

## **1st European Engineers' Day, Brussels 08.12.2011**

### **Key Note Speech by Etelka Barsi-Pataky, President of the Hungarian Chamber of Engineers**

Dear Colleagues,

It is a great honour to be here today, and to have the opportunity to give an opening speech on the first European Engineers' Day. In my opinion it is highly important to reflect on engineering-related topics together, at a common European level. Those who are familiar with me already know that I am strongly committed to Europe. Naturally, in the course of our shared reflection I am also representing Hungarian engineers and their interests.

It has become commonplace to see some of the most important building blocks of our future world to be science and innovation, with engineering knowledge to the fore. We are also aware that our profession relates to the public interest, and that it shapes and impacts on the safety, quality of life and even the health of European citizens.

Do politicians know about this? The answer is probably 'yes'.

Then there is the following question: 'Why don't all these matters feature much more prominently in public discourse and in the legal environment within which we work?'

This situation must be changed, and I am glad that we want to move forward together, discussing two key questions facing the engineering profession today.

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Let us look at our first topic: the role of chartered engineers. This is the right time to discuss this issue, since in June this year the European Commission published a Green Paper calling for a review of the scope of regulated professions, in order to modernise the Professional Qualifications Directive; this is based on the Single Market Act. As we know, after extensive public consultation the Commission will present its legislative proposal soon.

In this the Commission undertook a huge task, especially considering the sensitivity of this field of legislation. I was a Member of the European Parliament when the 'Service Directive' was adopted, and based on this experience I must highlight the importance of legislators –

both the European Council and the European Parliament – knowing the opinions of the people who are directly affected by this directive.

Perhaps you will forgive me if I raise the following questions first: ‘What will be the effect of this legislation? What will be the outcome?’

Obviously it will contribute to final realisation of the single market, as recognition of professional qualifications acquired in other member states will be one of its fundamental pillars. And I think this is very important. However this is not enough in itself.

What have we experienced in the past decade? We should not be afraid of speaking about it: we have seen that a genuine European single market has not been realised. Instead, in those states with a potential outflow of professionals, a so called ‘brain-drain’ has started – especially in certain fields – while the fear of a highly-qualified but cheaper workforce has begun to spread among receiving Member States.

Certainly, it must be important to discuss many questions about the professional card: ‘For how long should it be valid? What kind of information must the card contain? Should the card be voluntary, or compulsory?’ In addition, no one questions the need for the Internal Market Information System either, which can – for example – facilitate cooperation between the authorities of ‘states of origin’ and ‘host states’.

But very few proposals have been heard on the most urgent problems which Member States are struggling with. Today we will surely discuss the common platforms which can be a response to the need for integration. There is a risk, however, that a kind of common platform will be built which does not serve the interests of the whole of Europe.

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The second topic to be discussed today is an old time favourite, namely public procurement. A number of factors have contributed to its inclusion on today’s agenda, among others that the corresponding Green Book has been prepared and discussed. However, today we must rather examine, that while the EU Member States are continuously facing serious budget cuts and economic difficulties, is there a tool in their hands, such as public procurement, which can ensure the most efficient use of public funds. Let’s not forget that the EU public procurement market reaches 18% share of the economy within the EU. Using the most appropriate award criteria is of key importance so that money available for development

through public procurement can – and should – play a central role in creating growth, consolidating our public finances and getting our economies back on track.

Let's admit it; it's not exactly what is happening. There is little work and little money available to be spent. The procurer and the investor seek to obtain the services for “the best price” thus forcing those in need of work to go deeply below market value. We cannot avoid asking the question: is the cheapest the cheapest? Is this the way for the procurer to obtain best value for money? Yes, we must introduce, in addition to lowest price and economically most profitable offer, a new set of criteria with the aim to be able to guarantee good quality work through the public procurement procedure. There is much to do in this respect, as most of the procurers chose the applicant offering the lowest price. We must break free of this system.

We cannot pass by the issue of administrative burdens either, having the most direct effect on SMEs, and considered significant even for medium sized enterprises. The answers given to the Green Book are a clear confirmation of this major concern. There is no Member State today which does not count on SMEs, as the most important actors, in the economic recovery. The modernization of the public procurement law must significantly phase out the “red tape”.

### **Innovation**

I would like to specifically emphasize in this context that the goal is transparency and accessibility and the solution clearly is Digital Single Market (eProcurement), as aptly stated by Micheal Dithmer – Permanent Secretary of state, Danish Ministry of Economic and Business Affairs – during a recent speech delivered at a conference. In today's changing economic environment innovation is key to survival. We are experiencing and learning that those companies have work which are familiar with and are able to apply new technologies. Public procurement should support this process.

Public demand, when oriented towards innovative solutions and products, has the potential to improve delivery of public policy and services, often generating improved innovative dynamics and benefits from the associated spillovers. Nonetheless, public procurement as an innovation policy has been neglected or downplayed for many years.

### **Green procurement**

One good example of innovation is green procurement. Buying green! is a handbook recently published by the Commission aiming to help public authorities successfully launch green purchasing policy. Buying green! can save money while ensuring considerable environmental

benefits. By addressing factors such as energy and water consumption, reduction of hazardous substances, use of recycled materials and proper waste management, green procurement can help deliver cost savings across a number of product and service groups. It is also important to mention the introduction of flexible competition procedures, the possibility of submission of different variants, as well as the inclusion of life-cycle costing (LCC) in the evaluation criteria which brings cost related benefits on the long run.

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Finally, let me emphasize, that there are issues, which cannot be guaranteed even by the best legislation. What are these issues? First, guaranties of quality standards; and on the other hand, questions on engineering ethics.

In the Hungarian Chamber of Engineers – in the Hungarian system – we follow the principle of lifelong learning and we renew the professional authorisations every five years. The engineers have to prove the credits they have acquired on trainings in this period. The ethical questions can be enforced through the membership in the Chamber. On European level the ECEC has already issued the Code of Conduct and the Code of Quality for chartered engineers. We would like to see these already working – or similar successful – guarantees to be used in the European legislation as well.

Ladies and Gentlemen, we are prepared for the further discussion and for seeking good compromises.