

The EU should therefore support collective bargaining and promote it as a vital tool for improving working conditions. This can be achieved through CSRs in the context of the European Semester, which should prioritise reforms aimed at facilitating the involvement of social partners when setting collective bargaining agreements.

The European Social Fund represents the main EU instrument which supports capacity-building for social partners. Under the 2021-27 Multiannual Financial Framework, €87.3 billion are being allocated for the European Social Fund Plus (ESF+).[159] However, not all countries are required to use these funds to support capacity-building projects. To ensure that funding for these activities is included in the Operational Programmes of the ESF+, these should be synergised with the recommendations issued under the European Semester process.

3.4. CAPITALISE ON THE EDUCATED WORKFORCE TO RESPOND TO TASK CHANGES

With the advent of digital public services and the changing nature of work, public service providers are under pressure to bring in the right skill combination. New digital skills must be brought into the workforce by either competing with other sectors for ICT specialists or training existing workers to master said skills.

Although public services are not the primary choice for ICT specialists, the central, regional and local administration, health and education sectors have the advantage of high numbers of workers with tertiary degrees. Those with higher education certificates are more likely to take part in adult learning.[160]

Public authorities must encourage public service providers to invest in their human capital, either through tax incentives or by putting together subsidised life-long learning schemes.

Public services are well-positioned to upskill their workforce and adapt to changing tasks and discoveries in their respective fields. To do so, public authorities must encourage providers to invest in their human capital, either through tax incentives or by putting together subsidised life-long learning schemes.

These solutions should be developed in cooperation with businesses and worker organisations to respond to each sector's specific needs and promote training programmes to prepare the workforce for the changing nature of tasks and work patterns. Out of all the training opportunities, domain-specific, digital and equipment-related training are reportedly the best at preparing the workforce for such future changes.

Increased attention must also be given to the underlying reasons of why workers are not participating in upskilling programmes when they are available. Time constraints and family responsibilities, coupled with the lack of employer or governmental support, are the main reasons for not engaging with upskilling course.[161] As such, classes must take place in the workplace during normal working hours, not the individual's private time.

3.5. MEET CONSUMER EXPECTATION WITH DIGITAL TECHNOLOGIES

Consumer expectations related to public service delivery are rising because of private sector innovation. Following these changes, public services have spent considerable efforts to modernise their delivery using digital technologies. That being said, the sector's use of ICT remains disjointed. As different departments, agencies and private providers develop their digital systems at different times and speeds, central authorities have difficulty realising integrated approaches. Adding to this issue are the countless old software and legacy systems that require different skill sets to operate and result in significant disruptions if integrated.

With the COVID-19 pandemic adding even more pressure on public services to digitalise their delivery, the relevant government authorities should seize the opportunity. Reforms should focus on modernising legacy systems, and create an integrated approach which increases the coherence between different systems and removes the doubling of work.

Countries should put in place 'Public Service Digitalisation Action Plans' to push for coherent digital services. Customer preferences, ease of access, comprehensible user interfaces, trust and transparency must be at its core. If successful, consumer satisfaction and the increased outreach of these services could have significant spill-over effects on government trust, influencing trust in public services and establishing a virtuous cycle.

Conclusions: How to future-proof public services in the EU

European societies and economies have been facing unprecedented challenges in the last decade. Europe's fragile economy and social fabric, already scarred by the financial and euro crises of a decade ago, are now enduring the impact of an unparalleled social and economic shock triggered by the global pandemic. The unprecedented nature of the COVID-19 crisis will likely accelerate the already existent polarisation within and fragmentation between European societies, translating them into increased inequalities and disparities, social exclusion and poverty.

The scourge of far-reaching and profound social and economic repercussions calls for strengthening European social systems and building more resilient and fairer societies. Therefore, the ambitious implementation of the EPSR – to protect the most vulnerable in society and ensure a sustainable and fair recovery that leaves no one behind – has never been more important. Well-performing and -resourced national public services play a fundamental role in ensuring the full and successful implementation of the Pillar, thus ensuring that effective social rights are delivered to all EU citizens.

This Issue Paper analyses the current state of public services in Europe, focusing on several that deliver essential services: central, regional and local administration; healthcare; education and training; and public order and safety. The picture that emerges from the analysis is one of public services faced with many challenges, and only equipped with constrained budgets and limited investments to tackle them.

Profound transformations are looming over public services across Europe, forcing them to adapt to new realities.

Profound transformations are looming over public services across Europe, forcing them to adapt to new realities. Demographic trends and digitalisation are among those systemic changes that are profoundly affecting the evolving and increasing demand for public services. The deep social and economic impact of the pandemic only adds more pressure. To boost a fair recovery and shield Europe against future shocks, well-performing and future-proof public services are necessary.

National governments must renew their faith in public services' ability to prepare for these disruptions, respond to the current threat of the pandemic and meet the needs of European society. This commitment must be confirmed by considerable financial support to address the budgetary and investment-related concerns of service providers and their workers. Furthermore, public service reforms should address the stagnation or decline in the quality of certain services.

These reforms must be enacted in the spirit of providing the best social results and service resilience, and not the most cost-effective outcome. Governments should consult with social partners to better understand the European public service sector's most concerning issues, and solve issues like meagre social recognition and poor working conditions together.

Public service reforms must be enacted in the spirit of providing the best social results and service resilience, and not the most cost-effective outcome.

The EU has a vital role in incentivising member states to start these reforms, set the right goals and invest in their public services. The most important instrument in its arsenal is the European Semester – it will only be successful if CSRs place social goals on equal footing with macroeconomic ones. Furthermore, the Commission should publish a comprehensive 'Annual Report on the State of Public Services in the EU' so that member states can use its information to enact the reforms needed to improve public service quality.

Finally, an important EU action would be to remove social investment from national debt calculations. With this decision, member states that are burdened by high debt will have the means to invest in public services and, by extension, the well-being of their citizens and economy. This is an investment that will create dividends in the economy and, in the long run, help to reduce debt levels rather than increasing them.

The recommendations put forward in this Issue Paper might not provide answers to all the challenges public services face. Nevertheless, they can help build public services that are capable of implementing the European Pillar of Social Rights' ambitious goals.

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[6] *Ibid*.

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[14] Public administration and the defence industry covers expenditure on general public services (excluding foreign aid and national debt), defence, and public order and safety.

[15] Data missing for Bulgaria, Croatia, Poland.

[16] European Centre of Employers and Enterprises providing Public Services (2019), Pulse of public service providers – Autumn 2019, Brussels.

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[21] *Ibid*.

[22] Authors' calculations based on *Eurostat*, "Average number of usual weekly hours of work in main job, by sex, professional status, full-time/part-time and economic activity (from 2008 onwards, NACE Rev. 2) – hours [lfsa_ewhun2]" (accessed 19 July 2020).

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[30] Countries which did not register an increase are Croatia, Cyprus, Finland, France, Greece, Spain.

[31] Countries which did not register an increase are Croatia, France, Malta.

[32] Southern European countries which registered an improvement are Italy, Malta, Portugal. Southern European countries which registered a decline are Cyprus, Greece, Spain.

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[67] All data analysis in this section are authors' calculations based on *Eurostat*, "General government expenditure by function (COFOG) [gov_10a_exp]" (accessed 08 July 2020).

[68] *Ibid*.

[69] *Ibid*.

[70] Data missing for Croatia, Bulgaria, Poland.

[71] Authors' calculations based on *Eurostat*, "General government expenditure by function (COFOG) [gov_10a_exp]" (accessed 08 July 2020).

[72] Unless specified otherwise, all data analysis in this section are authors' calculations based on Eurostat data from the European Union Labour Force Survey that was sent upon request in July 2020, to calculate size of workforce, geographical variations and trends between 2008 and 2019.

[73] *Eurostat*, "Employment by sex, age and detailed economic activity (from 2008 onwards, NACE Rev. 2 two digit level) - 1 000 [lfsa_egan22d]" (accessed 03 August 2020). Data for all NACE activities and age class: 15 years or over.

[74] Authors' calculations based on *Eurostat*, "Population on 1 January by age and sex [demo_pjan]" (accessed 15 July 2020); Eurostat data from the European Union Labour Force Survey sent upon request in July 2020 to calculate size of workforce, geographical variations and trends between 2008 and 2019.

[75] All data analysis in this section concerning the central, regional and local administration are authors' calculations based on Eurostat data from the European Union Labour Force Survey that was sent upon request in July 2020, to calculate educational attainment and age structure of the workforce, its geographical variations, and the trends between 2008 and 2019. All data analysis concerning the educational attainment of the total EU workforce are authors' calculations based on *Eurostat*, "Employment by sex, age and educational attainment level (1 000) [lfsa_egaed]" (accessed 03 August 2020). All data analysis concerning the age structure of the total EU workforce are authors' calculations based on *Eurostat*, "Employment by sex, age and citizenship (1 000) [lfsa_egan]" (accessed 03 August 2020).

[76] Data on educational levels are presented as follows: less than primary, primary and lower secondary education is considered as 'low'; upper secondary and post-secondary non-tertiary education is considered as 'medium'; tertiary education is considered as 'high'. The aggregates reflect Eurostat's classification of educational activities in its online database and are based on the International Standard Classification of Education. See United Nations Educational, Scientific and Cultural Organization (2012), "International Standard Classification of Education: ISCED 2011", Montreal.

[77] Authors' calculations based on *Eurostat*, "Employment by sex, age and educational attainment level (1 000) [lfsa_egaed]" (accessed 03 August 2020); Eurostat data from the European Union Labour Force Survey sent upon request in July 2020.

[78] All data analysis in this section concerning the central, regional and local administration workforce's contractual arrangements and working time, geographical variations, and the trends between 2008 and 2019 are authors' calculations based on Eurostat data from the European Union Labour Force Survey that was sent upon request in July 2020. All data analysis concerning the contractual arrangements of the total EU workforce are authors' calculations based on *Eurostat*, "Employment by sex, age, professional status and full-time/part-time (1 000) [lfsa_eftpt]" (accessed 03 August 2020); *Eurostat*, "Temporary employees by sex, age and economic activity (from 2008 onwards, NACE Rev. 2) - 1 000 [lfsa_etgan2]" (accessed 03 August 2020). All data analysis concerning the weekly working hours and atypical working schedules of the total EU workforce are authors' calculations based on *Eurostat*, "Average number of usual weekly hours of work in main job, by sex, professional status, full-time/part-time and occupation (hours) [lfsa_ewhuis]" (accessed 22 July 2020); *Eurostat*, "Employed persons working in the evenings as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpeve]" (accessed 03 August 2020); *Eurostat*, "Employed persons working at nights as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpnig]" (accessed 03 August 2020); *Eurostat*, "Employed persons working on Saturdays as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpsat]" (accessed 03 August 2020); *Eurostat*, "Employed persons working on Sundays as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpsun]" (accessed 03 August 2020).

[79] Authors' calculation based on *Eurostat*, "Employment by sex, age, professional status and full-time/part-time (1 000) [lfsa_eftpt]" (accessed 03 August 2020); *Eurostat*, "Temporary employees by sex, age and economic activity (from 2008 onwards, NACE Rev. 2) - 1 000 [lfsa_etgan2]" (accessed 03 August 2020); Eurostat data from the European Union Labour Force Survey sent upon request in July 2020.

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[84] European Commission (2020b), *op.cit.*

[85] Thijs, Hammerschmid and Palaric (2017), *op.cit.*

[86] Cyprus, Czechia, Hungary, Luxembourg, Netherlands, Poland, Romania, Slovakia.

[87] Bulgaria, Luxembourg, Netherlands, Poland, Slovenia, Sweden.

[88] Authors' calculations based on *Eurostat*, "General government expenditure by function (COFOG) [gov_10a_exp]" (accessed 08 July 2020).

[89] *Ibid*.

[90] This section uses the 07 COFOG code for health to analyse expenditure and investment, and the NACE codes Q86 (Human health activities) and Q87 (Residential care activities) to analyse employment trends, the profile of workers and working conditions.

See Methodology in Introduction.

[91] Unless specified otherwise, all data analysis in this section are authors' calculations based on *Eurostat*, "General government expenditure by function (COFOG) [gov_10a_exp]" (accessed 08 July 2020).

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[96] Unless specified otherwise, all data analysis in this section are authors' calculations based on Eurostat data from the European Union Labour Force Survey that was sent upon request in July 2020, to calculate size of workforce, geographical variations and trends between 2008 and 2019.

[97] *Eurostat*, "Employment by sex, age and detailed economic activity (from 2008 onwards, NACE Rev. 2 two digit level) - 1 000 [lfsa_egan22d]" (accessed 03 August 2020). Data for all NACE activities and age class: 15 years or over.

[98] Authors' calculations based on *Eurostat*, "Employment by sex, age and educational attainment level (1 000) [lfsa_egaed]" (accessed 03 August 2020); Eurostat data from the European Union Labour Force Survey sent upon request in July 2020.

[99] See *European Commission*, "Regulated Professions Database" (accessed 05 November 2020).

[100] All data analysis in this section concerning the EU healthcare workforce's educational attainment and age structure, geographical variations, and trends between 2008 and 2019 are authors' calculations based on Eurostat data from the European Union Labour Force Survey that was sent upon request in July 2020. All data analysis concerning the total EU workforce's educational attainment are authors' calculations based on *Eurostat*, "Employment by sex, age and educational attainment level (1 000) [lfsa_egaed]" (accessed 03 August 2020). All data analysis concerning the total EU workforce's age structure are authors' calculations based on *Eurostat*, "Employment by sex, age and citizenship (1 000) [lfsa_egan]" (accessed 03 August 2020).

[101] Data on educational levels are presented as follows: less than primary, primary and lower secondary education is considered as 'low'; upper secondary and post-secondary non-tertiary education is considered as 'medium'; tertiary education is considered as 'high'. The aggregates reflect Eurostat's classification of educational activities in its online database and are based on the International Standard Classification of Education. See United Nations Educational, Scientific and Cultural Organization (2012), *op.cit.*

[102] Authors' calculation based on *Eurostat*, "Employment by sex, age, professional status and full-time/part-time (1 000) [lfsa_eftpt]" (accessed 03 August 2020); *Eurostat*, "Temporary employees by sex, age and economic activity (from 2008 onwards, NACE Rev. 2) - 1 000 [lfsa_etgan2]" (accessed 03 August 2020); Eurostat data from the European Union Labour Force Survey sent upon request in July 2020.

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[104] All data analysis in this section concerning the EU healthcare workforce's contractual arrangements and working time, geographical variations, and trends between 2008 and 2019 are authors' calculations based on Eurostat data from the European Union Labour Force Survey that was sent upon request in July 2020. All data analysis concerning the total EU workforce's contractual arrangements are authors' calculations based on *Eurostat*, "Employment by sex, age, professional status and full-time/part-time (1 000) [lfsa_eftpt]" (accessed 03 August 2020); *Eurostat*, "Temporary employees by sex, age and economic activity (from 2008 onwards, NACE Rev. 2) - 1 000 [lfsa_etgan2]" (accessed 03 August 2020). All data analysis concerning the total EU workforce's weekly hours of work and atypical working schedules are authors' calculations based on *Eurostat*, "Average number of usual weekly hours of work in main job, by sex, professional status, full-time/part-time and occupation (hours) [lfsa_ewhuis]" (accessed 22 July 2020); *Eurostat*, "Employed persons working in the evenings as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpeve]" (accessed 03 August 2020); *Eurostat*, "Employed persons working at nights as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpnig]" (accessed 03 August 2020); *Eurostat*, "Employed persons working on Saturdays as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpsat]" (accessed 03 August 2020); *Eurostat*, "Employed persons working on Sundays as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpsun]" (accessed 03 August 2020).

[105] Authors' calculation based on *Eurostat*, "Employed persons working in the evenings as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpeve]" (accessed 03 August 2020); *Eurostat*, "Employed persons working at nights as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpnig]" (accessed 03 August 2020); *Eurostat*, "Employed persons working on Saturdays as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpsat]" (accessed 03 August 2020); *Eurostat*, "Employed persons working on Sundays as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpsun]" (accessed 03 August 2020); Eurostat data from the European Union Labour Force Survey sent upon request in July 2020.

[106] Organisation for Economic Co-operation and Development (2019b), "Government at a Glance 2019", Paris. This study presents a composite set of indicators to assess public service performance in three areas: health, education and justice. The analysis includes data on citizens' overall satisfaction and information regarding the level of access, responsiveness and reliability (i.e. quality) of public services in these three areas.

[107] See *European Commission*, "State of Health in the EU" (accessed 24 September 2020).

[108] Organisation for Economic Co-operation and Development and European Union (2018), *op.cit.*

[109] European Commission (2015b), The 2015 Ageing Report: Economic and budgetary projections for the 28 EU Member States (2013-2060), European Economy 3/2015, Brussels.

[110] Organisation for Economic Co-operation and Development and European Union (2018), *op.cit.*

[111] Authors' calculations based on *Eurostat*, "General government expenditure by function (COFOG) [gov_10a_exp]" (accessed 08 July 2020).

[112] This section uses the 09 COFOG code to analyse expenditure and investment, and the NACE code P85 (Education) to analyse employment trends, the profile of workers and working conditions. See Methodology in Introduction.

[113] Authors' calculations based on *Eurostat*, "General government expenditure by function (COFOG) [gov_10a_exp]" (accessed 08 July 2020).

[114] Unless specified otherwise, all data analysis in this section are authors' calculations based on *ibid.*

[115] *Eurostat*, "Educational expenditure statistics" (accessed 22 July 2020).

[116] Authors' calculations based on *Eurostat*, "General government expenditure by function (COFOG) [gov_10a_exp]" (accessed 08 July 2020).

[117] Belgium, Cyprus, Denmark, France.

[118] Authors' calculations based on *Eurostat*, "Population on 1 January by age and sex [demo_pjan]" (accessed 15 July 2020); Eurostat data from the European Union Labour Force Survey sent upon request in July 2020.

[119] All data analysis in this section concerning EU education workforce's size, geographical variations and trends between 2008 and 2019 are authors' calculations based on Eurostat data from the European Union Labour Force Survey that was sent upon request in July 2020. All data analysis concerning the total EU workforce are authors' calculations based on *Eurostat*, "Employment by sex, age and detailed economic activity (from 2008 onwards, NACE Rev. 2 two digit level) - 1 000 [lfsa_egan22d]" (accessed 03 August 2020). Data for all NACE activities and age class: 15 years or over.

[120] All data analysis in this section concerning EU education workforce's educational attainment and age structure, geographical variations and trends between 2008 and 2019 are authors' calculations based on Eurostat data from the European Union Labour Force Survey that was sent upon request in July 2020. All data analysis concerning the total EU workforce's educational attainment are authors' calculations based on *Eurostat*, "Employment by sex, age and educational attainment level (1 000) [lfsa_egaed]" (accessed 03 August 2020). All data analysis concerning the total EU workforce's age structure are authors' calculations based on *Eurostat*, "Employment by sex, age and citizenship (1 000) [lfsa_egan]" (accessed 03 August 2020).

[121] Data on educational levels are presented as follows: less than primary, primary and lower secondary education is considered as 'low'; upper secondary and post-secondary non-tertiary education is considered as 'medium'; tertiary education is considered as 'high'. The aggregates reflect Eurostat's classification of educational activities in its online database and are based on the International Standard Classification of Education. See United Nations Educational, Scientific and Cultural Organization (2012), *op.cit.*

[122] Authors' calculations based on *Eurostat*, "Employment by sex, age and educational attainment level (1 000) [lfsa_egaed]" (accessed 03 August 2020); Eurostat data from the European Union Labour Force Survey sent upon request in July 2020.

[123] Cyprus, Estonia, Finland, Lithuania, Luxembourg, Romania, Slovakia.

[124] All data analysis in this section concerning EU education workforce's contractual arrangements and working time, geographical variations and trends between 2008 and 2019 are authors' calculations based on Eurostat data from the European Union Labour Force Survey that was sent upon request in July 2020. All data analysis concerning the total EU workforce's contractual arrangements are authors' calculations based on *Eurostat*, "Employment by sex, age, professional status and full-time/part-time (1 000) [lfsa_eftpt]" (accessed 03 August 2020); *Eurostat*, "Temporary employees by sex, age and economic activity (from 2008 onwards, NACE Rev. 2) - 1 000 [lfsa_etgan2]" (accessed 03 August 2020). All data analysis concerning the total EU workforce's weekly hours of work and atypical working schedules are authors' calculations based on *Eurostat*, "Average number of usual weekly hours of work in main job, by sex, professional status, full-time/part-time and occupation (hours) [lfsa_ewhuis]" (accessed 22 July 2020); *Eurostat*, "Employed persons working in the evenings as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpeve]" (accessed 03 August 2020); *Eurostat*, "Employed persons working at nights as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpnig]" (accessed 03 August 2020); *Eurostat*, "Employed persons working on Saturdays as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpsat]" (accessed 03 August 2020); *Eurostat*, "Employed persons working on Sundays as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpsun]" (accessed 03 August 2020).

[125] Authors' calculation based on *Eurostat*, "Employment by sex, age, professional status and full-time/part-time (1 000) [lfsa_eftpt]" (accessed 03 August 2020); *Eurostat*, "Temporary employees by sex, age and economic activity (from 2008 onwards, NACE Rev. 2) - 1 000 [lfsa_etgan2]" (accessed 03 August 2020); Eurostat data from the European Union Labour Force Survey sent upon request in July 2020.

[126] Authors' calculation based on *Eurostat*, "Employed persons working in the evenings as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpeve]" (accessed 03 August 2020); *Eurostat*, "Employed persons working at nights as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpnig]" (accessed 03 August 2020); *Eurostat*, "Employed persons working on Saturdays as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpsat]" (accessed 03 August 2020); *Eurostat*, "Employed persons working on Sundays as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpsun]" (accessed 03 August 2020); Eurostat data from the European Union Labour Force Survey sent upon request in July 2020.

[127] See *Eurostat*, "Education and training in the EU – facts and figures" (accessed 24 September 2020); Organisation for Economic Co-operation and Development (2019b), *op.cit.* The latter presents a composite set of indicators to assess public service performance in three areas: health, education and justice. The analysis includes data on citizens' overall satisfaction and information regarding the level of access, responsiveness and reliability (i.e. quality) of public services in these three areas.

[128] Organisation for Economic Co-operation and Development (2019b), *op.cit.*

[129] Eurydice (2019), Compulsory Education in Europe: 2019/20, Luxembourg: European Commission.

[130] Authors' calculations based on *Eurostat*, "General government expenditure by function (COFOG) [gov_10a_exp]" (accessed 08 July 2020).

[131] See *Eurostat*, "Early childhood and primary education statistics" (accessed 24 September 2020).

[132] See *Organisation for Economic Co-operation and Development*, "PISA 2018 results" (accessed 24 September 2020).

[133] Organisation for Economic Co-operation and Development (2019b), *op.cit.*

[134] Authors' calculations based on *Eurostat*, "General government expenditure by function (COFOG) [gov_10a_exp]" (accessed 08 July 2020).

[135] The function of public order and safety includes police services, fire protection services, law courts, prisons, and research and development. This section uses the 03 COFOG code for public order and safety to analyse expenditure and investment. It uses the NACE code 84.2 (Provision of services to the community as a whole) to analyse employment trends, the profile of workers and working conditions. The authors use the wording *public order and safety sector* in this section to refer to the NACE code 84.2, while acknowledging that the classification also comprises other services. The NACE code 84.2 include foreign affairs and defence activities, which are not included in the 03 COFOG code for public order and safety. See Methodology in Introduction.

[136] All data analysis in this section are authors' calculations based on *Eurostat*, "General government expenditure by function (COFOG) [gov_10a_exp]" (accessed 08 July 2020).

[137] Authors' calculations based on *Eurostat*, "General government expenditure by function (COFOG) [gov_10a_exp]" (accessed 08 July 2020).

[138] Authors' calculations based on *Eurostat*, "Population on 1 January by age and sex [demo_pjan]" (accessed 15 July 2020); Eurostat data from the European Union Labour Force Survey sent upon request in July 2020.

[139] Unless specified otherwise, all data analysis in this section concerning EU public order and safety workforce's size, geographical variations and trends between 2008 and 2019 are authors' calculations based on Eurostat data from the European Union Labour Force Survey that was sent upon request in July 2020. All data analysis concerning the total EU workforce are authors' calculations based on *Eurostat*, "Employment by sex, age and detailed economic activity (from 2008 onwards, NACE Rev. 2 two digit level) - 1 000 [lfsa_egan22d]" (accessed 03 August 2020). Data for all NACE activities and age class: 15 years or over.

[140] All data analysis in this section concerning EU public order and safety workforce's educational attainment and age structure, geographical variations and trends between 2008 and 2019 are authors' calculations based on Eurostat data from the European Union Labour Force Survey that was sent upon request in July 2020. All data analysis concerning the total EU workforce's educational attainment are authors' calculations based on *Eurostat*, "Employment by sex, age and educational attainment level (1 000) [lfsa_egaed]" (accessed 03 August 2020). All data analysis concerning the total EU workforce's age structure are authors' calculations based on *Eurostat*, "Employment by sex, age and citizenship (1 000) [lfsa_egan]" (accessed 03 August 2020).

[141] Data on educational levels are presented as follows: less than primary, primary and lower secondary education is considered as 'low'; upper secondary and post-secondary non-tertiary education is considered as 'medium'; tertiary education is considered as 'high'. The aggregates reflect Eurostat's classification of educational activities in its online database and are based on the International Standard Classification of Education. See United Nations Educational, Scientific and Cultural Organization (2012), *op.cit.*

[142] Bulgaria, Croatia, Cyprus, Czechia, Estonia, Finland, Lithuania, Poland, Romania, Slovakia.

[143] Authors' calculations based on *Eurostat*, "Employment by sex, age and educational attainment level (1 000) [lfsa_egaed]" (accessed 03 August 2020); Eurostat data from the European Union Labour Force Survey sent upon request in July 2020.

[144] All data analysis in this section concerning EU public order and safety workforce's contractual arrangements and working time, geographical variations and trends between 2008 and 2019 are authors' calculations based on Eurostat data from the European Union Labour Force Survey that was sent upon request in July 2020. All data analysis concerning the total EU workforce's contractual arrangements are authors' calculations based on *Eurostat*, "Employment by sex, age, professional status and full-time/part-time (1 000) [lfsa_eftpt]" (accessed 03 August 2020); *Eurostat*, "Temporary employees by sex, age and economic activity (from 2008 onwards, NACE Rev. 2) - 1 000 [lfsa_etgan2]" (accessed 03

August 2020). All data analysis concerning the total EU workforce's weekly working hours and atypical working schedules are authors' calculations based on *Eurostat*, "Average number of usual weekly hours of work in main job, by sex, professional status, full-time/part-time and occupation (hours) [lfsa_ewhuis]" (accessed 22 July 2020); *Eurostat*, "Employed persons working in the evenings as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpeve]" (accessed 03 August 2020); *Eurostat*, "Employed persons working at nights as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpnig]" (accessed 03 August 2020); *Eurostat*, "Employed persons working on Saturdays as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpsat]" (accessed 03 August 2020); *Eurostat*, "Employed persons working on Sundays as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpsun]" (accessed 03 August 2020).

[145] Authors' calculation based on *Eurostat*, "Employment by sex, age, professional status and full-time/part-time (1 000) [lfsa_eftpt]" (accessed 03 August 2020); *Eurostat*, "Temporary employees by sex, age and economic activity (from 2008 onwards, NACE Rev. 2) - 1 000 [lfsa_etgan2]" (accessed 03 August 2020); Eurostat data from the European Union Labour Force Survey sent upon request in July 2020.

[146] Bulgaria, Croatia, Cyprus, Estonia, Finland, Greece, Hungary, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia.

[147] Organisation for Economic Co-operation and Development (2019b), *op.cit.* This study presents a composite set of indicators to assess public service performance in three areas: health, education and justice. The analysis includes data on citizens' overall satisfaction and information regarding the level of access, responsiveness and reliability (i.e. quality) of public services in these three areas.

[148] Authors' calculation based on *Eurostat*, "Employed persons working in the evenings as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpeve]" (accessed 03 August 2020); *Eurostat*, "Employed persons working at nights as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpnig]" (accessed 03 August 2020); *Eurostat*, "Employed persons working on Saturdays as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpsat]" (accessed 03 August 2020); *Eurostat*, "Employed persons working on Sundays as a percentage of the total employment, by sex, age and professional status (%) [lfsa_ewpsun]" (accessed 03 August 2020); Eurostat data from the European Union Labour Force Survey sent upon request in July 2020.

[149] Organisation for Economic Co-operation and Development (2019b), *op.cit.*

[150] *Ibid.*; *World Justice Project*, "Global Insights on Access to Justice 2019" (accessed 25 September 2020).

[151] Organisation for Economic Co-operation and Development (2019b), *op.cit.*; *Council of Europe*, "European Commission for the Efficiency of Justice (CEPEJ) > Dynamic database of European judicial systems" (accessed 28 January 2021).

[152] Reuter, Katja and Laura de Bonfils (2020), "Socialising the European Semester: Analysis of the 2020 and 2021 cycles and recommendations for the future", Brussels: Social Platform.

[153] *Sustainable Governance Indicators*, "Governance > Executive Capacity > Implementation > Monitoring Agencies/Bureaucracies > How effectively do federal and subnational ministries monitor the activities of bureaucracies/executive agencies with regard to implementation?" (accessed 22 January 2021).

[154] Organisation for Economic Co-operation and Development (2012), "Equity and Quality in Education: Supporting disadvantaged students and schools", Paris.

[155] Organisation for Economic Co-operation and Development (2019c), "Equal Access to Justice for Inclusive Growth: Putting People at the Centre", Paris.

[156] Leijerholt, Ulrika; Galina Biedenbach; and Peter Hultén (2019), "Branding in the public sector: a systematic literature review and directions for future research", *Journal of Brand Management*, Volume 26, pp.126-140.

[157] Äijälä, Kirsi (2001), "Public Sector – An Employer of Choice? Report on the Competitive Public Employer Project", Paris: Organisation for Economic Co-operation and Development.

[158] See European Commission (2020c), Proposal for a Directive of the European Parliament and of the Council on adequate minimum wages in the European Union, COM(2020) 682 final, Brussels.

[159] *European Commission*, "European Social Fund > A new, stronger European Social Fund Plus" (accessed 26 January 2021).

[160] European Commission (2013b), The Survey of Adult Skills (PIAAC): Implications for education and training policies in Europe.

[161] Stefanik, Miroslav; Sofie Cabus; and Petya Ilieva-Trichkova (2018), "Barriers to Participation of Adults in Lifelong Learning: New Evidence from 30 European Countries", European Education Research Association.

NOTES

The **European Policy Centre** (EPC) is an independent, not-for-profit think tank dedicated to fostering European integration through analysis and debate, supporting and challenging European decision-makers at all levels to make informed decisions based on sound evidence and analysis, and providing a platform for engaging partners, stakeholders and citizens in EU policymaking and in the debate about the future of Europe.

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(4) investing in human capital for greater well-being and less inequality, with a particular focus on health.

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