



## Session 1

### Delivering Better Public Services Under Fiscal Pressures

#### How to help governments to:

- Establish priorities and form partnerships with the private and voluntary sectors
- Improve efficiency through innovation
- Coordinate service delivery with local governments and all stakeholders

## Questions for discussion

- How can governments achieve greater productivity at no additional cost in the delivery of public services? How to better coordinate with local governments? How to build innovative responses for service delivery in partnership with the private sector?
- How can governments deal with ever-increasing public expectations at a time of patchy recovery? How to achieve results and make them known?
- How to reap the dividends of IT? What are the opportunities and challenges of web-based approaches to improve responsiveness of public services? How to bridge the digital divide?
- What are the options for engaging citizens in the co-production of services? What role can citizens play in driving quality improvement initiatives?
- How to ensure that business supports public sector efficiency? Can we learn from the private sector's experience?

## The challenges

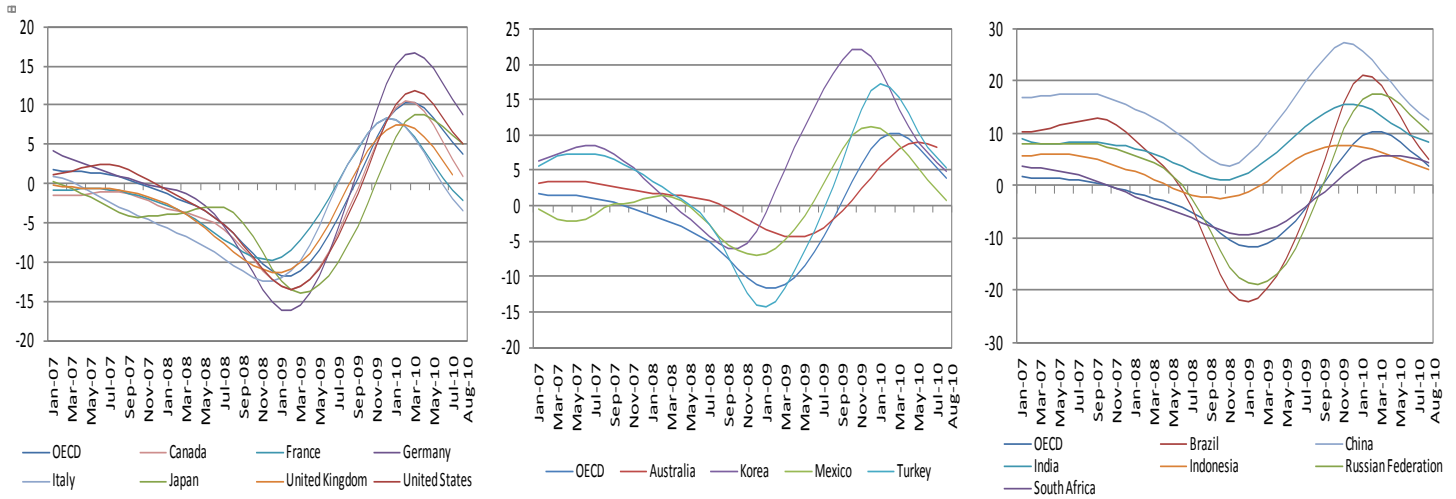
- Doing more with less, making the most of IT and innovation
- Building and maintaining trust: meeting citizens' expectations and communicating results
- Engaging with the public to foster reform, not to preserve the status quo

## The tasks

- Establish priorities and stay focused on them
- Mobilise citizens as agents for change, helping to drive quality improvement
- Communicate and engage with citizens, businesses and civil society organisations, with local governments, parliaments, and other stakeholders
- Strengthen public debate to promote a common understanding of policy options
- Demonstrate results and be accountable for success, as well as failure

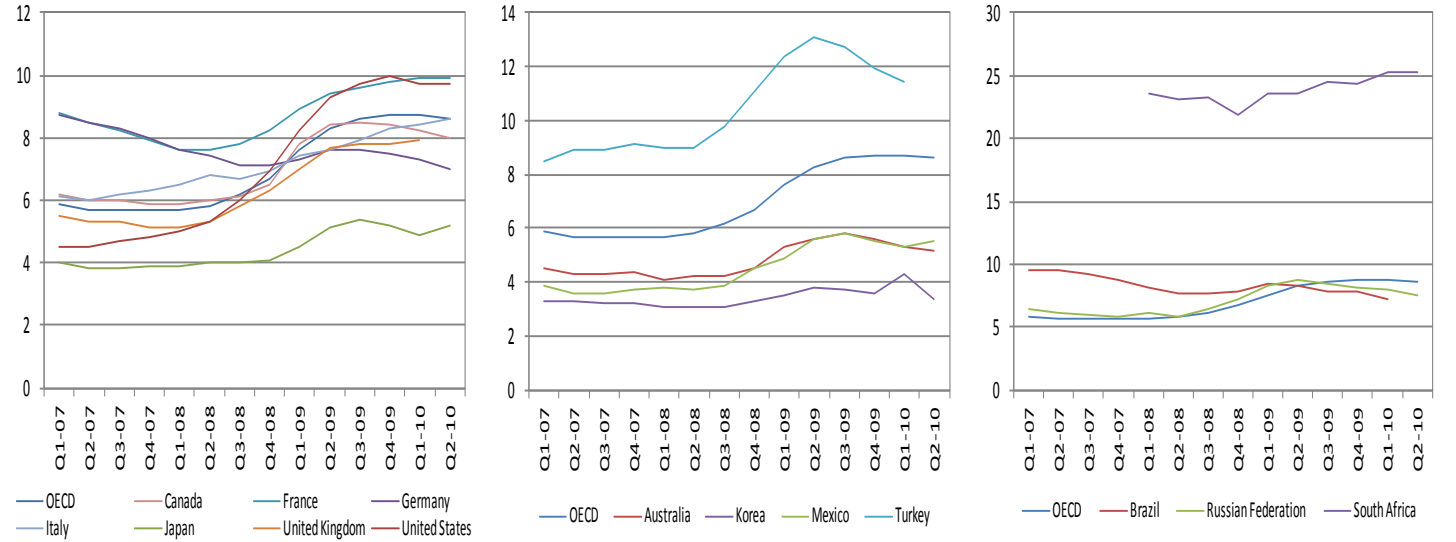
**Where is the recovery going?**

Leading Indicator year-on-year growth rate (%)

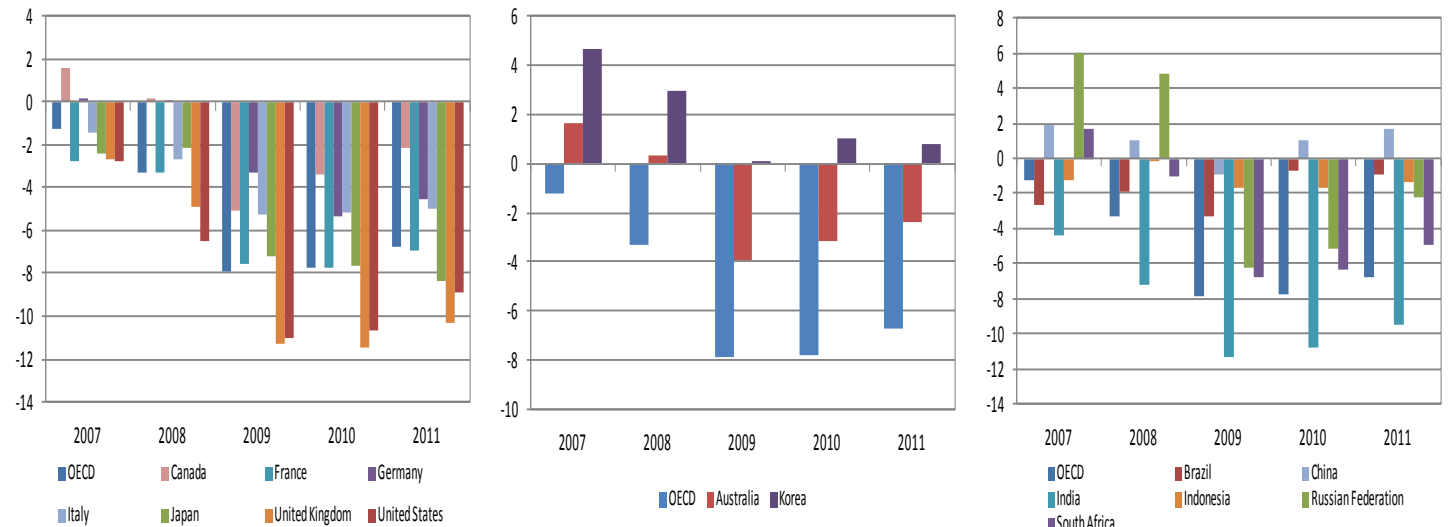


**Where is unemployment going?**

Unemployment rate (in percent)



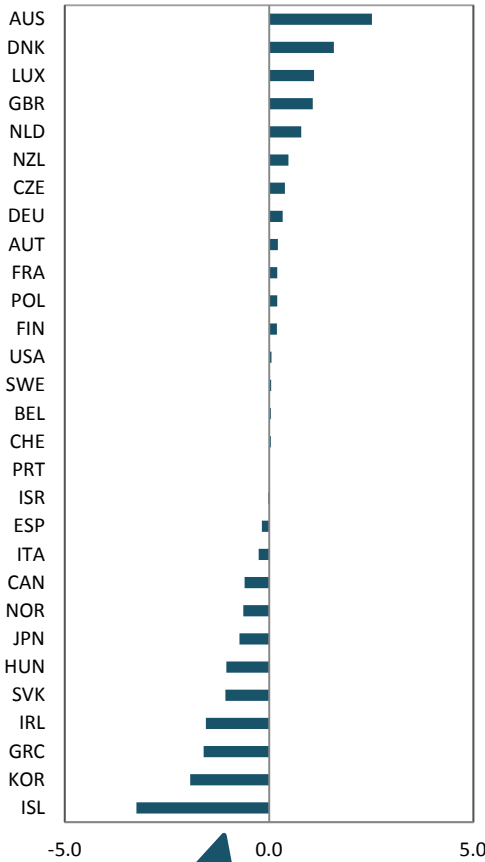
**Public finance deficits: all in the same boat?**  
 Net public lending/borrowing across OECD countries



Source: OECD Main Indicators Database

### How to do more with less?

Change in government expenditures as percentage of GDP (2009-2010)



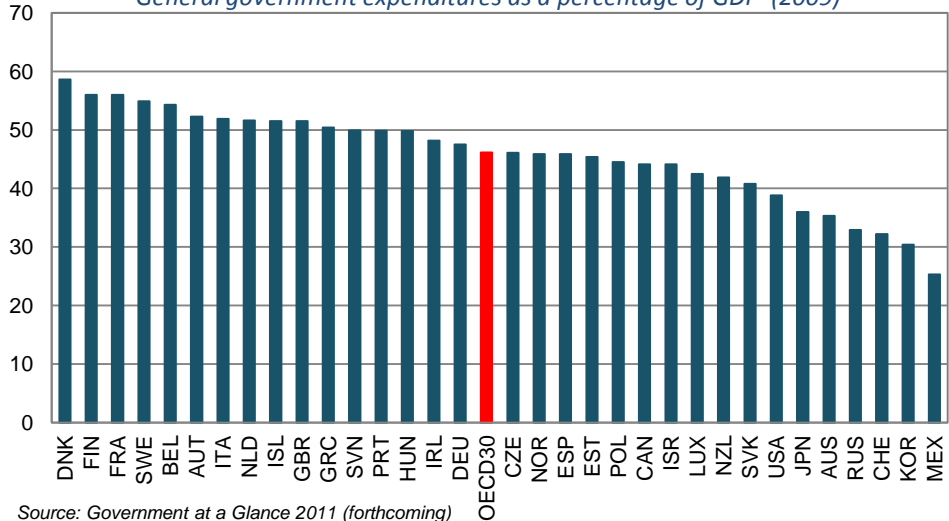
Source: OECD Economic Outlook 2010

Consolidation efforts have begun in some countries

**Angel Gurría:** "We are out of the recession, but not necessarily out of the crisis. The patchy nature of the global recovery means that governments have to carefully balance measures aimed at sustaining growth and steps to cut public deficits" (09/2010)

### Public Expenditure represents around half of GDP in a large number of countries

General government expenditures as a percentage of GDP (2009)



Source: Government at a Glance 2011 (forthcoming)

#### Extracting the efficiency dividends from IT

"Closing the IT gap is perhaps the single most important step we can take in creating a more efficient and productive government. Indeed I would say the IT gap is the key differentiator between our effort to modernize government and those that have come before".

P. Orszag, OMB, United States.

#### Challenges

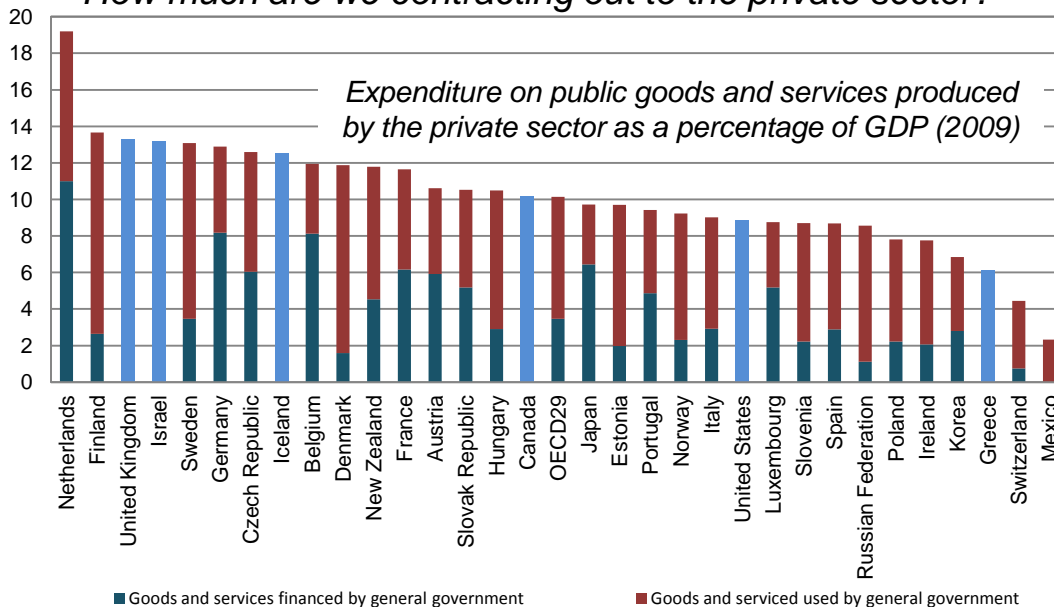
Across-the-board freezes on programmes and services can have perverse effects and may harm morale in the public service, and erode citizens' confidence in government, the public sector and public organisations

**Idlers under attack :** "Reforms to the public sector could add as much as 0.5% a year to economic growth".

Renato Brunetta. The Economist. 5/9/2008

### How much are we contracting out to the private sector?

Expenditure on public goods and services produced by the private sector as a percentage of GDP (2009)



Countries with a blue bar do not account separately for goods and services financed by general government in their National Accounts

Source: OECD National Accounts Statistics Database

#### On the challenge of doing more with less

"It is more important than ever that across the Civil Service all of us rise to the challenge of doing more with less and keep looking for innovative new ways of working which will help us tackle the budget deficit while protecting important public services."

Sir Gus O'Donnell, Cabinet Secretary and Head of the Home Civil Service, UK  
Source: www.cabinetoffice.gov.uk

**Less of What?**

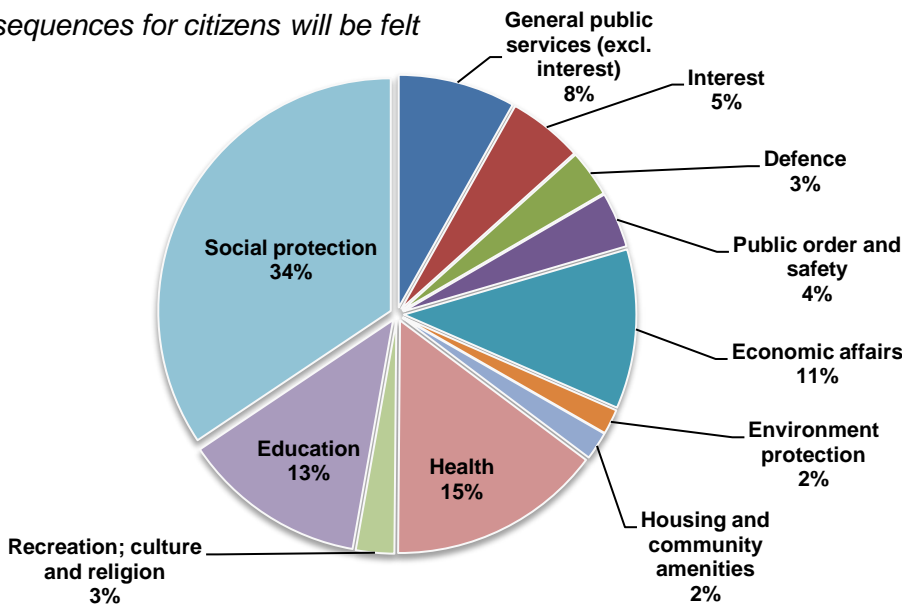
The consequences for citizens will be felt

**Choices, trade offs and opportunities**

New technologies have the potential to introduce a paradigm shift, where service delivery is entirely rethought with a user-centered perspective (e.g. around life events for citizens and businesses).

Innovation is essential for the future of the public service, which could draw on the expertise and creativity of the private and voluntary sectors.

Source: Government at a Glance 2011 (forthcoming)



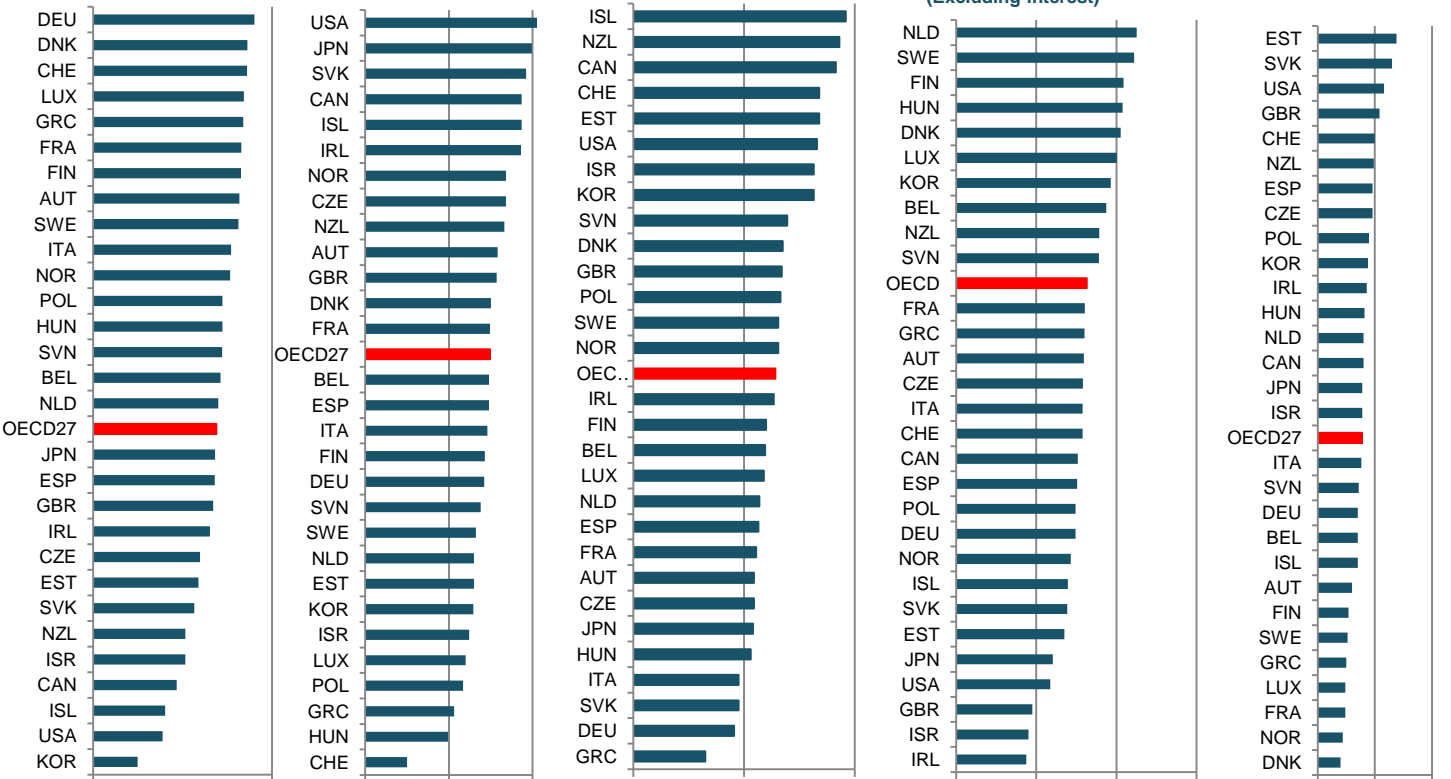
**Social Protection**

**Health**

**Education**

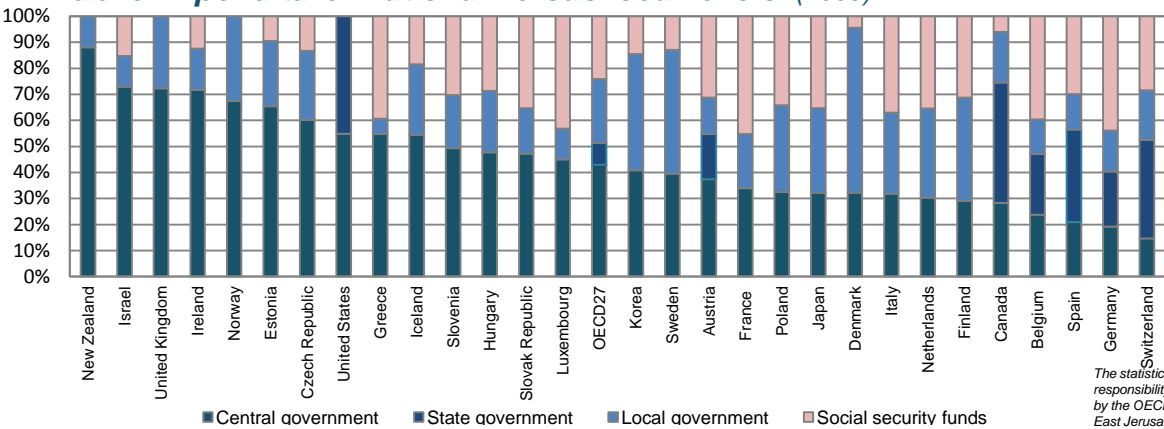
**General Public Services (Excluding interest)**

**Public Order & Safety**



Source: OECD National Accounts Statistics Database

**Public Expenditure: National versus local levels (2009)**



Local governments play an even greater role in terms of investment in infrastructure: Two thirds of the total on average. This was often a key component of stimulus packages

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.