Towards Smarter and more Transparent Government

E-GOVERNMENT STATUS SPRING 2010

OECD e-Government Project

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OECD E-Government Project

TOWARDS SMARTER AND MORE TRANSPARENT GOVERNMENT

E-Government status - spring 2010

The has been drafted to inform the Public Governance Committee on the development trends spring 2010 within e-government.

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TABLE OF CONTENTS

Background

1.   The financial and economic crisis in 2008 followed by close political attention to economic recovery and how to regain budgetary and fiscal sustainability has to a large extent led governments to rethink e-government priorities. They have shifted sharply towards how to realise efficiency gains across the public sector – and at the same time improve the effectiveness and quality of public service delivery within prioritised areas. The diminished budgetary resources in general for new investments in e-government development has been an additional driver for most governments to sharpen their priorities and   to   give e-government a key strategic role to deliver significant cost reductions; "doing more for less" seems to be the overarching strategic goal for e-government among OECD countries.

2.   Having this context in mind, governments are today looking at how to capitalise on their many years of e-government investments, and how to use infrastructures and e-government services already in place to drive through necessary changes in their public sectors regarding legal and regulatory frameworks, organisational structures and responsibilities, human resource capabilities and capacities, etc. The extraordinary budgetary and fiscal pressures governments are experiencing, has led some countries to rethink their approach to service delivery and what governments need to own of the infrastructure. Governments are looking at how to become "smarter" in the sense of better use of shrinking investments and operational budgets, and at the same time addressing the political challenges of evaporating trust with citizens by becoming more open and transparent in policy implementations.

Major trends – an overview

3.   The major trends among OECD countries can thus briefly be summarised in the following key points:

- **Economic recovery** will in 2010 and the years ahead stay as a political top-priority. Refocused and sharply prioritised e-government programmes are *expected* to deliver significant cost-savings in the public sector in the short-, medium- and longer-term perspective.[1]

- **"Working smarter"** in governments has become a necessity in order to meet demands for cost-cutting and improved service quality for citizens and businesses at the same time; one of the transformational challenges is the inherent difficulty in cultural change within government as well as in society – going from a focus on ICT to ICC – *Information and Communication Technology Culture*.

- **Open and transparent government** is on the political agenda. It has the overarching objective of providing open access to (non-sensitive) government information and data for both citizens and businesses; citizens will be allowed to scrutinise "unfiltered" (by government) data and draw their own conclusions; businesses will be allowed to utilise previously hidden public assets for commercial purposes (*e.g.* building new commercial services).

- **Cloud computing**[2] has received increasing attention among OECD countries. With increasing demands of significant budget cuts, previous traditional thinking on the role of the public sector

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[1] "The Financial and Economic Crisis: Impact on E-Government in OECD Countries", 19 November 2009, OECD, Paris, France. See also the press release:

http://www.oecd.org/document/57/0,3343,en_2649_37405_44087417_1_1_1_1,00.html, accessed 8 January 2010.

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as the sole owner and exclusive operator of the supporting infrastructures for public service delivery is questioned. Could the transformation to a cloud computing concept be a way to cut operational costs in public service delivery and at the same time maintain or even increase the quality of services by opening up more significantly to the private sector or the non-governmental sector service provision?

- **An overhaul of e-government indicators** provided internationally is needed. The OECD has started looking at the provision of international indicators in order to see where complementary data collection is needed. The OECD Workshop on E-Government Indicators 29-30 March 2010 will discuss a new framework and methodology for future e-government measures and suggest specific application areas.

- **Country studies of e-government** have been shown to be a key tool for governments to get targeted guidance on how to improve their e-government performances. The latest follow-up peer review of e-government in Denmark (Denmark was peer reviewed the first time in 2005) shows significant progress and places Denmark among the leading e-government countries in the world though challenges still exists regarding optimisation (*e.g.* benefits realisation and user take-up of e-government services through a whole-of-government approach).

- **Sharing knowledge and experiences with non-member countries** such as the accession countries[3] and the enhanced engagement countries[4] to the OECD, and the countries in Middle-East and North-African (MENA) region (within the co-operation programme of Good Governance for Development – GfD).

Impact of the economic recovery on e-government implementation[5]

4.   While some governments have chosen to cut e-government spending and reduce the pace of its implementation, others have chosen to seize this occasion to accelerate e-government implementation. For every country, the main issues are to avoid wasting tax payers' money, ensure that resources are used most efficiently and effectively, and rebuild citizens' trust through increased transparency in how decisions are made and implemented. As a consequence, governments are also faced with the challenge of creating new ways to increase citizen participation and engagement.

5.   Seen in this perspective, the different government approaches to the crisis response show some common trends. Fourteen of 22 responding countries to a survey in 2009[6] have included e-government in their crisis response packages. Countries are generally – in order of importance – looking into: improving performance and reducing waste in the public sector; making strategic investments in new and innovative key e-government areas; accelerating public spending on e-government; rebuilding trust with citizens; improving the quality of public services; and transforming the public sector by using e-government as a key lever.

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[2] A notion that refers to a context where services, infrastructure, applications are delivered through the Internet.

[3] Accession countries to the OECD are: Estonia, Israel, The Russian Federation, and Slovenia.

[4] Enhanced engagement countries to the OECD are: Brazil, China, India, Indonesia, and South Africa.

[5] "The Financial and Economic Crisis – Impact on E-Government in OECD Countries", November 2009, OECD, Paris, France. *http://www.oecd.org/document/57/0,3343,en_2649_37405_44087417_1_1_1_37405,00.html*

[6] Survey conducted on the impact of the financial and economic crisis on e-government development for the paper referenced in footnote 5.

6.   The importance of having e-governments' broader strategic potential in mind as part of their economic policy framework has been emphasised by some countries' strategic investment priorities using public sector innovation to spearhead new technological breakthroughs (*e.g.* ICT security, open source, broadband coverage, and "green IT"). Using the funding of the crisis response to further develop innovative and necessary e-government solutions, can be viewed in those countries as sowing the seeds for new start-ups or business opportunities – thus supporting a long-term sustainable economic growth strategy.

The call for "smarter government" – efficiency and effectiveness as a priority

7.   With governments focusing on how best to realise cost savings in the shadow of over-strained public budgets and fiscal imbalances, e-government is no longer seen as an "option", but a "must". Governments will not be able to realise significant cost savings without consequently and thoughtfully using ICT in a "smarter" way than before. In addition, the demographical challenges among OECD countries of ageing populations add to the longer-term challenges of "doing more for less".

8.   An increasing number of governments have realised this and sharpened their political and strategic focus on realising benefits such as the efficiency and effectiveness of their existing and future e-government implementations besides improving quality and integration of services (*e.g.* Australia, Austria, and the Netherlands). Additionally, governments are also increasingly looking at how to involve other stakeholders, for example the third sector and also citizens directly for co-design and co-delivery of services. As shown in the results of the OECD survey from 2009 on the impact of the financial and economic crisis on e-government implementation, most of the responding countries have indicated the importance of realising efficiency and effectiveness benefits. For example, the most recently launched public service strategy[7] and ICT strategy[8] for the United Kingdom government points to the key role of e-government in reaching cost-saving objectives. This is similar to the strategic directions being taken in other OECD countries such as Australia[9], Denmark[10], Korea, and the United States[11]. The main challenge as experienced by most, if not all, countries is the move by citizens toward the often more cost-efficient digital service delivery channels.

9.   "Working smarter" is also closely linked to the possibility of changing cultural behaviours – within public sector administrations as well as more broadly in society. The use of ICT in government is not a major problem. The challenges lie in the necessary cultural change among human beings, which from experience are by far the most difficult to change, as also recorded in country studies conducted by the OECD, as the focus moves from ICT to ICC – *Information and Communication Technology Culture.*

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[7] "Putting the Frontline First: Smarter Government", December 2009, HM Government, United Kingdom.

[8] "Government ICT Strategy – Smarter, Cheaper, Greener", January 2010, HM Government, United Kingdom.

[9] "Responsive Government: A New Service Agenda", March 2006, Australian Government, Department of Finance and Administration, Australian Government Information Management Office; Sir Peter Gershon, "Review of the Australian Government's Use of Information and Communication Technology", August 2008, Department of Finance and Deregulation, Australian Government Information Management Office, Australia.

[10] "The Danish E-Government Strategy 2007-2010: Towards Better Digital Service, Increased Efficiency, and Stronger Collaboration", June 2007, The Danish government, Local Governments Denmark (LGDK), and Danish Regions.

[11] Statement of Jeffrey D. Zients Chief Performance Officer and Deputy Director for Management Office of Management and Budget Before the Budget Committee United States Senate, October 29, 2009. *http://www.whitehouse.gov/omb/assets/testimony/Zients_102909.pdf*.

Open, transparent and participative government

10.   Open, transparent and participative government in the sense of providing free access to (non-sensitive) government information and data collected and managed by government organisations as part of their administrative activities has become a priority for many OECD governments in parallel to chasing efficiency and effectiveness gains. Politically it has become increasingly important for governments to ensure that especially the far-reaching decisions taken almost overnight in order to address the immediate challenges of the financial and economic crisis in 2008 gain acceptance and support. Providing tools for opening up governments and using this transparency to allow citizens to scrutinise decisions and challenge implementations of policies, make governments more accountable.

11.   Setting-up policies for access to public sector information and data has been ongoing for several years, for example within the European Union[12]. However, the newest push for open and free access to all (non-sensitive) public sector information and data as seen in a number of OECD countries such as Australia[13], the United Kingdom[14] and the United States[15,16] has created a new momentum to reconsider information and data organisation government-wide. The countries have taken measures *on the one hand* to improve trust with citizens (giving citizens the chance to view the "raw" and "unfiltered" data that governments build their political and managerial decisions on), and *on the other hand* to provide businesses free access to information and data assets that have previously been held by the government but not made easily available for commercial use. In other words, following policies of open and transparent government has several advantages: (i) an increase in the possibilities of making governments more accountable for their actions; (ii) the opportunity to provide businesses with ways to create new economic activities through the use of public information and data collected for administrative purposes by the public sector; and (iii) a way to introduce a visible tool to consolidate how public information and data are organised and stored.

12.   In addition, the increasing importance of Web 2.0 and the uptake of electronic social networking by the population have driven an increasing number of governments to explore the potentials and challenges of using these novel channels for citizen dialogues and for service delivery. Becoming more user-centric in service delivery – whether those users are citizens or businesses – is highly prioritised by governments due to the direct connections to the possibility of "doing more for less". Applying a focused channel management strategy to public service delivery and moving capable users of public services towards the less expensive digital delivery channels, could increase governments' possibility of freeing-up resources (monetary or human resource-wise) for other purposes.[17]

Back-office and front-office – in the "clouds"?

13.   The success of using cloud computing in the private sector has opened governments' eyes to its potential in the public sector. Services are seen as part of an existing general electronic infrastructure (the

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[12] DIRECTIVE 2003/98/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 November 2003 on the re-use of public sector information.

[13] The Australian Web site providing access to public sector data sets: *data.australia.gov.au*.

[14] The United Kingdom's Web site providing access to public sector data sets: *data.gov.uk*.

[15] The United States' Web site providing access to public sector data sets: *data.gov*.

[16] The US President's Memorandum on Transparency and Open Government of January 21st, 2009; Open Government Directive (OMB M-10-06) of December 8th, 2009. (*http://www.whitehouse.gov/open/documents/open-government-directive*).

[17] *Rethinking e-Government Services: User-centred Approaches*, 2009, OECD, Paris, France.

Internet) with the potential of releasing governments from the burden of owning and operating expensive infrastructures and services themselves. The thinking behind this is based on the opportunity to share resources (applications, services and data) and open up "a market" for public service applications. The appeal to governments is the possibility of using a cloud computing concept – whether public, private or government operated clouds – to significantly reduce the large operational costs of running their own infrastructure, applications, and services.

14.   Even though the concept is simple, appealing and working to a large extent in the private sector, governments are aware of both its possible huge potentials and also the specific public sector challenges which include considerations regarding ICT security, privacy, business and payment models, responsibilities, etc. Some countries such as Korea, the United States[18] and the United Kingdom[19] have stated strategically that they want to transform their ICT use and service delivery concept into a cloud computing approach. Other countries such as Denmark[20] are beginning to explore existing experiences and possible good practices. Countries have also highlighted the potential positive effects on global climate change through the reduction of electricity use with lower CO2 emissions as a result.

Expanding evidence on e-government

15.   Providing OECD countries with evidence for policy-making requires that the OECD continuously expands its knowledge base. This happens through three key activities:

- development of indicators – data collection;

- sharing of experiences through policy-dialogues with non-member countries; and

- e-government country studies.

Towards a basic set of OECD e-government indicators

16.   Governments are faced with the need to provide high-quality services more efficiently, effectively and responsively in a context where resources are shrinking, and citizens' and businesses' needs are more pressing and complex. In addition, governments need to measure the costs and benefits of their investments in e-government and demonstrate how their e-government plans are supporting the achievement of overarching and specific policy outcomes.

17.   Open and transparent government necessitates a coherent back-office. Providing relevant measures of e-government performance – whether countries are moving towards making information and data fully accessible to the public and or/embracing new service delivery concepts using cloud computing or Web 2.0 – requires measurements of the enabling environment in the back-office. Additionally, measures on performance (such as outputs, processes and outcomes) as well as economic characteristics will be important measures to add to the international set of indicators.

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[18] The establishment of apps.gov in the United States is seen as a first step in a transformation process. See the United States' Federal Chief Information Officer Mr. Vivek Kundra's blog comment dated 15 September 2009. *http://www.whitehouse.gov/blog/streaming-at-100-in-the-cloud/*.

[19] "Government ICT Strategy – Smarter, Cheaper, Greener", January 2010, HM Government, United Kingdom. Section 4.2: "The Government Cloud or 'G-Cloud'", page 21.

[20] "Denmark as a High-speed Society – The High Speed Committee 2010", January 2010, The High Speed Committee, National IT and Telecom Agency, Copenhagen, Denmark.

18.   OECD will propose an open co-operation on establishing a new framework and methodology for e-government indicators. This methodology will be applied to three identified areas within which the OECD in the coming years in close co-operation with international stakeholders and member countries will develop relevant indicators. The three areas are: (i) back-office; (ii) performance – outputs, processes, and outcomes; and (iii) economic characteristics. The work will feed into coming editions of *Government at a Glance* – the next to be in 2011. The importance of performance measures, including e-government measures, has been highlighted by the European Union where it is a priority of the Spanish EU Presidency that plans to promote the issue in a forthcoming EU Ministerial Declaration on Information Society Indicators.

Sharing knowledge and experiences with non-member countries

19.   The OECD has a co-operation programme with the Middle-East and North-African (MENA) countries on e-government and administrative simplification. Several activities are ongoing to promote a policy dialogue on e-government related issues such as capacity-building seminars, technical workshops and study tours. Discussions to implement e-government reviews and joint learning studies in the field of e-government and administrative simplification have specifically called the attention of several MENA countries.

20.   Among non-member countries, the OECD is especially committed to work closely with the enhanced engagement countries. The OECD organised jointly with the Federal Ministry of Communications & Information Technology of India a seminar in New Delhi in December 2009 to explore how OECD country experiences and closer engagement with the OECD could be relevant and helpful to e-government implementation in India.

E-Government country studies – the case of Denmark

21.   Since 2003 the OECD has carried out 10 e-government country studies.[21] Denmark, one of the first countries to be studied by the OECD, has asked the OECD to take stock of progress made since 2006 and in particular look at what needs to be improved. Learning points from Denmark have a broad impact on e-government development internationally due to the country's position among the international front-runners in this area. These include a strengthened whole-of-public-sector approach to e-government based on a broader e-government vision taking into consideration that enabling societal-wide efficiency and effectiveness might reinforce the potential to better use public resources at large. This will also help improve public service delivery, enable citizens to better access services, reach out to the vulnerable parts of the population and foster open government – without losing sight of the necessary focus on efficiency and effectiveness.

Looking beyond 2010

22.   With governments' sharp focus on economic recovery and the need to get back on a sound track of economic growth, governments will tend to focus on how best to invest limited resources for increased future competitiveness. Priorities have already been put in place in existing economic recovery packages by some OECD countries as mentioned earlier. One of the main conclusions from the survey on the impact of the financial and economic crisis on e-government was that governments want to become agile (*i.e.* to be able to respond swiftly and dynamically on new political and economic challenges and enable them to

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[21] The OECD has conducted the following e-government country studies: Belgium (2008), Denmark (2006), Finland (2003), Hungary (2007), Ireland (2008 – public service), Mexico (2005), The Netherlands (2006), Norway (2004), Portugal (2009 – administrative simplification and e-government), and Turkey (2007).

scale the response accordingly) and ensure that investments made have a broad longer-term economic impact. This focus will become more significant in the years ahead.

23.   Besides the major trends already described in this paper covering issues such as how governments can work smarter, how they can become more open and transparent, and how, by embracing cloud computing, they can transform public services and better support cost-efficient service delivery, there are new developments that may have an impact on e-government in the coming years. This includes how government services will become mobile and the potentials of that mobility. With the strong penetration of mobile devices, governments are considering whether the development of "an ubiquitous government" will be the next step in e-government development. Even though isolated examples of 2nd generation mobile service transformation has been seen (*e.g.* Seoul City, Korea), and the potentials for developing e-government nations with limited electronic infrastructure to leap-frog development stages that matured e-government nations already have been through, the area of ubiquitous government ("u-gov") is still largely unexplored with unclear public governance impacts. Moving towards ubiquity and having in mind the huge and accelerating penetration of mobile devices, and exploring managerial, organisational and economical challenges and opportunities for the public sector could be a promising area to be aware of and one that will also become a significant driver for innovation in the public sector in the coming years.

ANNEX: OECD WORK ON E-GOVERNMENT

- **Framework for e-government studies:**

  - *e-Government for Better Government*, OECD 2004

  - *The e-Government Imperative*, OECD 2003

  - *Rethinking e-Government Services: User-Centred Approaches* (2009)

  - *E-Government Partnerships across Levels of Government* (forthcoming 2010)

- **Policy briefs:**

  - *The e-Government Imperative: Main Findings*

  - *E-Government in Finland: An Assessment*

  - *The Hidden Threat to E-Government*

  - *Checklist for E-Government Leaders*

  - *Engaging Citizens Online for Better Policy-Making*

- **Country studies – peer reviews:**

  - 2003-2008: Finland (2003); Mexico (2004); Norway (2005); Denmark (2006); Hungary(2007); Netherlands (2007); Turkey (2007); Belgium, Ireland (public service); Portugal (administrative simplification and e-government).

  - 2009-2010: Greece (public management), Finland (public management), Denmark

- **Thematic studies:**

  - *Benefits Realisation Management*, OECD 2007.

  - *E-Government as a Tool for Transformation*, OECD 2007.

  - *An Economic Framework to Assess the Costs and Benefits of Digital Identity Management Systems for e-Government Service* (forthcoming 2010)