

DELIVERING PUBLIC SERVICE FOR THE FUTURE

How Europe Can Lead Public-Sector Transformation

A collection of essays on the opportunity and challenge
of public service in the digital age

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and challenge of public service in the digital age

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FROM THE EDITORS' DESK

For five years, the **European Centre for Government Transformation** has worked to provide pragmatic and actionable solutions designed to help government agencies and other public-service organisations improve the social, economic and health outcomes of the people they serve through delivery of increased and improved public services. A unique collaborative platform, the European Centre for Government Transformation was founded in 2009 by the Lisbon Council, the College of Europe and Accenture. Today, it serves as a new kind of ideas and solutions hub that recognises the vital need of innovation throughout the economy and the interdisciplinary nature of state transformation.

The essays in this collection could hardly come at a better time. With new leadership in Brussels – and a strong drive and commitment to enact reforms and modernisation – the debate on how to make public services sustainable and future-proof is a top priority. And with Jean-Claude Juncker, who vowed to be Europe's first “digital” European Commission president, new and innovative service delivery models based on modern technologies are at the forefront. Indeed, the notion of co-creation is taking hold, highlighting a collaborative and dynamic interplay between different societal actors – all with the goal to deliver better and more tailor-made services to citizens. But if this powerful vision is to become a reality, new skills and competences are needed within the public service workforce. Digital literacy will be a “must,” while entrepreneurial zeal and impact-driven decision making takes centre stage. The opportunity to deliver more and better services for Europeans will be a powerful way to re-connect citizens with policymaking and government – and therefore deserves to be a top priority in Brussels as well as in the member states. It is our hope that the contributions in this publication can be both a compelling vision document, as well as a useful guide of best practices and tried-and-tested examples.

The Editors





FOREWORD



DIGITAL DISRUPTION USHERING IN A NEW ERA OF PUBLIC SERVICES IN EUROPE: A CALL TO ACTION

By *Bernard Le Masson*

Bernard Le Masson is global managing director, public service, Accenture Strategy. Accenture is one of three founding partners of the European Centre for Government Transformation.

European leaders have an unprecedented opportunity for change and need to pursue public service transformation as a matter of urgency. Here's why - even in the midst of substantive reforms across member states, public debt is still rising, youth unemployment remains at disconcerting levels and overall health and pension systems are severely strained, reflecting an underlying trend of an aging society.¹ As governments brace for these inconvenient truths, technological disruptions have fundamentally changed the way people live, work, interact and learn. Commercial organisations have been quick to adapt. For instance the retail and banking industries are leading the way in fulfilling their customers' life needs through "always-on" digital channels.

The reality is that these digital consumers are also digital citizens who have similar expectations of their governments to provide dramatic changes in the way they operate and offer high quality digital services while delivering value for money.

There is strong consensus on "what" needs to be done and "why." Themes of public trust and accountability, productivity, openness, innovation, co-creation, a new mindset for public leaders with much more "digital adoption" are generously peppered throughout this publication. In Accenture's view, we need to address the "how." It is time for action with a laser focus on execution.

Overall, public trust has taken a beating through years of austerity, inefficiency and poor governance. We asked European citizens across five countries how confident they felt about their governments' ability to deliver services that will meet the needs and expectations of citizens in the future. More than 62% said they

were not confident.² To stay connected to their constituents, public leaders both at member state and European levels need to usher in a new accountability framework.

We also need bolder and more sustained investment in public service transformation if we want to see impact. With the public sector accounting for nearly half of European GDP and the critical role it plays as "economic orchestrator," it is our strong belief that investment for digital transformation of public services should be a priority for each member state and the European Commission, with a range of 10% of all investments (as part of European Commission President-elect Jean Claude Juncker's proposed European Union investment plan) directed towards this theme.³ At a European level, this would mean a €30 billion programme for the new European Commission (2014-2020), aligned with the Horizon 2020 and digital agenda for Europe programme targets. Beyond supporting broadband access and growing new markets such as cloud, big data and the internet of things, we need to focus on digitally transforming high-volume and high-impact services like healthcare, social security, business registration, public safety and employment.

We are moving into a new digital era, which is set to redefine the relationship between the state and the citizen. We believe this paradigm shift has the potential for European governments to unlock much higher levels of productivity, be more connected to their constituents and provide a high-quality service experience. In the UK, a digital efficiency report found that the average cost of a central government digital transaction can be almost 20 times lower than the cost of telephone and 50 times lower than face-to-face

‘Investment for digital transformation of public services should be a priority for each member state and the European Commission.’

interactions.⁴ Further, a digital citizen survey by Accenture showed that more than 67% of citizens in our European sample said it is important for governments to provide more services through digital channels in the future.⁵ It is also worth noting that all contributors to this publication have unequivocally highlighted the critical role of digital technologies to support public service transformation.

In the spirit of action and focus on execution, here is how Europe can achieve digital-era governance:

Digital democracy and the digital citizen

- *Co-design and co-create with citizens.* Open legislative processes to constituents (e.g. explaining policy changes, their societal and individual impact, pros and cons) and enable constituents to vote or engage digitally with their political representatives. MindLab’s Christian Bason (page 13) highlights the importance of “co” in our new governance model for Europe.
- *Enhance the share of participatory budgeting at local and regional levels.* Let people and communities decide their own priorities, where budgets should be focused. Also provide feedback on key programmes and policies, and performance of their elected representatives.
- *Shift all interactions to self-service in a citizen-centric approach.* Encompass all transactions, inquiries, requests for information and public correspondence too, with a cross-agencies mindset in the design and implementation of digital public services. German Parliamentary State Secretary Brigitte Zypries (page 34) mentions how the eGovernment Act 2013 in Germany has created a framework to facilitate digital communication at all levels of government and access to new digital services for citizens.

A new digital “operating model”

- *Develop a national digital strategy* which is based on design principles like “digital by default,”⁶ (e.g. in UK, Estonia), the re-use and sharing of digital assets (e.g. shared service platforms), open data approaches (e.g. the state chief data officer in France) and new partnership models.⁷
- *Accelerate use of pervasive technologies like social media, mobility, big data and cloud* to leverage their full potential and embed user-centricity in any future service design. Latvia CIO Arnis Daugulis (page 19) talks about this as more of a mind-set change and new skill-set needed, rather than a focus on the technology.
- *Create a simplified and personalized service design emulating high-quality private and entertainment services.* The new service design should facilitate intelligent smart search, customer segmentation and fulfilling service needs for specific users such as at-risk segments.
- *Reinvent a leaner and more agile centre of government.* UK Minister for the Cabinet Office and Paymaster General Francis Maude (page 26) highlights tighter control at the centre and looser grip on operations, and digital technology presents us with all the tools to do just that. This will usher in an era of adaptive and agile policymaking, where legislation can be updated quickly in response to local needs and the centre of government can be trimmed significantly, saving substantial taxpayer euros.

Digital innovation pathfinders and digital entrepreneurship

- *Launch digital transformation pilots.* Identify the top 20-25 key government services (based on economic and societal impact) and transform these to an end-to-end digital public



service, making the service simpler, faster and more convenient for the user. Governments should earmark health, police/public safety, social benefits and tax and customs for a radical transformation.

- *Embed innovation labs/centres in administration* by creating a repository of all digital playbooks and knowledge for projects, new commissioning arrangements, and a network of digital government experts that are ready to be engaged on key initiatives, with support at the EU level. For instance, initiatives like MindLab, a cross-government innovation unit in Denmark that engages multiple societal actors should be replicated across the EU-28.⁸
- *Create new digital economies and entrepreneurship* and look for the potential for the expansion of services enabled by open data and information market places to allow governments to provide more value-added services and bring other actors within the service ecosystem. This also resonates with the point that Ashoka Europe's Arnaud Mourot (page 30) makes concerning the need for social entrepreneurship and collective action on issues that neither actor has the means or the expertise to solve unilaterally.

Digital leadership, skills and transformation of the public service workforce

- *Appoint digital champions* across key agencies to lead the transformation initiatives within their agencies and equip them with digital tools and skills. In Belgium, Germany, Italy and Sweden, more than 40% of the government workforce are over 50 and are due for retirement soon.⁹ There is a unique opportunity to refresh these administrations with new digital skills and an entrepreneurial mindset.

- *Develop strong digital competencies* through a deep-dive immersion programme (including technical, digital and management skills) for the top-cadre officials in each member state, connect them to learning and sharing networks and collaborate with private sector on work practices.
- *Empower leaders, incentivise them to work across agency boundaries* and encourage them to explore innovative approaches with a “right to challenge” whereby public organisations could apply for an exemption from an existing rule or regulation if they can demonstrate how they would be able to innovate and deliver better outcomes.¹⁰

With the above measures, governments across Europe can unleash a new digital public service ecosystem and act as “bridge-makers” to encourage open innovation across a range of actors (businesses, academia and community groups). With the new leadership poised to take charge of the next European Commission, “digitally-led” public service transformation should be elevated to the highest priority levels with a coherent approach across the different directorate generals and be tabled as part of the European semester. This is how Europe can lead public service transformation and create a place in history of a highly productive public sector, attracting the best talent in the public service workforce and serving citizens with the highest standards for the 21st century.





DELIVERING PUBLIC SERVICE FOR THE FUTURE: AN OECD PERSPECTIVE

By Rolf Alter

Rolf Alter is director of public governance and territorial development at the Organisation for Economic Co-operation and Development.

Governments are supposedly confronted with the challenge of “doing more with less,” meaning an increasing demand of citizens for public services must be made compatible with the imperative of fiscal consolidation. Since there is still a long way to go in most countries before sound fiscal situations materialise, some argue that the future of public services looks bleak. Does it?

On average, around 62% of general public expenditures in OECD countries are allocated to finance three key public services – health, education and social affairs. It is undeniable that governments face many new constraints and challenges, some related directly to the crisis but many resulting from longer-term trends. There is a general consensus that public finances in many OECD countries were on an unsustainable path, but now spending cuts agreed in 2010-2011 are starting to have a visible impact on daily services to citizens. In order to make the necessary savings, governments are naturally targeting the major spending programmes in which the public footprint is largest, and in which the scope for reducing expenditure is broadest. Withdrawing public investment is hugely unpopular and increasingly contested as an economic policy strategy. OECD countries are also engaged in wide-ranging public-sector restructuring programmes that usually include staff reductions, wage bill controls and hiring freezes. Civil society organisations demand action and inclusion in ever more vocal ways. Trust and confidence in public authorities has been hit hard by the crisis. Countries are increasingly exposed to risks from major global shocks and disruptive events. The challenge is to maintain service quality despite fewer human and financial resources.

Interestingly enough, over the last 10 years the share of public resources allocated to key public services has not moved dramatically in either direction, putting the claim of reduced resources in question,

at least relative to the overall level of available resources. Health expenditures show a rising trend in relative terms, rising to 9.5% of gross domestic product across the OECD in 2012, up from around 8% in 2000. But this seems a rather undramatic evolution of expenditures given the increasing diversity of citizens’ demands and expectations, and also given long-term demographic trends. It could be the case that governments have been managing the diverse pressures of demand pretty well.

Of course, any discussion of service delivery in the public sector should include the quality dimension of public services, increasingly benchmarked not against traditional public service quality but against the service offered by the private sector. But here, the risk of entering into even more murky waters in terms of evidence is significant, since the indicator of price as a reflection of quality does not exist in the public sector. And quality not only concerns the product itself, as the private sector demonstrates, but also increasingly the mode of delivery. The explosion of e-commerce is a relevant indicator: consumers value ease of access to products as well as convenience and speed in making them available.

Are governments good at assessing the demand for public services? Do they analyse the mode of delivery? Have they moved from a “unit-of-delivery” approach to a service-quality perspective?

A fair answer would probably be “not really.” Programme evaluation aimed at determining the effectiveness of expenditures is still not a widespread management tool. Spending reviews to determine the degree to which policy objectives are reached are not general practice either.

But there is good news: the public sector is discovering the benefits of innovation, often driven by technology that is a long-standing feature of

'Delivering quality public services is a key element of better governance.'



productivity gains in the private sector. And it includes both process innovation as well as product innovation, and concerns service delivery as well as policymaking.

In most countries, innovation means emphasising ways of using new technologies to improve policy design, enhance coordination within government (and between the government and other actors) and reduce delivery costs. For example, government departments across the OECD are beginning to use social media to “crowdsource” information and reactions. The value of crowdsourcing for revealing preferences among different options, gauging levels of support for particular actions and canvassing for ideas or suggestions is now being recognised. Iceland’s constitution is probably the most widely cited example of this new concept in policy design, but there are many others appearing at national and, most strikingly, at regional and local levels. More than 10% of the OECD population has now been involved in an online government survey or voting exercises, a figure that was unthinkable before the Internet age.

New technologies have the potential to boost the operational capacities and responsiveness of governments in ways that traditional e-government services have so far not been able to do. By providing real-time opportunities for participation and feedback, social media are starting to blur the lines between policy development and service delivery. They give governments new tools to pilot, experiment, evaluate and improve programmes and services in partnership with citizens and other partners (and across departments as well).

Local authorities are often the primary interface between citizens and the state. They are typically subject to very tight budgets. Cross-disciplinary social media initiatives, coupled with trends such as open government data and the advance of “smart” devices, are leading to a great amount of local

service delivery innovation. Applications such as www.FixMyStreet.org or www.SeeClickFix.com have become household names for many people as a means to improve local public service delivery. Modernising public administration workflows can also yield substantial efficiency gains. Across local governments in the United Kingdom, the average cost incurred by completing an online transaction is £0.32 [or €0.40 at the July 2014 exchange rate] – compared to almost £3 [or €3.75] for phone-based transactions and over £7 [or €8.75] for transactions that require a face-to-face exchange with the administration.

Knowledge and analysis of the impact and costs of these innovations remains limited and fragmented. Developing awareness of successful innovations depends on a systematic approach where the enabling factors in a new approach are identifiable and can be copied or replicated by other public-service entities.

The OECD has just launched an online platform for government and non-governmental actors to assess new policies and instruments: the OECD Observatory of Public Sector Innovation at <http://www.oecd.org/gov/public-innovation/observatory-public-sector-innovation.htm>. This repository of new ideas and approaches will collect and categorise innovations and help governments pick good practices that are relevant for their situation.

Perspectives on delivering public services for the future are not bleak. To the contrary, as long as governments evolve in line with their citizens, there is an enormous potential to continue to be the service provider of choice and the trusted guardian of the public interest. Less with less, better with less or less and better are realistic alternatives to the standard more with less. Remember: delivering quality public services is a key element of better governance which in turn is now recognised as central to inclusive growth and resilient societies.





REDESIGNING PUBLIC INSTITUTIONS: TOWARDS DEMOCRACY AS COLLABORATIVE PROBLEM-SOLVING

By Christian Bason

Christian Bason is director of MindLab, a cross-governmental innovation unit in Denmark. In 2013, he was appointed chair of the expert group on public sector innovation convened by the European Commission.

Some years ago, Helene Bækmark, director of elder care in Odense, Denmark, noticed that changing demographics were generating mounting demand for in-home care services for older citizens, even as she was finding it increasingly difficult to recruit qualified staff. This led her to ask, what if my organisation's role was not to provide ever-more efficient cleaning, cooking and personal care services for pensioners? What if our role was to enable them to live the life they wish to live?

This challenge to conventional wisdom is transforming elder care across Denmark. The new model, everyday rehabilitation, means that public efforts – physiotherapy, nutrition and health advice, welfare technology – are leveraged in a coordinated way to invest in citizens' ability to live active, independent lives for as long as possible, rather than rely on passive care. As a result, nearly 50% of older citizens who would normally receive assistance are now able to do without any public help. Citizens thrive and public budget savings are significant.

Co-producing better outcomes

The example of Odense's transformation of elder care is featured in *Powering European Public Sector Innovation: Towards a New Architecture*, the report of a European Commission-appointed expert group, which I recently had the opportunity to chair.¹ It signifies the kind of shift that should characterise a future model of public governance – a model which moves away from “delivering” services to citizens, and instead activates people's own resources as co-producers of public value. It is a model that focuses less

on citizens' right to equal treatment and more on their rights to effective outcomes. It prompts us to rethink how our children can learn better and faster; how our patients can experience more successful journeys through our health systems; and how we can create growth and jobs by imagining new markets and value creation in synergy with businesses.

Although focusing on such outcomes seems like a simple enough organising principle, the complexity of developing and sustaining a new governance model is overwhelming. Every public manager can agree that their organisation should be “citizen-centric,” “collaborative” or “networked.” But what does that mean in practice? As I argue in *Design for Policy*, an upcoming book, our next public governance model cannot just be prescribed or “implemented;” it must be discovered.² Many of our most pressing public problems – from dysfunctional schools to ineffective hospitals to social care that fails to shift people away from reliance on welfare – cannot be addressed by simply grabbing a “best practice” model from somewhere else and applying it. Not only are the contexts, problems and actors too complex and variable, it will never be possible to leverage the engagement and ownership of public professionals – teachers, nurses, social workers – if they are not themselves part of the process of exploring and enacting different and better approaches.

Rather, we must engage public professionals *together* with citizens on a journey of discovery. Here, design approaches can be leveraged by public managers to power institutional change. At MindLab, we are finding that fieldwork

'What if our role was to enable them to live the life they wish to live?'

(observing and interviewing people where they live and work to understand behaviour and meaning in context) is a powerful point of departure for such a journey. We call this professional empathy – the ability to systematically put yourself in your client's place. Building on insights about citizens or businesses, we need to co-design new solutions by engaging *all* relevant stakeholders in working together, brainstorming, selecting and refining ideas, and prototyping them in practice with end users, i.e., citizens and businesses. We call that rehearsing the future.

Democracy as collaborative problem solving

In a front-page article, *The Economist* recently asked, "what's gone wrong with democracy?"³ The newspaper goes on to argue that democracy is a powerful but imperfect mechanism that needs to be designed carefully to harness human creativity and which must be constantly adjusted and worked upon.

A vision of a new public governance model is not about seemingly technocratic innovation methods; it is about using collaborative problem solving as a vehicle to reimagine our democracy. We must downplay the negotiated model of democracy we have inherited, which tends to limit the spectrum of influence to those with money or the ear of interest groups and which has eroded trust in the state as a force for good. Instead, we must engage in a serious collective inquiry into what really constitutes our problems and opportunities. Democracy must be enriched by processes that broaden our horizons in terms

of what kinds of solutions might be effective, and which open up the decision space before closing it down again. Such co-design between politicians, policymakers and citizens not only leads to more effective outcomes; it also redistributes the power dynamic by handing ordinary citizens a share of the influence, and a sense of empowerment, ownership and collective responsibility in governance drawn from their everyday experience.

As the European institutions are being revitalised this year, my hope is that our new leaders will be humble enough to recognise that neither they nor their staff holds all the solutions. Instead, they must be courageous enough to turn their organisations inside out, commissioning the contributions of our entire continent, and beyond, to discover what the next Europe could look like.

Thanks to Maren Maier of www.ourcreativestates.org for valuable input to this essay.

'Our next public governance model cannot just be prescribed or "implemented" – it must be discovered.'





Olivier Costa



Michael Kaeding

THE FUTURE OF PUBLIC SERVICES: A PANORAMA

By Olivier Costa and Michael Kaeding

Michael Kaeding is Jean Monnet professor of European Union politics and European integration at the Institute of Political Science of the University of Duisburg-Essen and visiting professor at the College of Europe in Bruges, where he teaches reform of national public administrations and the role of the European Union. Olivier Costa is director of the department of political and administrative studies at the College of Europe and research professor at the Centre national de la recherche scientifique (CNRS) at Sciences Po Bordeaux.

Since the 1980s, public services have been challenged by the rise of neo-liberal views on the economy and the role of the state. Concomitantly, renewed efforts to integrate European economies have questioned the scope of these services.

The 2009 Lisbon Treaty recognised the specific mission of services of general economic interest and their role in the promotion of social and territorial cohesion, but it did not properly define what public services are. Also, the long financial crisis that began in 2009 has raised the question of the financial sustainability of public services as conceived in Europe and has required drastic reforms in several countries.

Questions about the nature and role of public services, however, are not specific to the European Union but are part of a much wider debate on the future of public services. Indeed,

for some time most countries have sought to “reinvent” their systems of public management, responding essentially to similar pressures. The perpetual drive for public management reform has fundamentally been a response to the increasing dissatisfaction with government economic performance, changing demands of citizens and companies and a decline in confidence in government. The table below summarizes the four main waves of public management reform thinking.

The latest pressing public policy issues prevail in a globalised world. In times of economic and budgetary pressures, national public services are forced to be ever more competitive and more efficient (“lean government model”). The rapidly developing information technologies such as open data, transparency and enhanced connectivity may further revolutionise the sector’s productivity, provide citizens and

Four waves of public management reform thinking

Period	Dominant discourse characteristics
Mid-1960s to late 1970s	Rational, hierarchical planning and cost-benefit analysis. Science and expertise will produce progress.
Late 1970s to late 1990s	New public management. Business techniques to improve efficiency. Rise of “better management” as the solution to a wide range of problems.
Late 1990s – 2010	No dominant model. Several key concepts, including governance, networks, partnerships, “joining up,” transparency and trust.
2010 –	Participatory democracy making open data the default for government information and communication technology systems and embracing the use of web application programming interfaces.

Source: Pollitt and Bouckaert (2011) – complemented with a fourth wave of “participatory democracy” added by the authors

'The answer is not to give up on rules, but rather to develop and implement good quality rules.'

companies with more effective information and access to services and entail a new “fourth” wave of participatory democracy (“open and digital governance management”). Lately, issues of demographic change, employment mobility and the environment require public services’ immediate attention (“transformational government”).

Reforming public services may therefore contribute to economic and social development, fiscal consolidation, competitiveness and green growth prospects, as well as democratic governance. Consequently, pressing public policy issues surrounding the transformation of the public sector call for an open and collaborative government approach for which six elements are integral:¹

- 1. Strategy.** Performance improvement and process reform through the measurement of outputs, supported by careful evaluation of how technology will help to meet overall goals, and with e-government being recognised as an increasingly essential tool for public service delivery;
- 2. Leadership.** Securing the understanding and support of top-level leadership;
- 3. Organisation design.** Considering a widespread substitution of contracts and the use of collaborative partnerships – whether public-private partnerships, public-voluntary sector partnerships, shared services or outsourcing;

- 4. Management.** Creating specialised [disaggregated] organisational forms focusing on customer-centricity and connected government;
- 5. Human resources.** Focusing on the internal capacity-building that is needed to manage transformation, managing talent and training people of the public sector responding to changing ‘customer’ needs;
- 6. Culture.** Changing management towards a new customer-centric culture for accessible, timely and value for money service.

If the EU is to compete successfully in an increasingly aggressive global market, where many other economies continue to get stronger, an open and collaborative public service government approach in all parts of the EU – in the member states and at the EU institutional level – will play an important role in delivering and complying effectively with regulations that meet public-policy objectives.

As a consequence, the answer is not to give up on rules, but rather to develop and implement good quality rules. Understanding which kind of policy instruments work and under what circumstances they are implemented effectively will help all to overcome many of the impediments to using various forms of policy instruments at the national and European level as appropriate responses to pressing global public policy challenges surrounding the transformation of the public sector.²





HOW DIGITAL TECHNOLOGY CAN DRIVE MODERNISATION THROUGHOUT GOVERNMENT

By Arnis Daugulis

Arnis Daugulis is chief information officer of the Government of Latvia.

Two and a half years ago, I decided to plunge into the public sector after 12 years in the chief information officer (CIO) position at a large commercial company. I was full of confidence that my knowledge and experience made me well equipped to bring digital government to a substantially better level in Latvia. I still believe this, although I have realized how challenging such a journey might be.

In companies that rely on information and communications technology (ICT) as the backbone of their business operations, the CIO is a trusted partner of the CEO and other C-level officers and business managers. Typically, the CIO has horizontal responsibility for ICT functions across all business units and across all regions and countries of operation. As master of a company's ICT, the CIO has the luxury of seeing the big picture of how the company works, across different departments and business units. Thereby, he (or she) can spot inefficiencies and lack of interoperability, both in terms of technology as well as business processes. It makes the CIO into an agent of change and innovation.

'There is an urgent need for innovation also in the legislative process.'

Judging from what I have seen, the situation is quite different in the public sector. First, the importance of digital technologies and their disruptive effect on government is not yet well understood. Second – and this is a consequence of the first – digital leaders are often placed in far-away departments without an adequate mandate to drive changes. They often lack a mandate even to manage the ICT function across government departments, because those departments are run like kingdoms with their own king, budget and interests, which leads to inefficiencies, fragmentation and lack of interoperability. “Digital” has become a buzzword. Every government has it in their action plans. But often in reality, there is not the top-down political leadership needed for digital transformation.

Despite the hype around the digital agenda, there is still a lack of proper understanding of what “digitisation” actually means. It is not just about broadband development or e-service portals. Rather, it is about the transformation of every single aspect of government operations, based on technologies which are already imminent and have become a lifestyle for many people, as well as the new ones which have a disruptive potential, such as cloud computing and big data. Hence, it is much more about change than technology – change of the mindset and skill set of public sector officials, change of business processes, of making public services user-friendly and accessible. If governments are really committed to the digital agenda, they should be committed to the above-mentioned changes. Otherwise, they are cheating themselves and their people.



'The importance of digital technologies and their disruptive effect on government is not yet well understood.'

In Latvia, we started the journey towards change by revisiting the fundamentals. First, we adopted an ICT governance model, which defines the roles, responsibilities and rules of cooperation between government entities in relation to ICT as a support to government services. Second, we defined the government ICT strategy around the following four cornerstones for e-government development:

1. Open data and open interfaces;
2. Efficiency of ICT, based on reuse of components and use of shared services;
3. Efficient business processes, stressing the need to optimise business processes before making them digital;
4. Quality of e-services, stressing user-centricity as the basic need, as well as security of e-services by design.

Third, to ensure organisational, legislative and technical interoperability, we developed a pan-government ICT architecture covering four dimensions: business, data, applications and technology.

Important as they are, these fundamentals alone cannot guarantee successful digital transformation. People are the most difficult, and also the most exciting part.

Digital transformation will push government officials out of their comfort zone and into unknown territory of innovation. Let us take the effort to build a user-centric public service as an example. Civil servants are not the best innovators in the world, and we are wrong if we think we know what our citizens feel and how they perceive the services government is providing. Once we understand this, the list of challenges only starts mounting up.

The process requires getting on board the missing knowledge and skills of user-centric design of public services. This can be done by deploying the concept of co-design, by involving both industry and different groups of society, and user experience experts. Still, the government has to act as a coach, advisor and orchestrator of co-design, which again is new territory. There are new skills to be mastered.

Once the service is designed, it needs to be implemented. A user-centric service will require collaboration between several departments, changing dozens of existing regulations and rebuilding supporting ICT systems. All this must be done in such a way that internal complexity is invisible to the end user, and in reasonable time. To make it, government officials should be masters in business process analysis, re-engineering, change management and the soft skills of multi-disciplinary project management.

Adaptation of regulations can be a show-stopper here, since it is a very rigid procedure and takes unpredictable time. There is an urgent need for innovation also in the legislative process, adopting something like rapid prototyping and small-scale piloting to it.

Despite the complexity, digital transformation of the public sector is the way to go if Europe wants to excel. It has enormous potential for growth, as well as for increasing the efficiency of public administration.

Latvia will take over the presidency of Council of the European Union on 01 January 2015. Public sector modernisation through the use of digital technologies will be among the priorities of the Latvian presidency. Based on our experience, we are prepared to articulate the true meaning of digital transformation, and what needs to be done to succeed on this journey.





NEXT STEPS FOR PUBLIC SERVICE REFORM IN IRELAND

By Brian Hayes

Brian Hayes is member of the economic and monetary affairs committee of the European Parliament and an MEP representing Dublin. From 2011 to May 2014, he was minister of state at the department of finance with responsibility for public service reform and the office of public works in Ireland, where he oversaw public-sector reform in the Government of Enda Kenny. He was also Teachta Dála for the Dublin Southwest constituency.

The fiscal crisis facing Ireland in recent years meant that we were set the most challenging task of fiscal consolidation in the history of the state. Public-service reform was identified as an important element of the strategy to meet that challenge and to ensure that public services could continue to be delivered in a context of reduced budgets and staff numbers, as well as increased demands for those services.

Since the publication of the Irish government's first public service reform plan in November 2011, significant progress has been made in reducing costs, improving productivity, increasing online delivery of services, the development of shared services, and putting in place the structures to reform public procurement and property management, to name just some areas. In addition, new working arrangements were introduced, including longer working hours, new rosters and standardised arrangements for annual leave and sick leave. Further details of the progress made on the Irish public service reform programme can be seen in the progress report published in January 2014.¹

The Irish government is committed to building on the success. In January 2014, while I was still minister of state, the government published its second public service reform plan for the period 2014 to 2016.² This next phase of reform will continue to drive reduced costs and greater

efficiency, but will also have an increased focus on citizen engagement and improving outcomes for service users, for our economy and for our society. The government is committed to driving greater use of alternative service delivery models, designed around the needs of service users and with a more strategic focus. We need to measure the impact of public spending in deciding how and whether we fund those services.

As reform efficiencies continue to be realised, some of the savings made will be reinvested in services. This "reform dividend" will serve to underpin the reform agenda by using cost savings to invest in areas that work best for the citizen.

Focus on service delivery

As society is adapting to the new digital world, so too must public service. Ireland's digital strategy will drive improved performance and effectiveness of public services. As part of this approach, the top transactional services across the public service are being identified and will be prioritised for digitalisation.

The new Data Sharing and Governance Bill will address how public services operate in the new digital world and under what circumstances data can be legitimately and securely shared. Improved sharing of data will increase efficiency and ensure that service users are not repeatedly asked for information that is already held in

'The public service of the future will be more productive, more efficient, more innovative, better integrated, more strategic and more customer-focused.'



other parts of the public service system. Ireland is also making progress on its legislative programme to improve public governance and rebuild public trust in the administrative and political branches of the state. This will include: the introduction and implementation of lobbying regulation; enactment and implementation of a reformed Freedom of Information Act; participation in the Open Government Partnership; enactment and implementation of legislation to protect whistleblowers; and further strengthening of the ethical framework for office holders and public servants. In addition to the central, cross-cutting reforms set out in the reform plan, each individual department and office has developed its own reform plan for the implementation of these central reforms, as well as organisational and sector specific reforms.

The delivery of reform will require a continuing strong focus on actions to optimise the utilisation of the public service workforce. There must be a sustained focus on the greater realisation of the potential of the human capital in the public service, including through improvements in performance management, training and development, recruitment and selection, and greater mobility between public bodies.

Reform has been and will continue to be enabled by the climate of industrial peace that we have

worked to maintain over the past three years. The Croke Park Agreement delivered on its objectives, through the delivery of €1.8 billion in pay and non-pay savings. The Haddington Road Agreement sets out measures to deliver further savings to 2016. It provides for a total of 15 million additional working hours annually across all sectors of the public service, which will help to deliver long term and sustainable increases in productivity.

The public service of the future will be more productive, more efficient, more innovative, better integrated, more strategic and more customer-focused. As we move towards this goal, the continued commitment of public servants will be critical. By working together, we can create a new public service – one that is better for citizens, businesses, public servants themselves and society as a whole.

'As society is adapting to the new digital world, so too must public service.'



PUBLIC SECTOR INNOVATION IN THE EUROPEAN UNION

by Robert Madelin

Robert Madelin is director-general of the communications networks, content and technology directorate-general of the European Commission.

The European Union's public institutions must change fast and radically. We badly need an efficient public sector – one that works through open, continuous co-creation with all citizens. This goal should be central to the European Semester – the first phase of the EU's annual cycle of economic policy guidance and surveillance. The semester's successful implementation will require sustained top-level leadership in an area not usually attractive to top people.

Public-sector quality matters. A strong, high-quality public sector will improve both the:

- Innovative potential of cities, regions and states (quality government enhances an area's innovation capacity and performance);
- Social capital of society: credible public administrations alone can lead tough change.

The so-called “fourth revolution” in public administration is quickly becoming a top global goal. Several countries in the EU have shown worldwide leadership in this area.

Their experience proves that the benefits of modernised, public institutions are real, with large gains in innovation capacity (i.e. growth potential) from increases in “quality of government” at regional level.

Besides the economic benefits, a public-administration culture shift to open policymaking offers a basis for greater involvement of citizens in policymaking. Besides better policy delivery, this can lead to radical productivity improvements in the public sector, increased transparency and less corruption.

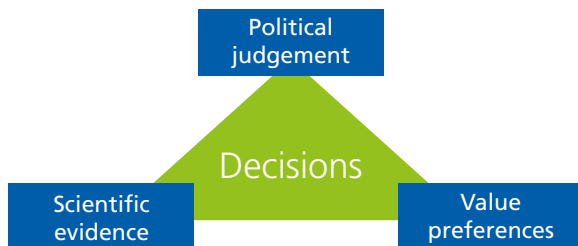
There are no major risks for a bold attempt at this transformation, given the importance of the challenges Europe faces. But the opportunity cost of inaction is unaffordable. If we merely muddle through, Europe risks missing perhaps its last opportunity to regain citizen trust, losing its global lead in public-sector values, and sacrificing a much-needed catalyst for innovation.

To get from here to there, we should focus on three goals:

1. Create a leading team of innovators and entrepreneurs inside the public sector and provide them with the tools of innovation;
2. Recruit all citizens to help, through open data and processes;
3. Make public services digital by default, and seamless across the EU.

‘Europe is now a ubiquitously connected society with widespread use of technology.’

'Remodelling the public sector to address today's complex interconnected challenges must include a licence to innovate.'



The commitment to open, participative policy requires:

- Open policymaking, starting with the co-creation of problem statements and quantitative targets and progress indicators;
- Designing legislation and delivery around the possibilities offered by new digital technologies from the start, rather than as an afterthought;
- The solid grounding of all decisions in objective evidence, but with full and transparent weight also given to considerations of political judgement and to our value preferences, as described in the table above.

Innovation in the public sector

In an era where facts are uncertain, values in dispute, stakes high and decisions urgent, the capacity of the public sector to deliver innovative solutions will be decisive.¹ Remodelling the public sector to address today's complex interconnected challenges must include a licence to innovate. Innovation must as a matter of principle be welcomed. Civil servants need both safe innovation spaces and a formally recognised right to challenge what seems obsolete or inefficient.

Innovation spaces exist in the form of policy design labs in various member states. They are run both by governments and third-sector communities. Prominent public sector examples include the Danish [MindLab](#), the UK [Policy Design Lab](#), and the [Shipyard](#) in the

Netherlands. The right to challenge encourages administrations to innovate where they can find ways of doing things with less administrative or regulatory burden. Such schemes have also been successfully piloted in several member states.

In radical contrast to the traditional government monopoly on public services, we are on the brink of a world where a variety of actors in society co-design and co-deliver many public services. Europe is now a ubiquitously connected society with widespread use of technology. People are increasingly familiar with participative tools and interactive platforms. For many citizens now and in the future, such collaborative service delivery will simply be normal. Open government data platforms are the key step in this direction: check out, for example, the business-friendly regional government app platform [Helsinki Region Infoshare](#).

Future public administrations in Europe will:

- Deliver digitally, exercising care towards the vulnerable or those who are disconnected by choice or necessity;
- Share, reuse and interconnect technology, putting in place participatory arrangements to cut cost and improve seamless, borderless service;
- Make their data and services openly available, and allow third parties to develop new collaborative services on top of government data and services;
- Embrace open and participatory co-design of policies and services with interested parties;
- Conceive and design regulation and policies that fits Internet and new technologies;
- Empower staff to innovate.

This ambitious vision knows no departmental barriers. Implementation requires political determination; but Europe has what it takes to be a winner.



MORE FOR LESS: THE UNITED KINGDOM'S VISION FOR PUBLIC SERVICES

By Francis Maude

Francis Maude, member of Parliament, is minister for the Cabinet Office and paymaster general in the Government of the United Kingdom.

When the coalition government was formed in 2010, the United Kingdom was in the middle of the deepest recession in our peacetime history with the largest budget deficit in the developed world. This was just the tip of the iceberg. Beneath the surface, public-sector productivity had remained static from 1997 to 2010, even though it had risen significantly in the private sector.


The picture has been grim elsewhere. For Europe in particular the economic crash and subsequent recession has been a “stop and pause” moment. We’re all searching for answers to the same question: how can governments deliver more for less?

The whole experience of how people engage with public services needs to keep step with the modern world. Technology has revolutionised the relationship between citizens and the state. People expect government to operate in a transparent and responsive way, providing services tailored to their needs, quickly, conveniently and affordably. If you can shop online at midnight and book a holiday from your bedroom, why can’t you interact with the government in the same way? In the UK, we decided that only a complete transformation would suffice. Our thinking has led me to propose five principles for public service reform to help us meet these challenges. These are distilled from our experience over the past four years. They are pragmatic, not ideological. I think they can have wide application for governments of all types.

The first principle is *openness*. Being transparent builds trust, sharpens accountability and brings improvements. Taxpayers can then see exactly how their money is spent and people can judge how services perform. There is also a thriving tech community that can use raw data as the basis for new ideas and solutions, cultivating new markets and jobs in the process. Last year the 10,000th data set was released on <http://www.data.gov.uk>, the UK’s open data portal. It’s already the largest of its kind in the world and it’s growing all the time.

The second principle is *tight control from the centre*. There is no good reason why department and agencies shouldn’t share buildings – or why they should pay different prices for the same goods and services. Controlling discretionary spending helps ensure taxpayer’s money is spent to maximum effect, by reducing waste, fraud and inefficiency. Similarly, outsourcing non-core functions allows the public sector to concentrate its money and time on frontline services where it is needed most.

Tight control at the centre should be matched by *looser control over operations*, which is the third principle. When governments grip the delivery of public services too tightly, it leaves those on the frontline feeling powerless. That’s why we now are shifting power away from the centre and diversifying the range of public service providers. There are now almost 100 staff-owned mutuals in the UK delivering around £1.5 billion (about €1.88 billion) worth of public services



' We're all searching for answers to the same question: how can governments deliver more for less?'

while cutting costs, improving performance and winning new businesses. Mutuals put the staff themselves in the driving seat.

The fourth principle is *digital*, because as well as being cheaper, services delivered online can be faster, simpler and more convenient for the public to use. In the UK, we're transforming 25 of the busiest transactional services to be digital-by-default and designed around the needs of the people who use them. And gov.uk, the new single domain for government information and services, has revolutionised our Internet presence, winning a coveted design award along the way.

Fifthly, there needs to be a *properly innovative culture*, so public servants have permission to try sensible new ideas. The UK's programme of civil-service reform is seeking to create a culture that is faster and less bureaucratic, focused on the delivery of outcomes, rather than process or structures. In return, public servants will be afforded the training and skills they need with the responsibility to do their jobs and to be accountable for what they achieve. We want to import something of the mentality of Silicon Valley where "move fast and break things" and "fail fast" are popular mantras.

These are what I believe should be the characteristics of productive, effective and successful governments, now and in future.

Europe is at a crossroads. The low road of indiscriminate cuts to front-line services risks reducing the role of government to a moribund administrative function, remote from the concerns that matter to people and surrendering ability to shape our future prosperity and well-being. The high road leads to a positive and historic opportunity to transform the public sector and to create services fit for a complex and ever-changing world.

We in Britain are taking the high road. In the process we managed to save a staggering £14.3 billion (about €17.9 billion) from central government expenditure for last year alone, compared with the spending of 2009-2010. It's a good start but we know there's so much more to do.

' Tight control at the centre should be matched by looser control over operations.'



DELIVERING PUBLIC SERVICE FOR THE FUTURE

By Kyriakos Mitsotakis

Kyriakos Mitsotakis is minister of administrative reform and e-government of the Hellenic Republic (Greece).

The Greek people have enormous talent, drive and determination. Today, we are firmly on the path of realizing this potential and building the country we want and that our society deserves. Greece has turned the page and has made the transition from quantitative targets linked to our obligations towards our creditors to a period of systemic and solely qualitative reforms.

On 02 April 2014, I had the distinct honor to publicly present Greece's national administrative reform strategy for 2014-2016. It is a strategic plan for administrative reform that is built on four pillars of institutional capacity and supported horizontally by modern tools of e-government and new technologies, with the following goals:

1. The reorganization of administrative structures;
2. The rationalisation of administrative procedures;
3. The optimum utilisation of human resources;
4. The strengthening of transparency and accountability.

Our reform agenda is a national agenda.

With the technical assistance and political support of our friends and partners in Europe, we are absolutely committed to realizing the changes that the majority of Greek citizens demand.

Moreover, we are committed to our agenda so that the transition can be made from a large, yet relatively weak state structure to one with administrative efficiency and effectiveness. We want a public administration that can enable growth and development, guarantee social cohesion and drive the solidarity of a nation and its people that have been so challenged over the past four years. We want a public administration that is results-oriented; absolutely focused on the needs of its citizens; that respects its taxpayers and functions on the basis of least cost maximum

effectiveness. And above all, we want a public administration committed to responsibility, fairness and meritocracy.

This is where we are today; a remarkable feat considering that less than a year ago, we had to start from almost zero.

Numbers tell an important part of the story that has unfolded over the past four years. The public sector wage bill was reduced by €8 billion or 35%, a figure that clearly reflects the dramatic reduction in the size of the public sector by almost 250,000 employees.

But numbers do not tell the entire story. The Greek state has indeed become smaller, but not necessarily more efficient.

This is precisely the reason why we have adamantly pursued the transition from quantitative targets to qualitative and measurable reform initiatives.

In fact, the whole country is now making the transition from fiscal adjustment to structural reform.

Not much time has passed since headlines around the world were contemplating a possible "Grexit" from the euro zone and warning that the collapse of Greece could trigger the collapse of the euro zone and maybe even the world economy.

The Greek people have endured a great deal, with dignity and patience, in order to prove these prophecies wrong.

And the Greek government has worked very hard indeed to once again inspire trust to our citizens, the international community and certainly the capital markets.



'We want a public administration that can enable growth and development.'



DELIVERING PUBLIC SERVICE FOR THE FUTURE: HOW EUROPE CAN LEAD PUBLIC SECTOR TRANSFORMATION

By Arnaud Mourot

Arnaud Mourot is director of Ashoka Europe.

For many years, social entrepreneurs have found innovative solutions to problems that neither the government nor the private sector have been able to resolve (and have sometimes even helped to create). However, to solve society's current problems at the necessary scale and speed, it is essential to look beyond traditional divisions between the social, private and public sectors to co-construct and co-resolve.

Indeed, social entrepreneurship – and the innovative solutions it has favoured – have addressed numerous societal challenges. However, many challenges remain: in Europe, for example, more than 50 million people live in poverty.¹ No individual can confront the enormity of these challenges on her or his own. Society's stakeholders need to urgently combine forces, as each actor contributes to the solution.

With their local expertise, social entrepreneurs can pursue innovative solutions that are more effective and less costly than those implemented by public officials. Some solutions, such as those aiming to manage social risk and prevent health issues, can even result in savings for society as a whole. The example of *Siel Bleu*, an association founded by Jean-Michel Ricard, an Ashoka fellow, illustrates this point. This national and local network designs and delivers services to seniors in the aim of contributing to lifelong prevention. If the services *Siel Bleu* provides were deployed to the entire French population

– focusing on two specific health concerns, falls and type II diabetes – an estimated €15 million could be saved over three years.²

Social entrepreneurship does not have the necessary scale or the capacity to address the societal challenges that remain to be treated. For example in Europe, 12 million people suffer from lack of shelter, 21 million are without heat and 46 million suffer from obesity.³

The private sector has the needed level of capacity, scale and effectiveness with regards to financing, organisation and marketing. But it is often removed from the disadvantaged populations' real preoccupations and needs. That said, these populations spend an estimated €220 billion per year on staple products and services while not actually being properly served.⁴

Finally, government has the potential capacity to create a favourable environment for implementing innovative solutions, but, often blinded by short-term budgetary constraints, it does not always recognise the best initiatives.

By combining efforts, the opportunities to co-construct economically viable solutions that create value for each party are monumental: additional revenues and heightened impact for social entrepreneurs, new markets for private companies, resolved societal problems and improved finances for government.



‘Government has the potential capacity to create a favourable environment for implementing innovative solutions.’

One model of innovative collaboration that is sustainable because it is profitable, and allows for heightened social impact, is the co-creation model. While it may seem evident from an intellectual standpoint, this model requires new forms of collaboration and cultural change. Indeed, it is necessary to underline that even when one party does not share the same culture as another, it is still possible to develop more intelligent and less costly solutions together by contributing individual strengths to a partnership.

An example of this collaborative model is found through the unique approach on nutrition taken by Sandrine Raffin, CEO and co-founder of LinkUp, a France-based consultancy in sustainable well-being. Through programmes like *Vivons en forme* (or “Living Well”), she connects, trains and enables a network of local actors (covering a variety of sectors such as social work, teaching, restaurant industry, sports association and city planning) on how to prevent excessive weight and obesity in young people through exercise and nutrition. She transformed traditional marketing tools into powerful enabling and communication levers through social marketing. Starting from a few initial city pilots, Ms Raffin successfully deployed the programme in 240 cities, using an approach similar to franchising. Currently, she has expanded her horizons and aims to undergo large-scale deployment in private companies to benefit unstable workers through Vivactéo, a related programme, and directly alongside seniors through *Vivons en forme seniors* (“Living Well for Seniors”).

To foster this type of collaborative initiative on a large scale, one needs a supportive ecosystem. This is an area where government can play a critical role in identifying new actors capable of intervening locally, accelerating and funding promising initiatives, and in regulating – not running – the surrounding ecosystem. The current action plan is considerable, spanning from the need to recognise the power of social innovation (just as technological innovation), to establishing hybrid legal forms of entities, facilitating innovative financing models and supportive tax legislation, and redefining and adapting the notion of the “general interest” to current challenges.

Although the world is changing at an unprecedented speed and societal challenges are becoming more complex, new collaborative models are making it possible for the social and private sector to converge, thereby creating the ideal platform for government to redefine its role and become more efficient while protecting the common good.

‘The world is changing at an unprecedented speed and societal challenges are becoming more complex.’



PUBLIC SECTOR INNOVATION: A TOP PRIORITY FOR EUROPEAN POLICY

By *Robert-Jan Smits*

Robert-Jan Smits is director-general of the research and innovation directorate-general at the European Commission. He writes here in a personal capacity.

The public sector – both the public administration and the wider spectrum of public institutions financed from public funds – constitutes a significant part of the European economy, representing almost one-quarter of employment and half of gross domestic product. The public sector has long been associated with stability, but the European Union financial crisis has been a harsh teacher, making it evident that stability can be illusory. Against a background of budget cuts and looming societal challenges like ageing, climate change and youth unemployment, there is now an urgent need for the public sector to change. Innovation, which is about turning fresh ideas into economic and social value, could offer the public sector a viable way forward.

A high-performing European public sector – with a licence and an incentive to innovate – is essential for Europe’s growth and jobs agenda. This is even more important as expectations on the public sector continue to rise while resources are likely to fall further. A transformative drive has emerged towards more agility. The EU has already committed itself through Innovation Union, a flagship policy initiative, to strengthen innovation in the public sector.¹ And EU heads of state and government acknowledged the essential role of the public sector in enabling systemic innovation in the October 2013 European Council conclusions.²

What research tells us

There has been no shortage of research into the way the public sector creates value. Given the need to identify and compare practices among the best in class, many of these studies have focused on the EU itself and the EU member states. For example, studies have amply documented and supported the shift towards “new public management” since the 1980s, i.e. the search for business-like efficiency gains. More recently, research has started to delve into what lies beyond efficiency, like the recently launched Learning from Innovation in Public-Sector Environments (LIPSE) project, which was initiated by the EU.³

Evidence suggests that innovation inside the public sector emerges mostly ad hoc, in isolated hotspots, without a deliberate or strategic effort. Its development is hindered by weak enabling factors, a lack of innovation leadership, limited knowledge of innovation methods and a lack of data. To counter these barriers, the public sector must embrace co-creation while adopting new

‘A high-performing European public sector – with a licence and an incentive to innovate – is essential for Europe’s growth and jobs agenda.’

'A growing consensus is emerging around the need to shift focus from process to outcome.'

and collaborative service-delivery models, as well as embracing creative technological disruption and an attitude of experimentation.

As the best, state-of-the-art practice shows, by becoming a lead user and producer of big data, by co-designing policy with end users, or by implementing policy through beta-version measures to be perfected later, the “new public sector managers” would become “public entrepreneurs.” Such a shift could mark the beginning of a new era of much improved efficiency, effectiveness, responsiveness and transparency that leads to a sustainable recovery and reaffirms Europe’s international competitiveness. As such, the public sector could have a tremendous leverage effect on innovation in the wider economy, with the EU’s single market acting as a great amplifier. This can be achieved through the strategic use of the public purse via pre-commercial procurement and the procurement of innovation; the elaboration of more innovation-friendly regulations; and by incentivising and protecting innovation through the unitary patent and faster standard setting.

What Europe can do

Europe has taken a lead by systematically focusing one of the five axes of the European semester (the EU’s yearly policy coordination exercise) on the modernisation of public administration. The public sector is receiving due attention in many policy areas of the country specific recommendations issued through the semester. They are targeted, among others, at smart fiscal consolidation, reforms of the judiciary and public research systems. Moreover, the European Commission also supports the development of administrative

capacity, facilitates the interoperability of national digital administration systems and monitors national performance through scoreboards. Most importantly, a scoreboard was developed to compare the innovation performance of administrations in order to measure progress and incite some competition.⁴

The directorate-general for research and innovation is also exploring new ways to foster innovation in the public sector. In joining with international efforts led by the OECD, we are supporting the Observatory of Public Sector Innovation that will form a living repository of knowledge that links would-be innovators from across the globe. Last year, we convened a high-level expert group to look not only at the global state of the art but also towards the future. Experiences in EU member states, regions and cities point to new experiments that could be scaled up, such as a right to challenge certain legislation by proposing a better way to achieve the same goal, an angel fund for public sector initiatives, a European network of innovation single contact points and innovation delivery teams to facilitate the acclimatisation of innovations from elsewhere.

Much is already done or under development at the EU level to promote innovation in the public sector. A growing consensus is emerging around the need to shift focus from process to outcome. This is just the beginning, and all efforts are needed to ensure the public sector fully contributes to a lasting economic recovery and sustainable public finances. Europe will greatly benefit from a strategic approach to innovation in the public sector when addressing effectively our pressing societal challenges.



DELIVERING PUBLIC SERVICES FOR THE FUTURE: HOW EUROPE CAN LEAD PUBLIC SECTOR TRANSFORMATION

By Brigitte Zypries

Brigitte Zypries is parliamentary state secretary at the Federal Ministry for Economy and Energy of Germany.

Public administrations in Europe are facing a number of important challenges. Demographic change is leading to a decline in population and a lack of skilled workers, including in the public sector. At the same time, government tasks are becoming increasingly more complex and citizens are making greater demands on the quality of public-sector services. This Gordian Knot can only be untangled through innovation that allows public administrations to provide high-quality services in a more efficient manner.

In this context, the increasing digitisation of spheres of work and private life opens up huge opportunities for public administration. Intelligent networking can help administrators to develop new solutions that ensure good governance and high-quality action. It is our goal that digital public services make it possible for public administrations to serve citizens and companies in a more professional and service-oriented way. However, digitisation presents public administrations with special challenges. The pace of technological change requires continuous development and adjustment. Government has to play its part in ensuring data security and data protection as data sets and processing speeds are increasing. Citizens and companies need a clear legal framework and a reliable technical infrastructure.

Nowadays, governments must see to it that the basic requirements for the further digitisation of our lives are met. In other words, secure and efficient digital infrastructures must be made available. All stakeholders should have excellent knowledge of the existing technology to facilitate fast and secure data processing. Yet public administrations should go a step further: Digital services offered by public administrations – so-called eGovernment services

– must be embraced by the public to be able to reach their full potential. They must offer citizens a high level of convenience and be embedded in secure and proven structures. Only then will users be able to place trust in these services. The interoperability of information and technology (IT) systems is an important element for the usability of public services for the exchange of information. This is only possible with open standards that are also open to new technical solutions. A coordinated and strategic approach by government and administration at national and European level is necessary to bring us closer to this goal.

When it comes to further developing administrative services in Germany, we need to take account of Germany's particular features that result from its federal structure. It is vital to coordinate the eGovernment activities of the Federal Government, the Länder and municipalities in an optimised fashion. To this end, the administrative levels have established a separate coordination body, the IT Planning Council. The council's work is based on the national eGovernment strategy adopted in 2010, which includes, for example, a roadmap for the establishment of electronic identification and signature procedures in public administration so that notifications and applications no longer have to be personally signed. The eGovernment Act, which entered into force in August 2013, provides the legal basis at federal level to facilitate electronic communication with public administration. The law seeks to make it possible not only for the Federal Government but also for the Länder and the municipalities to offer simplified, user-friendly and more efficient electronic administrative services. It is planned to further expand the electronic access to administrative services and to create more possibilities for citizens to submit

'Government tasks are becoming increasingly more complex and citizens are making greater demands on the quality of public-sector services.'

electronic documents. The Länder are currently drafting similar laws. At the European level, the European Union regulation on electronic identification and trust services for electronic transactions in the internal market (eIDAS regulation) will soon complement the existing legal framework and is expected to be adopted in the coming months.

Now that the government has created a legal framework for eGovernment services, this framework must be filled with user-friendly services for citizens. Today, digital administrative services are often still somewhat patchy, offering only special solutions for a specific area or department. Such solutions – as good as they may be – squander a large part of the potential of eGovernment. It is often a long and winding road for the addressees to use public services if they are not offered by

one source and based on one procedure. The establishment of single points of contact is one step to improve this situation in line with the EU services directive. The idea behind the concept of single points of contact is to set up one-stop shops in the administration, allowing companies to use one single point of contact to process all their communication with the public administration, including across national borders. All member states have created such services. Following an initial consolidation phase, we now need to make further efforts to enable the points of single contact to live up to these expectations.

It will be an essential task for the coming years to create new and secure administrative services and to link the various bodies and agencies nationally and internationally so that all levels and branches of administration can communicate with one another.



NOTES

Bernard Le Masson

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