

MEETING OF THE PRESIDENT OF THE COMMISSION AND THE STAFF  
WEDNESDAY, 12 NOVEMBER 1980

SPIERENBURG AND REFORM OF THE COMMISSION

It is not often that virtually the whole of the Commission's senior management has been gathered together in one place at one time. While this is a not wholly unprecedented occasion, a meeting of this kind has been rare enough in recent years. I am grateful to you all for attending. The issues which I intend to deal with this afternoon are basic to the future health, efficiency and success of this institution. But they go wider than that. On the health of the Commission depends in large measure the health of the Community as a whole. In the words of the Three Wise Men's report: 'Without the European Commission, the Community could never have been constructed. Without the Commission, the Community could not function even with the limited efficiency that it does today'. It has been a central concern of this Commission over the last two years to ensure that this institution is in the best possible condition to carry out its essential functions under the Treaties in full political independence.

My purpose in calling this meeting is threefold. First, I wish to recall and underline the objectives of this Commission in establishing an independent review body to examine our present organisation, structure and management policies. Second, I wish to review with you what this Commission has done, is doing and intends to do to carry forward a necessary programme of reform based upon the analysis presented to us by the Spierenburg Group. In that context, I will have something to say about the essential elements of the package of measures now before the Council on which much of what we have sought to do depends. Finally, I wish to seek your help as the permanent

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management of this institution to ensure the detailed implementation of what we as a Commission have decided. Commissioners may come and go, but it is you who finally determine the character, the style and the effectiveness of the Commission.

Why Spierenburg?

I start with the decision to establish an independent review body. It was an unprecedented decision. There had never been a full-scale and independent assessment of the Commission. Why when the plant has been flourishing for over twenty years should we decide to pick it up by the roots? I believe that there are a number of reasons which go to the heart of the capacity of this institution to perform the duties laid upon it by the Treaties in the future as it has done in the past.

First, in twenty years the Commission has grown and developed from a small group of pioneers in the High Authority to an organisation of 8,300 officials, excluding staff paid from research funds. We are not the sprawling bureaucracy so frequently imagined by the popular press. These are not excessive numbers compared with the tasks and obligations which we have to carry out. But neither are we the small and tightly-knit institution which started off as the High Authority some two decades ago. Our number has increased; our tasks have multiplied; and to some extent the character of our work has changed. Today, we have to combine the development of new policies and initiatives with the efficient and practical administration of resources. We have both a sizeable management task and a continuing duty to innovate in the interests of Europe as a whole. After more than twenty years, does the Commission's structure and organisation, developed piecemeal over that period, properly reflect its present needs and tasks? We needed an answer to that

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question and we asked Spierenburg to report.

Second, looking ahead, it is apparent to all that the Community will be faced with new challenges and new priorities. The Commission as an institution cannot afford to remain static and immobile in a changing and developing Community. We have sought during the lifetime of this Commission to identify some of these new challenges. Our work on the development of an overall Community strategy for energy; on new ideas for a Community initiative in the field of advanced technology; on the establishment and further development of the EMS - all this will lead to shifts in the emphasis of our activities. We need to be certain that the Commission's resources are capable of flexible adjustment.

Third, there was the obvious and immediate challenge of enlargement. That raises basic questions of organisation and the redeployment of staff resources. Was the Commission in the best posture to cope with enlargement, its extra demands and its new problems? Here we had to consider not just the accession of Greece, now less than two months away, but also the eventual accession of Spain and Portugal.

Fourth, and of major importance, the Commission was conscious then, as now, of its basic duty to consider ways of improving the career structure and conditions of work of its existing staff. The lack of an adequate career structure; a tendency for officials to remain too long in the same often very specialised jobs; weaknesses in opportunities for career development have all tended to sap the morale of our staff. We cannot expect that all our officials should remain

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satisfied for ever on a diet of European ideals and the principles of a worthy cause: those who work for the Commission also deserve the prospect of a reasonable career and work which is genuinely rewarding. If the concept of a permanent Community civil service is to have any reality, it demands that we can not only recruit the best but hold the best with a guarantee of a satisfying career. How can we ensure such a service of the highest quality?

Finally, we must avoid a natural temptation to try to insulate the Commission from what is happening in the Community as a whole. An era of easy growth is over. We all know that. Today's realities are rising unemployment, declining production, low growth and high inflation. The emphasis in Europe has become one of budgetary restraint, a reining-back of public expenditure and of critical attitudes towards public service manpower levels. The Commission cannot be exempted. It behoves us to ensure that we are making the best possible use of our resources; to be ruthless in the eradication of waste; and to demonstrate that we are cost-effective in all we do. Are we achieving maximum efficiency in working methods and the redeployment of staff?

These were all questions which we felt it was essential to examine and for which we sought an independent view. They are basic questions. They are questions which all organisations need to ask themselves from time to time. Left to themselves, institutions tend to let themselves spread. They become fat and paunchy. But in a rapidly changing world, the Community cannot stand still, nor can the Commission. We must adapt and adjust if the Commission of the future is to hold the vital and unique role which is ours among the institutions of the Community.

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What has been achieved?

Given these clear objectives what have we been able to achieve? The most important consideration was that we should have a concise and clear analysis. This is what Ambassador Spierenburg and his colleagues gave us. They started their work towards the end of January last year and their report was published on 24 September 1979. As you know, the Commission welcomed the report and, at its meeting at Villers-le-Temple in October that year, committed itself to a programme of reform based upon its proposals. We asked a Group of Commissioners chaired by Vice-President Ortoli to undertake the task of examining the Spierenburg proposals and of turning them into practical action.

There are four main sets of considerations which I wish to single out and emphasise this afternoon. They concern management; coordination; the use of staff; and staff policy.

The key to the efficient working of the Commission lies in a greatly increased emphasis on management qualities. That was Spierenburg's view and it is the Commission's view. How we react depends crucially on you. You are not only the chief policy advisers of the Commission, you are also its principal line-managers. That second function is just as important as the first. If we are to get the best out of the considerable talent and resources available to the Commission, we need to take conscious steps to manage our staff better. That means improving arrangements for the transmission of information within the hierarchy; it means making certain that each official clearly understands what is expected of him and has a precise definition of his duties; it means devoting time and effort to questions of career development, mobility, training, promotion and staff reporting; it means a more realistic attitude towards the

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deployment of staff and the planning of the work-load of your departments. If we can get these things right, then much else will follow. The Commission has taken a number of decisions in this area but exhortation will only become action if you as managers accept your responsibilities. A response from you will find a response from your staff. I have no doubts about that.

Second, Spierenburg emphasised the lack of central coordination and planning structures which have resulted in certain failings of structural coordination among Directorates-General. Coordination does not take place by itself. First, we need appropriate arrangements and then we need to make certain they are used. Externally, we have set up arrangements for a better coordination with the Council in the context of the work programme of the Presidency. Internally, we have decided upon a procedure designed to allow the Commission to decide annually on a list of priorities. This will then form the basis for departments to fix their timetables and priority objectives and will feed through into our internal procedure for drawing up the preliminary draft budget. It will also enable the Commission to monitor more effectively on a continuing basis whether the work which it is carrying out is being appropriately related to the priorities which it has set itself. This work is already in hand and is being prosecuted by a small working party under Emile Noel's chairmanship. I hope that you will all take a personal interest in it and indeed use Emile Noel's group as a means of making your colleagues and the Commission more aware of your particular preoccupations and priorities. What we are aiming at is an active dialogue among Directors-General and between Directors-General ...

/and the Commission

and the Commission of a kind which we have not really had hitherto.

At the same time, one of the conditions for improving internal coordination and to ensure the best use of staff is, in our view, to concentrate our resources into larger and more logical units. Thus, we have now carried through a major exercise to reduce the number of basic administrative units. 50 divisions and specialised services have been abolished, some 15% of the total. We intend that this reorganisation should be lasting: there should be no need to create new administrative units merely to take account of enlargement. Such a reorganisation has inevitably been painful and difficult. It is now behind us. We now need to get on with ensuring the success and effectiveness of our new structure. Here again I believe that you have an important responsibility as managers within the Commission.

Third, there is the theme running through Spierenburg that we lack the means, or perhaps the will, to exercise fully our responsibility to allocate staff among different sectors according to our priorities. As Spierenburg pointed out, "the staff of the Commission does not appear to be excessive in number but it is badly distributed among different sectors". It is quite clear that we cannot expect to secure more staff from the budget authority unless we can demonstrate beyond any doubt that all our existing staff are fully employed. The Commission has therefore set to so that our house can be seen to be in order.

Departments have been instructed to cover new activities

/by reassigning existing staff.

by reassigning existing staff. If that is not possible, the Management and Organisation Division of DG IX will make a special study to see if staff already in the Department are sufficient and properly deployed in view of the priorities set out in the Commission's outline programme and of the priority objectives of the Department itself. Before giving an opinion in favour of the request for additional staff, the Management and Organisation Division will make sure that the activity is in fact a priority activity and that the requirement cannot be covered either by transferring staff from other Departments or by some other means, for example, the use of study contracts or consultants. These rules are now in force. Now and for the future we need to be every bit as careful and as rigorous about our use of staff as we are about the disbursement of money. This implies a much more careful examination of priorities and a new effort of management to make the best possible use of available staff.

Now let me turn to questions of staff policy. In many ways, this is the most important aspect of Spierenburg. I wish

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it to be clear what the Commission is doing and why. The Commission's objective is to encourage the efficient functioning of its services by maintaining a body of officials of high quality; by ensuring that officials' careers progress normally; and by enabling the Commission to benefit from outside experience. These are the principles which we have sought to put into practice. The Commission is not presiding, and does not intend to preside, over the destruction or the weakening of the concept of a European civil service. On the contrary its proposals are designed to give a greater meaning and reality to that concept.

Against this background, the Commission has made a series of decisions on recruitment, on mobility, on careers development, on promotions, and on recourse to outside experience. I shall deal briefly with each of these aspects. On recruitment, we have decided that the basic recruitment grade should be A8. In order to make sure that the best recruits are not lost to the Commission because of delays in recruiting, we have proposed to the Budgetary Authority that a limited number of "training posts" should be created to permit immediate recruitment of a proportion of candidates who have passed the open competition. We have at the same time decided to allow university graduates to take part in open competitions for grade B staff and to make special arrangements for promotion from B to A. All these decisions will take effect in 1981.

On mobility, the Commission approved at the end of October detailed arrangements to put into effect the principle stated in the Spierenburg report, that mobility must be a right and a duty - a right for any member of staff in the interests of his career development; a duty for the Commission in the interests of the efficiency of the service. I am convinced

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that the future effectiveness of our services will in large measure depend on how we ensure that staff achieve a greater width of experience, knowledge and interest within the house. I thus attach considerable importance to the decision that promotion to A5 and A3 will only be possible after one or two significant changes of assignment respectively.

More fundamental still is the Commission's concern to improve career prospects. We will not have an effective European civil service unless the officials who constitute its members have a reasonable guarantee of an effective career. For demographic reasons and because staff were recruited in successive waves, present career prospects are frankly bad and much worse than those in other Community institutions. For example, the average age of promotion to A4 last year was 46. I doubt that such a situation applies or would be acceptable in any national civil service within the Member States. We need, on the one hand to solve the career problems which will present themselves up to 1986 when the rate at which officials retire will begin to pick up. On the other hand, we have to ensure that in 1986 the Commission will not be obliged to approve a large number of promotions to catch up the backlog, thus once more creating similar problems for the future. To meet this objective we have proposed a new career profile for A grade staff and made proposals to the Council for the temporary upgrading of certain posts and for special arrangements for early retirement.

On promotions, additional measures have been necessary to guarantee the clarity and openness of our procedures. We regard it as fundamental that every official can feel that his claims to promotion are fully and fairly judged. We have, therefore, extended the competence of the grade A Promotion

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Committee to cover promotion from A6 to A5; established a new Consultative Committee to advise the Commission directly on the claims of candidates for A2 and A3 posts; and proposed to the Council changes in the staff regulations which would limit to established officials admission to internal competitions.

Beyond these measures, the Commission has also thought it right to propose to the budgetary authority provision for recruitment of outside experience. I am in no doubt at all that we need such arrangements. We must be able to recruit directly such expertise that we may require on specific questions as they arise. How else could we be certain that we had all the necessary special expertise to carry through, for example, the arrangements decided a few days ago for the steel industry under Article 58? Equally, in my view, we must be able to recruit directly staff who have acquired professional experience outside the Commission in order to encourage the exchange of experience. To allow ourselves to become a closed and inward-looking organisation would fatally damage this institution. We cannot afford to become introspective or remote from what is happening within the Community. To shut our doors to any effective outside influence will ensure that, sooner rather than later, the Commission will cease to be equipped to reach judgments relevant to the needs of the Community. On the other hand, we must ensure a proper balance so that the career prospects of existing permanent staff are not adversely affected.

In the light of these general considerations, the Commission has therefore proposed to limit outside recruitment at A3 level to a maximum of 20% of the posts to be filled each

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year and to recruit staff at A4/5 level on temporary posts for a maximum of 4 years. These temporary staff would be recruited on temporary posts in a separate column of the authorised staff list and there would be no question of any extension of contract or establishment on these posts. The posts would lapse as each contract expired. Our view is that over the next 4 or 5 years within the system as the Commission has now designed it, there should be some 200 of these temporary posts. That is to say, not more than 20% of the present staff complement at the A4/5 level.

What remains to be done?

In the last year, the Commission has gone as far as it reasonably can to implement those parts of the Spierenburg report which fall directly within its own competences. This has involved extensive discussions; considerable administrative upheaval; a measure of uncertainty for our staff; and difficult decisions. But the Commission cannot go further, nor yet ensure the implementation of what it has already decided upon, without the assistance of the Budget Authority. In our 1981 budget proposal we asked the Council and Parliament to assist in four ways, each of them essential to the overall package of reform on which the Commission has embarked.

First, we asked that there should be a serious examination on their merits of the already modest requests for new posts in the 1981 budget. Beyond what we have already done to reorganise the internal structure of the Commission and to strengthen our capacity to monitor the use and deployment of staff, we carried out a stringent enquiry into the Commission's staff needs with the help of external experts as a basis for the

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submission of our 1981 staff budget. We have sought extra staff only where new and additional responsibilities, including the consequences of Greek accession, cannot be met by redeployment or internal reorganisation.

Second, we asked authorisation for a pool of recruitment (10 posts) to enable the Commission to recruit exceptionally able candidates sufficiently fast to prevent them being lost - as happens at the moment - to other employers. The future quality of our service depends on our ability to recruit high quality staff. This is a modest step to ensure that we can do so.

Third, we asked for the temporary conversion of a number of posts to higher grades to enable the Commission to ensure reasonable career development for its officials. I have already described the factors which make this so important for the morale of our staff and for the continuing effectiveness of this institution.

Fourth, we sought token entry provisions in the budget for Commission proposals for early retirement of A3 and A4 officials in order to accommodate Greek officials, to deal with the effects of restructuring and to adapt our staffing to the new tasks which confront the Community. Let me emphasise here that the early retirement proposals that we have put forward are based, as regards their application on the exact terms of the 1972/73 early retirement measures. The element of choice or compulsion is no more and no less than in 1973. Our proposals provide for the Commission to draw up a list of officials for early retirement after having obtained the opinion of the Joint Committee. Before drawing up the list the Commission would, as

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in 1973, make known the provisions of the regulation to staff who are eligible to be considered so that they might volunteer if they so wished. Under the terms of the draft regulation, officials aged 60 and over who volunteered would be placed automatically on the list.

We are entitled to a serious response from the Budgetary Authority. So far, that has not been forthcoming at least from the Council. At its first reading of the 1981 Budget, the Council refused the necessary budgetary support for every single one of these requests. Indeed, the Council went further. It also cut the new posts requested for Greek officials in a way which can only be considered arbitrary, despite the need to see that a substantial number is recruited in the first year after accession. In recent years it has been a complaint of the Council that staff demands made by the Commission have been unrealistic, related neither to defined priorities nor to a proper assessment of how to use existing manpower more effectively. Now that we have taken the initiative to reform ourselves, the least that we expect is to be allowed the very modest means to do the job. And the means are, indeed, modest. Leaving aside the cost of new posts, what we propose would cost some 1.5 meua in the first year. That is a small enough price for securing, as I believe, real improvements in the operational effectiveness of the Commission. I therefore expect the Council to consider further and in detail what we have proposed and to reflect this in the second reading of the Budget. The Parliament in its first reading has already given a lead by the constructive attitude it has adopted towards our requests for new posts and

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in particular as regards the conversion of posts at various levels.

In this speech I have concentrated perhaps inevitably on what we as a Commission could do rather than on wider issues, also touched upon by the Spierenburg report, which are the responsibility of others. In particular, I have not looked at the range of issues raised in Part II of the Spierenburg report about the size, composition and overall structure of the Commission. In the immediate future, these issues no longer perhaps arise. Thus, the size of the next Commission is now settled and with a total of 14 Members it will not be significantly or qualitatively different from the present Commission. What is more doubtful, however, is whether in the longer-term the Commission would gain from being significantly larger. I am sure that there will need to be more thought before it is agreed that the Commission should grow automatically as a result of further enlargement, to 17 Members. That remains an important issue for the future. It will be important that fuller consideration be given to the weighty evidence presented by Ambassador Spierenburg and his colleagues about the number of portfolios that the present and prospective workload of the Commission could reasonably bear.

#### Conclusions

I end by drawing together some conclusions for management. I invite you as the principal managers of our services to consider them and to adopt a programme of action for the future.

First, management information. Directorates-General should see what steps can be taken to improve their internal procedures to ensure that their officials at all levels understand clearly what is expected of them and are helped to make the best possible contribution they can to the work of their department. This means more time and more thought spent on ensuring a proper flow of information within the structure. The lead must come from the top.

Second, coordination. Directorates-General must consider how to secure better coordination within and between departments. The machinery exists but it is not properly used. There are still too many papers submitted from the services which are inadequately prepared. It is not surprising that in such circumstances the Cabinets appear to take upon themselves excessive responsibility for policy matters. But the solution lies, as it always has, in your hands.

Third, line management of staff. Directorates-General need to make a greater and more consistent effort to assist and sustain the general staff policy of the Commission. This involves a partnership between DG IX and the Directorates-General, not, as might sometimes appear, a state of cold war. It is for Directorates-General in particular to plan a programme of genuine mobility for their staff; to make certain that there is a consistent and objective system of promotion and staff reporting in operation; to encourage appropriate training; and to assist career development. These are not tasks which can be delegated; they are the collective responsibility of senior management. Each Directorate-General should review its action in these fields and decide upon a plan for the future in conformity with the Commission's decisions and objectives.

/Fourth, policy planning and

Fourth, policy planning and review. Directorates-General must institute effective internal arrangements for the systematic and regular review of their policy priorities. Such machinery has been put in place at Commission level; it needs its counterpart at departmental level.

In the last four years we have achieved much together on many fronts. The staff of the Commission can take pride in these achievements. In a real sense, they belong to them. They demonstrate the vitality of this institution; the quality of its work; and the way in which we can and do continue to find practical and realistic ways of promoting and advancing the Community's objectives. It has been the work and duty of this Commission to underpin and strengthen the basic fabric of this institution so that it can rise to the challenge of the next decade. I look to you for practical and constructive support in this endeavour.

