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We all live in democratic countries.
We see every day the problems of
democratic decision-making, its
strengths and weaknesses. But we all
are convinced, that in long run there is
no better system of governing a society.
We all witness the complicated
symbiosis between the political
decision-making and the
implementation of decisions, the

administration, the governance.

Democracy must deliver. If there is no expected outcome in reasonable time, the credibility will be seriously damaged.

If we all see the difficulties of smooth and efficient execution of political will in our countries, then what about the same problem in international

organisations, in multilateral cooperation?

To address the problems of the contemporary world, the need for multilateral cooperation is rapidly increasing. And the most far reaching forms and models of such cooperation have been established in the European Union, today with 25, tomorrow 27 Member States.

I am responsible for administrative affairs in the European Commission, so I would like to analyse the situation and problems with the governance in European Union, problems with the balance between political will and desires and ensuring the credible implementation of this will.

Although the issues I will discuss are general, they are vitally important to our ability to deliver our Lisbon agenda goals.

In some parts the execution of European will is effective.

The Community system is truly supranational, with an independent Commission charged with proposing solutions which are in the interests of

Europe as a whole. This structure was intended to allow better outcomes to be reached than could be achieved by simple horse-trading between Member States. And the success of the EU compared to any other comparable organisation shows that it works.

But we must recognise the limitations of the system too. It is difficult to agree on a course of action with 25 actors and the

European Parliament. The Commission is quite unlike the executive government of any Member State. Unlike a single political party or close coalition, it does not have a strong internally agreed political agenda. Nor does it have a constituency on which it can rely for support in pushing through difficult projects.

For me, the European Union is mainly about promoting and defending freedom.

And this has not been contested during the debates and referendums on the Constitutional Treaty. On the contrary, the Constitutional Treaty states that:

“The free movement of persons, services, goods and capital, and freedom of establishment shall be

guaranteed within and by the Union, in accordance with the Constitution”.

The Union's greatest achievements have been in abolition of different barriers between nations and countries.

The creation of internal market is our biggest success. Today, the internal market is governed by approximately 300 different sets of rules, legislative

acts and so on. Some complain that even this is too much. But before the single market programme, business had to deal with some 10,000 acts of national rules.

The four freedoms are far from complete, but we cannot be complacent even about existing rights. These need powerful, consistent and clear

endorsement and defence. This is in the Commission's competence as guardian of the Treaties. There is, of course, a constant fight with interested parties, but we have sufficient tools to police the single market.

Member States and companies thus know that the violation of the rules,

ensuring four freedoms, will be punished.

Of course, interested Member States and companies seek to lobby and influence the proceedings, but this is life.

But there is one important example, which has discredited the reliability of the implementation of adopted rules.

This was the conflict over the Stability

Pact in 2003, when the rules were not applied in the case of the violation of the pact by a big Member State.

More worrying today as regards the adoption of policies enforcing freedoms in Europe is the desire to have in various regulations broad exceptions concerning some Member State or some sector in economy.

This brings me to the symbiosis of policymaking and implementation on European level.

There are also deeper systemic problems in process, which we too often ignore, but which lie right at the heart of the political process: the “something must be done”-syndrome, and the need to obtain compromise between different political strands or, in the case of the

EU, among Member States and with the European Parliament.

“Something must be done” very often occurs where there is some major catastrophe – an accident, health scare or even, in today’s world, a terrorist incident or an economic scandal. Understandably, there is great pressure from public and media to say why

something happened, and to prevent it happening again. It is not acceptable to say that the event, though bad, is a one off, and it would be disproportionately expensive to stop it happening again. Instead, new policies are rushed into place with limited time for consultation or reflection. But once adopted, adjusting the rules can be politically and practically very difficult.

The development of policy through discussion and compromise is of course fundamental to the political process. But, particularly because of the limited ability of the Commission to push through a strong political agenda, it is often the case that some of the original clarity of the policy gets lost during this process – perhaps resulting in regulation

which contains requirements irrelevant to the final policy, which is difficult to interpret – and sometimes even contradictory. This problem has been a particular feature of EU legislation, due to the need to obtain agreement between Member States and with the European Parliament. Very often, ambiguity is used to enable all parties to claim that they have got the result they wanted –

good for tomorrow's headlines, but not for businesses (or even public administrations) trying to apply the rules in practice.

The difficulties of the process also means that policy makers are often very wary of reopening agreed packages to bring them up to date or correct problems – the concern is that other aspects of the original package will then

be unpicked, especially where attitudes have changed within one party or State involved in the original compromise. Once made, some legislation is hard to change unless a genuinely new consensus has emerged across the EU.

These problems are easy to state – but much more difficult to deal with.

The best approach must, however, be to ensure that when making policy and regulation, we are as clear and transparent as possible about the objectives and difficulties – so that where there is uncertainty, or a lack of a clear solution, we are honest about this.

An important tool in achieving such honesty is the use of well designed impact assessments and consultation

processes. These should ensure first that policy makers are forced to clarify what they are really aiming to achieve, and secondly that they genuinely understand the likely consequences of the rules they are proposing. Consultation also enables them to be altered to different approaches and problems which may not have been obvious from Brussels or a national

capital. Taken together, these two tools should result in legislation which is proportionate and effective, and thus likely to be more enforceable.

But we should not assume that consultation and impact assessing are a panacea. Carrying out good impact assessments can be time-consuming and may be inconclusive, especially where

there is no consensus on the underlying technical problem, or, as is very often the case, incomplete scientific knowledge. The process will also lose credibility if it appears that the methodology has been "fixed" to support whatever outcome was thought politically desirable – or where clear results from an impact assessment are

ignored in the face of pressure from powerful lobby groups.

Wide consultation may generate hundreds or even thousands of responses. Analysing these requires considerable resources. And again, doing this work properly requires considerable time and resources. This is not always attractive to politicians who want to be seen to have taken action

within the limited confines of the electoral cycle, nor to administrations under pressure to deliver efficiency savings.

But in spite of these challenges, transparent consultation and objective (and publicly available) impact assessment is vital to ensuring that the resulting regulation is proportionate and workable. Perhaps even more

importantly, it gives an opportunity to explain the problems and limitations of different approaches.

Trust in good regulation could actually help us reaching the Lisbon goals.

Transparency

I have worked hard to promote the European Transparency Initiative. This will play an important role in ensuring that we know who is lobbying for what. This will increase trust the EU in the legislative process by encouraging open disclosure of the real issues and reducing the fear of hidden manipulation.

It will also restore credibility to our programmes such as research, structural funds and agriculture, and also in the delivery of our programmes, since any links between lobbying and the funds interest groups hope to receive will be clear. Transparency in end-beneficiaries of EU funds will also allow the public to see where, for better or worse, their money has gone. It should help identify

fraud and mismanagement more quickly, and lead to rapid blocking of loop holes in our rules. Taken together, these measures will gradually combat the widespread and already unjust perception that abuse of EU funds is rife.

Very complex and diversified machinery has been created to execute the policies in the European Union.

We have the European Commission with 41 directorates general and services, we have 23 community agencies, 3 common foreign and security policy agencies and 3 justice and police field agencies. And we have the powerful secretariat of the Council,

which also has executive functions, particularly in the field of foreign affairs. I fully recognize that it would be naïve to imagine that managing Europe could be very simple. But I still think, that our framework of executive units is a little too complicated.

The main tool in the hands of every organisation is their people. European

Institutions have very professional staff. But when I addressed a big meeting of our personnel, I asked have we enough motivation, have we lost our faith? The answer was – that there is a problem of leadership in Europe, there are contradictions in our vision, and a gap between our aspirations and reality.

We have to strengthen the motivation of the staff by setting out clear, realistic

but ambitious visions of the way ahead. And it is also very important to dissolve the environment of suspicion, which has surrounded our people due to scandals in the past.

Conclusions

1. The tasks, importance, diversity and complexity of the functioning of international organisations are rapidly

increasing. In the contemporary world there are more and more problems which need collective response. People expect - and are right to expect - international cooperation to deliver credible results. In this regard, the smooth functioning of the executive side of international organisations is becoming more and more vital.

2. The European Union is by far the largest, most diversified, sophisticated and developed organisation of national states. It has obtained rich experience in decision-making and implementation of its decisions.

3. In the past, difficulties in the administration of the European Union have themselves created problems of credibility to the whole organisation.

This damage has needed big efforts to repair and to restore the confidence in the reliability of European Union decision-making.

4. After the events in the past, a lot has been done to modernize the European Union administration, to strengthen the management, audit structures, and financial control.

5. Still, the quality of delivery of the policies in the European Institutions, in the Commission is not perfect, there is big room for improvement.

6. One problem for the administration in European Union is the sometimes ambiguous policy lines from the political decision-making level.

7. The European civil service is equipped with many able staff. Today's

task is to restore motivation and reduce frustration among the staff, the consequence of the events in the past and today's controversies in defining the goals of European Member States.

8. To improve the governance of the European project, the European Commission has adopted several challenging projects –better regulation, transparency initiative, e-Commission,

and a broad plan to demonstrate that our financial expenditure is sound.

I believe that the measures I have discussed - greater transparency, more consultation, better regulation we will rebuild trust in the EU and the Community method. Only by doing so will we be able to act take radical action in the Common European interest.

If we fail, then we face a risk of gradual stagnation and irrelevance – a betrayal of the common vision of peace and prosperity which so recently attracted the EU-10 to the EU.