

## Public Administration Reform in a Period of Austerity, by Angel Gurría, OECD Secretary-General

### Abstract

This essay recognises that governance failures were an important contributory factor to the crisis. Institutions have been weakened by an erosion of public trust and need to be strengthened. This is the essential context for public governance reform. We then look at the initial responses of countries to the pressing need to reduce high levels of fiscal deficits and public indebtedness. This involved major spending cuts, risking further weakening institutions and undermining public trust. While painful cuts in staff, public sector pay and conditions were introduced in many countries, there were also attempts to ensure that the impact was minimised and that staff remained motivated. Looking beyond the immediate budgetary imperative, the essay looks at the broader issue of how public administrations can better address the complex policy challenges that marked the crisis and which seem to be a permanent feature of modern government. This will involve a more strategic and better coordinated approach to public policy and a public administration that uses its limited resources more effectively, with greater coherence and innovation. The overarching conclusion is that better public governance is important not only to restore trust but also to equip the state with the tools needed to deal with the other economic and social challenges in an environment of persistent fiscal pressure.

### Keywords

Austerity, Crisis, Public Administration, Reform, Portugal

## Administrative Reform and Policy Conditionality in Greece, by Calliope Spanou, University of Athens

### Abstract

As a result of the sovereign debt crisis and the financial assistance agreed with the troika, Greece was obliged to commit to policy conditionalities for fiscal consolidation and a structural reform agenda, including administrative reform. The crisis conditions presented a “critical juncture” for a “big bang approach” to reform. The measures and reforms undertaken were dominated by unprecedented horizontal cutbacks on salaries, operational expenses and personnel levels. Limited concern was awarded to the improvement of key areas of administrative performance. The strategies used and the external pressure exercised through policy conditionality undermined ownership of, but also administrative reform as such. In consequence, the available political capital of successive governments was gradually eroded while elementary conditions for the success of administrative reform were ignored.

### Keywords

Greece, Administrative Reform, Conditionality, Debt Crisis, Cutback

## **Austerity and Public Administration Reform in the OECD, by Christoph Demmke, Senior Academic Advisor to the OECD**

### **Abstract**

The study of public administration has long concentrated on the state as a sovereign authority and dedicated personnel with specific working conditions. Increasingly, government HR reform frameworks have reformed classical bureaucratic structures but increasingly seem to operate in a conceptual vacuum. There is no common reform path, trajectory or a new anticipated reform model. Especially the promises of (especially) New Public Management doctrines did not produce the desired results. In the future, public administration will most likely become more complicated and probably more contradictory all the time. While expectations of government are increasing, the resources available to meet these expectations are diminishing. Still, some important features will not change in importance. The objective of public administration and public officials to be independent from particular and personal interests in order to establish and guarantee a democratic society based on the principles of the rule of law, protect the society and achieve fairness and equity in times of growing inequalities.

### **Keywords**

Public Management Reforms, HR reforms, Budgetary Constraints, Reform Effects

## **Réforme des Administrations Publiques et Austerité en France: un jeu à contretemps, by Gilles Jeannot, Latts, Université Paris-Est**

### **Abstract**

The paper offers a chronicle of the relations between state administration reform and debt in France. Successive reforms between the sixties to 2007 have not been sufficient to contain public debt. Between 2007 and early 2012, the French government undertook substantial measures to reduce government expenditure through a policy of reorganisation, wage controls and job reductions (through a principle of natural wastage under which one in two posts was not replaced after retirement). These measures were taken slightly before the beginning of the crisis and were not presented by the government of the time as a consequence of austerity. The arrival of a socialist government in 2012 brought a change in style and in some priorities (increase in fiscal pressure, new jobs in education and justice), but no rollback in the objectives for pay moderation and public sector employment. The economic crisis is now explicitly cited in justification.

### **Keywords**

Austerity, Debt, France, Reform

## **Austerity and the Reform of Public Administration, by B. Guy Peters, University of Pittsburgh**

### **Abstract**

Attempting to draw generalizations concerning the effects of the fiscal crisis on public administration is difficult. Indeed, perhaps the best generalization is that the choices made by governments, and the consequences of those choices, are extremely variable. In some instances governments reinforced their traditional patterns of governing, while in others they seemingly reversed those pre-existing patterns. Similarly, in some instances the State emerged significantly strengthened after these events while in others it was discredited and weakened. A detailed mapping of these responses would require much more space than is available here, but the absence of any clear and consistent patterns does seem quite clear.

While there may be no clear pattern of response, perhaps what can emerge from this story of trial and error in the public sector is a clear understanding of the need for more effective regulation, and better planning for responses. Crises are inevitable. While almost by definition a new crisis will be different from preceding ones, the challenge appears to build in greater resiliency and greater adaptability into public administration. The nature of government and its administration is to create routines, and those routines are indeed valuable. But routine must be complemented by a capacity to learn and anticipate. The rather erratic responses of governments to the global financial crisis makes that point clearer than many governments and citizens would have liked.

### **Keywords**

Fiscal Crisis, Austerity, Public Administration, Reform

## **A Administração Pública e a Política de Austeridade em Portugal, by Helena Rato, Investigadora e Docente Universitária**

### **Abstract**

In Europe, fiscal consolidation policies undertaken since the seventies, in order to overcome structural deficits, have led to austerity policies after 2008 financial crisis. This has its roots in the predominant ideology regarding the role of State in our societies or the application of private management rules in the public sector.

Roughly speaking, Portugal began the implementation of both the welfare state and democracy after the 1974 revolution what obliged the Portuguese public administration to carry out a continuous reform process. Fiscal consolidation and subsequently austerity policies have begun to be implemented since 2005 as Portugal have not achieved Maastricht criteria and financial markets lost confidence. However, austerity measures/policies are doubtful.

### **Keywords**

Portugal, Austerity, Public Administration, Reform.

**Austerity and Reform of Irish Public Administration, by Muiris MacCarthaigh, Queen's University Belfast**

**Abstract**

The impact of the global financial crisis has been particularly severe in Ireland, and the 2008-14 period has been one defined by considerable state retrenchment. It has, however, also given rise to a period of unprecedented public service reform, and particularly following the election of a government with a strong reforming mandate in 2011. In this paper, the context and content of the reforms are examined along institutional, financial and politico-administrative dimensions respectively. A final section discusses the politics of reform in a time of crisis.

**Keywords**

Administrative Reform, Austerity, Global Financial Crisis, Ireland