



EUROPEAN SEMESTER THEMATIC FACTSHEET

QUALITY OF PUBLIC ADMINISTRATION

1. INTRODUCTION

Public administration reflects the institutional foundations of how countries are run. The quality of governance in general and of public administration in particular determines the performance of all public policy domains. Public administration addresses the needs of society and frames its functioning through organisational structures, processes, roles, relationships, policies and programmes. Public administration shapes economic prosperity, social cohesion and sustainable growth. It defines public services and moulds the environment for creation of public value¹.

Institutions play a fundamental role of in setting the right incentives, lowering uncertainty and enabling prosperity in the long run. Weaknesses in the functioning of public administration can create significant obstacles for investment on regional and local level in Europe (Committee of the Regions, 2016).

Europe needs to enhance the efficiency of public expenditure, and find new, untapped sources of growth and employment. Modernising of public administrations is a way to relieve economic and budgetary pressures, to design and deliver needed structural reforms, to remove existing barriers in the Single Market, to foster innovation and create new job opportunities. In addition, better public administrations

can increase trust and citizen engagement in order to renew legitimacy of public policy-making across Europe. Some EU countries have consistently pushed forward the performance of their administrations; others need to rethink the building blocks of their administrative system. The current speed of social, technological and economic change requires substantial adaptation.

The EU supports these efforts with funding, technical standards and tools, analysis, peer exchange, guidance and technical assistance (see Annex for details).

This factsheet is about horizontal aspects of public administration functioning. It looks at achieving results and accountability, policy making, structures and processes, human resources, and service delivery. Related governance aspects, such as public finance sustainability, corruption, effective justice systems or tax systems and tax administration will be dealt with in separate factsheets.

2. KEY CHALLENGES

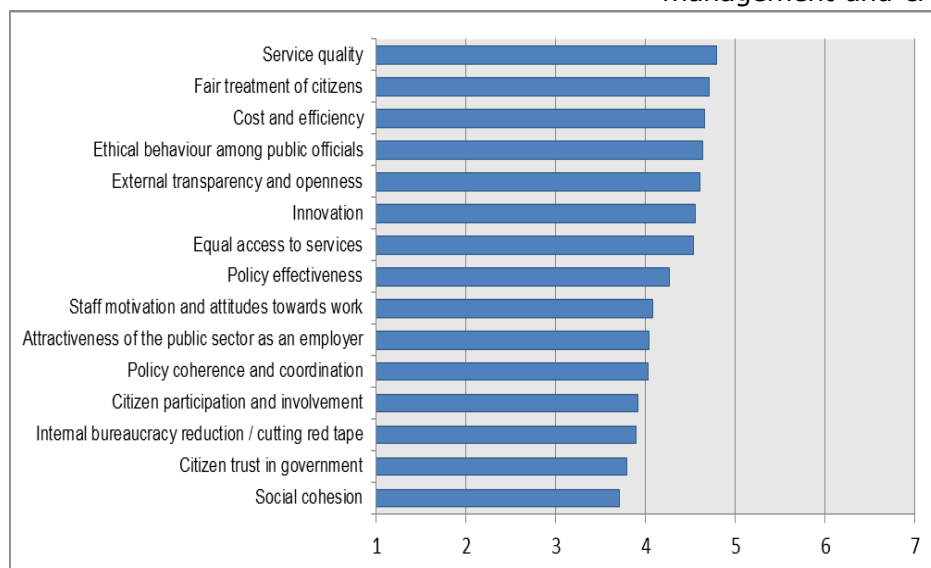
2.1. Achievements and limitations of recent reform efforts

Recent reforms in Member States have somewhat improved cost and efficiency of public administration, but less the quality. Overall, institutions have become more open and transparent; access and quality of services has increased. Yet, citizens' trust in government, social cohesion, attractiveness of the public sector as an

¹ 'Public value is value that is shared by all actors in society: citizens, businesses, organisations and informal groups. It is the outcome of all resource allocation decisions taken by all stakeholders in society as a whole.'

employer and staff motivation has deteriorated. Partnership and network-orientation are still quite patchy².

Figure 1 – Reform achievements³



Source: Hammerschmidt, et al. 2016

The reasons for this variable progress are difficult to analyse, as systemic evaluation of reform outcomes tends to be underestimated and therefore limited (Peters, 1996). Moreover, comparative analysis between countries, policy fields, and administrative organisations with regard to experiences with and success of reforms is scarce (Hammerschmidt, et al. 2016).

Many reform initiatives concentrate on reshuffling formal structures and procedures, but show little interest in developing human potential or changing administrative culture. In many countries such prolonged, intensive restructuring has led to reform fatigue. Moreover, public managers across Europe often face rather low levels of autonomy, and politicization can be an issue. Many administrative reforms have been driven top-down reflecting a political or budgetary logic.

The majority of new Member States undertook substantial administrative changes as part of their preparation for EU membership. Several years after

accession, however, it became clear that many of these changes did not last (Meyer-Sahling, 2009). Areas facing challenges have included coordination, performance management and creating of a truly merit

based civil service able to attract and retain well qualified staff.

The sustainability of reform is often compromised by a lack of political consensus about substance and direction, and especially a failure to tackle underlying politicization, weak and unstable core government institutions, as well as the

absence of a professional, non-partisan elite to deliver technical changes related to the management of public administration (Verheijden, 2007).

2.2. Capacity & accountability

The SGI Governance Index⁴ looks at governments' capacity to deliver sound policies as well as the participatory and oversight competencies of social actors. The index distinguishes two dimensions: *executive capacity* and *executive accountability*.

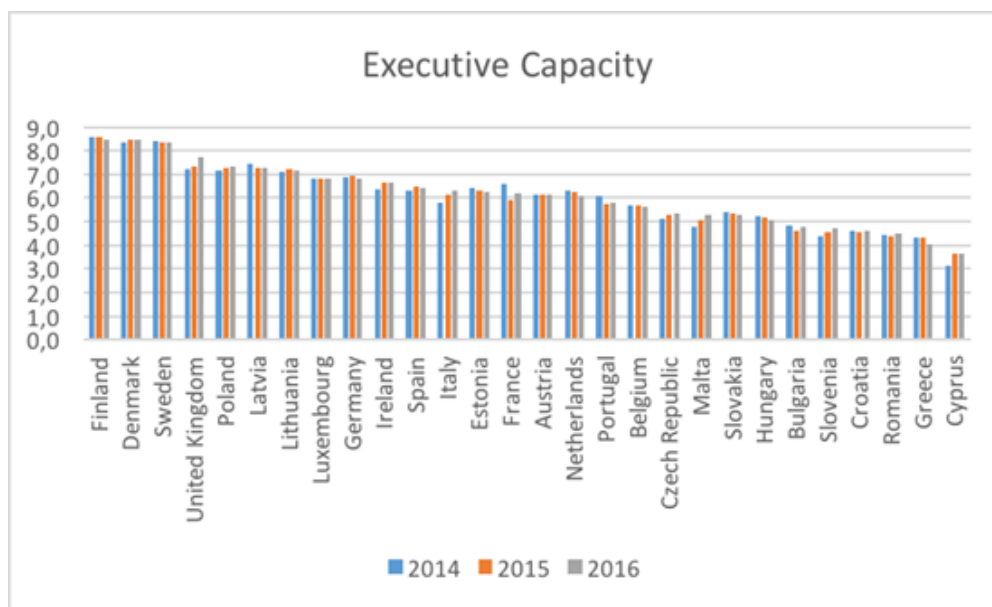
A composite indicator of **executive capacity** includes factors such as: *strategic capacity, inter-ministerial coordination, societal consultation, policy communication, effective implementation, adaptability, and organisational reform capacity*. The level of institutional capacity does not necessarily correspond exactly to a country's current policy performance. But it is a useful proxy for a country's likely economic and social development in the long run.

² Based on a survey in 19 Member States.

³ from 1= strong deterioration to 7= strong improvement.

⁴ The Sustainable Governance Indicators (SGI) of the Bertelsmann Stiftung combines an analysis of Policy Performance, Democracy and Governance for 41 EU and OECD countries (Bertelsmann, 2016).

Figure 2 – Changes in Executive capacity



Source: Data based on Bertelsmann, 2016

The graphic illustrates the existence of large differences in capacity within the EU, with a significant number of countries scarcely using in practice their formal arrangements for better policy making. While some moderate improvement of strategic capacity and evidence-based policy making is registered in the last two years, implementation capacity has generally stalled.

The traditional gap between older and newer Member States is partially dissolving, with several new Member States having continuously improved their capacity.

The **executive accountability** indicator tries to capture *citizens' participatory competence, legislative actors' resources, the role of media, political parties and interest associations.*

Figure 3 – Changes in Executive Accountability



Source: Data based on Bertelsmann, 2016

Once more, the picture shows important differences among Member States. While there is an obvious correlation between capacity and accountability, not all countries score evenly across both measures.

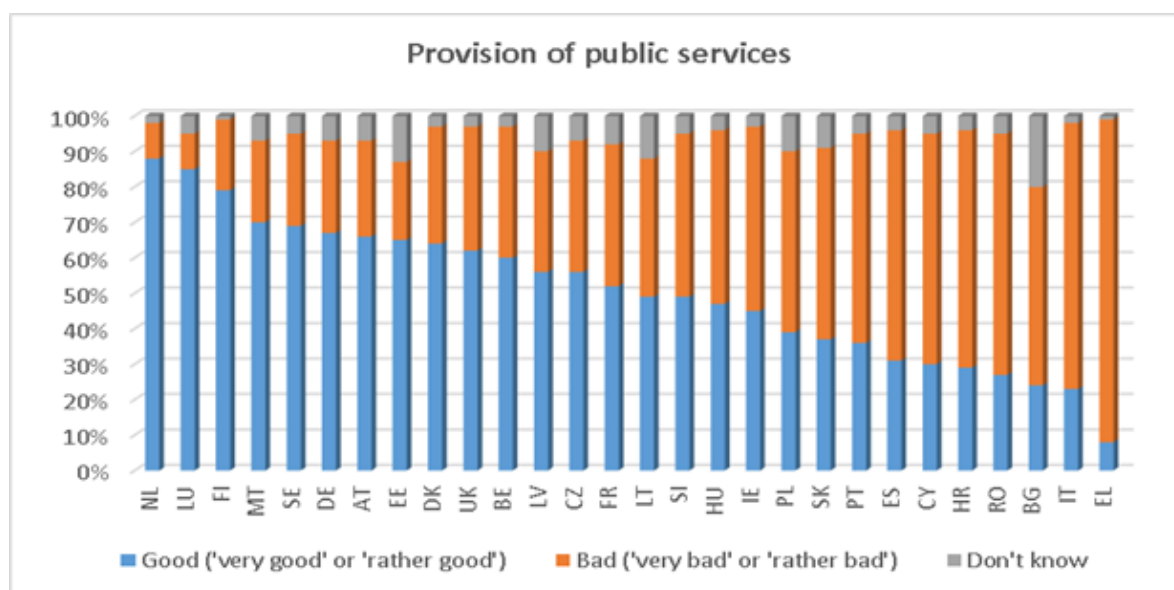
There are important gaps in perceived governance capacity and accountability within the EU. While the Nordic Member States lead the indices, others, mostly southern and eastern Member States, trail behind. 16 EU Member States show

a downward trend, with 10 showing an upward trend, and 2 unchanged.

2.3. Quality of Public services

According to a recent survey (Eurobarometer, 2016), the quality of public services correlates with trust in public administration, the ease of doing business, and societal well-being. It is further a good proxy for the well-functioning of a state.

Figure 4 – Perceived Quality of public services



Source: Data based on Eurobarometer, 2016

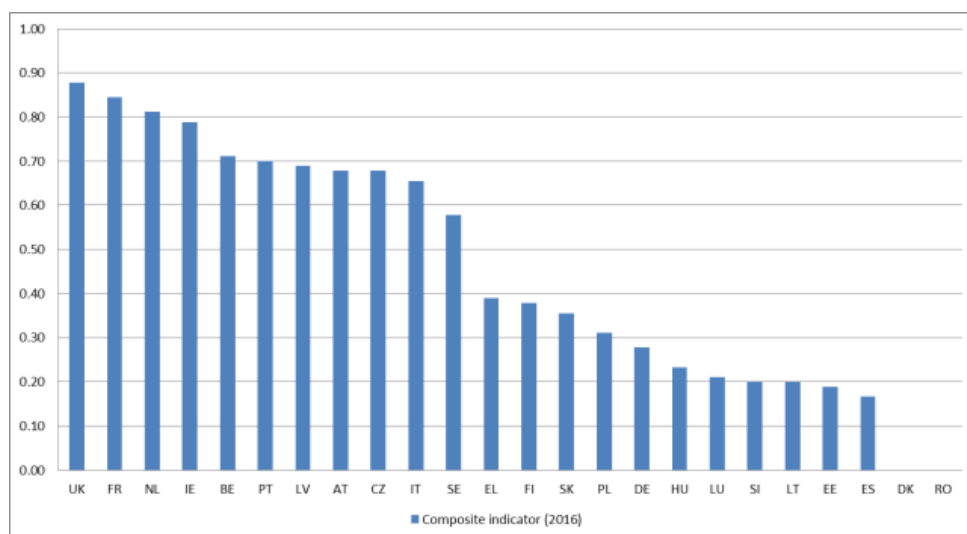
The graphic highlights stark difference in the perception of quality of public services among EU Member States.

2.4. Strategic Human Resources Management

The OECD regularly assesses the utilisation of strategic human resources management practices in central government. The index assesses: the existence of a general accountability framework; the existence of HRM targets built into performance assessments of top and middle managers; elements that

top and middle management should take into account when planning and reporting within the general accountability framework; regular review and assessment of Ministries'/ Departments' HRM capacity; existence of workforce planning processes to adjust for adequate workforces to deliver services; and elements considered in governments' workforce planning processes. The index ranges between 0 (low utilisation of strategic HRM practices) and 1 (high utilisation of strategic HRM practices).

Figure 5 – Utilisation of strategic human resources management in central government



Source: OECD (forthcoming)

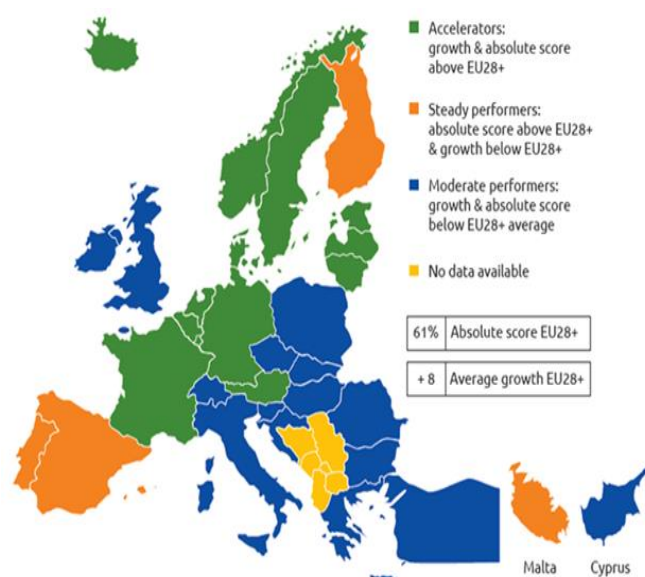
Compared to the previous survey of 2010, the latest preliminary data⁵ shows an enhanced awareness and uptake of strategic HRM practices. Countries with lower scores might find it more difficult attract, motivate, develop and retain talent in the longer term.

2.5. Online Service Delivery

Well designed eGovernment services have the potential of transforming the quality and efficiency of public service provision.

The 2016 [eGovernment benchmark](#) report however highlights huge variations in eGovernment performance across Europe. The 'Digital Diagonal' – a string of countries from the South-West to the North-East of Europe perform above the EU average and are also in most cases showing stronger progress than the rest⁶. Performance is measured as an average of scores for 4 top level benchmarks: user centricity, transparency, cross-border mobility, key enablers.

Figure 6 – eGovernance performance



Source: European Commission, 2016

⁵ Results for Denmark to be verified.

⁶ Progress is measured as the difference in performance between the data available in the last (2014-2015) and the first (2012-2013) complete biennial assessment of eGovernment surveys.

Looking at the priorities of the new [eGovernment Action Plan](#), which aims to shape new initiatives using seven distinct principles, the EU eGovernment benchmark report shows that online public services improved unevenly:

'digital by default': Mandatory businesses eServices are common practice amongst countries (half of EU countries has made one or more service mandatory online), services addressing students have increased (11 of 34 countries), but not for the rest of the citizens (4 of 34 countries).

The exception is Denmark (43% of citizen services is mandatory online). 22% of Europeans refuse to use the online channel, with missing skills as key barrier.

'once-only principle': Reuse of information has only slightly increased with 2 percentage points and is now used in approximately half of the public services (49%). The number of automated services has remained stable since the first measurement at 3% of all services. The use of legacy software likely has important complications for the modernisation of eGovernment services and can hinder full implementation of this principle.

'inclusiveness and accessibility': Almost all European citizens have the possibility to access Internet. The use of mobile devices to access internet has increased dramatically over the past five years, but still only 1 in 3 public websites is 'mobile-friendly'.

'cross-border by default': The Business Mobility benchmark indicates that cross-border services are lagging behind: 25% of the services for entrepreneurs to start their business in another country are completely offline, with no information or services available online. In contrast, entrepreneurs starting a business in their own country face such issues in only 2% of the cases.

Foreign start-ups are less able to access information on services (33% vs 39%) and using services across borders is only possible in 27% of cases (compared to 46% of services in the national context). Most common barriers are language, lack of information on the foreign website, and the need for a physical encounter to perform the service successfully.

'interoperability by default': findings indicate that interoperability in Europe could be slowly improving, but strong indicators are missing to give an accurate view on this.

'trustworthiness & security': The majority of Europeans feel some control over the information they provide online (possibility to manage your personal data in online public services), but a sense of complete control is mostly lacking (only 15% of respondents on average). In some countries there is a personal data paradox - citizens feel in control of their personal data, while in reality their governments provide only limited transparency. The reverse is also observed.

eID can guarantee the unambiguous identification of a person and make it possible to get the service delivered to the person, who is really entitled to it. Nearly all Member States have or are setting up a nationally supported eID scheme in place. However, the lack of common legal basis prevented Member States from recognising and accepting eIDs issued in other Member States.

Transparency about governments own responsibilities and performance, the service delivery process, and the personal data involved has improved. Although transparency seems to be on the agenda of most governments, results vary and do not indicate a consistent implementation of this principle: while some Member States are very advanced, others are trailing behind.

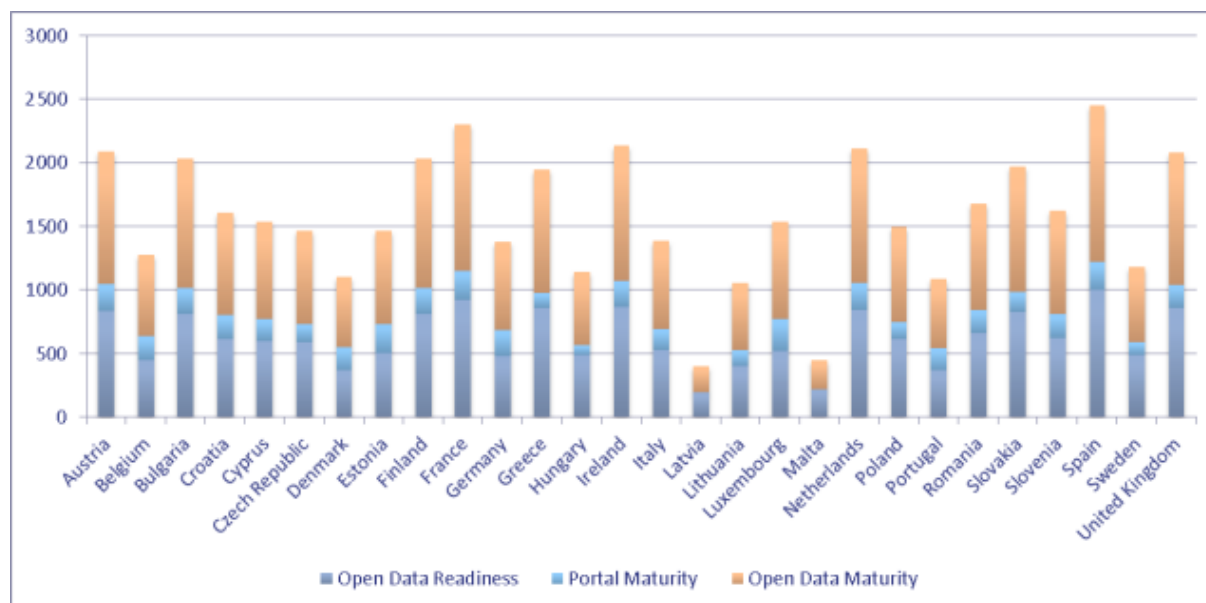
2.6. Open Data

The publication of 'open data' and the definition of rules on their re-use have the double benefit of increasing governments' transparency and accountability and of

stimulating the provision of innovative online services by private operators.

The EU Open Data Portal uses a scoring system for two key indicators - *Open Data Readiness* and *Portal Maturity*.

Figure 7 – Open Data



Source: European Commission, 2016

Open Data Readiness assesses to what extent countries have an Open Data policy in place, licensing norms and the extent of national coordination regarding guidelines and setting common approaches; as well as the use made of the Open Data available and the estimated political, social and economic impact of Open Data.

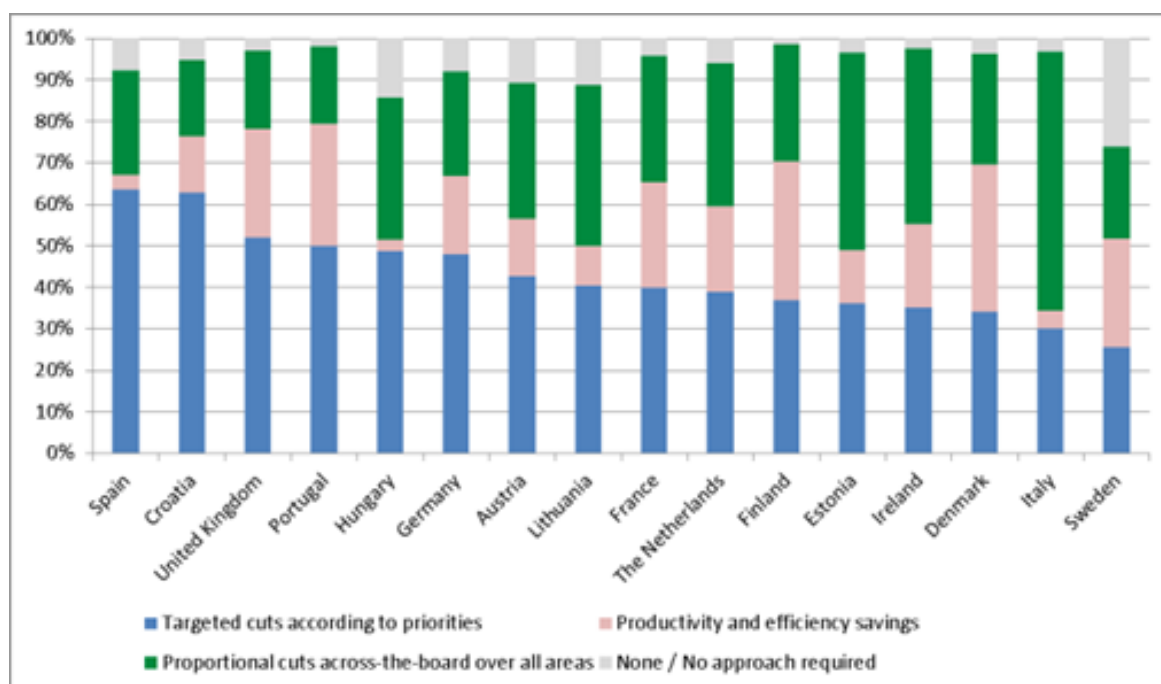
The second key indicator, *Portal Maturity*, explores the usability of the portal regarding the availability of functionalities, the overall re-usability of data such as machine readability and accessibility of data sets, for example, as well as the spread of data across domains (European Commission, 2016).

2.7. Public administration in times of fiscal consolidation

The financial crisis has increased budgetary pressures on governments and the public sector, and has thus pushed budget management to the forefront in public sector reform. Responses to the crisis have been diverse and highly dependent on country-specific and contextual factors. Several general lessons can be derived from these different approaches.

Even though it could be argued that targeted cuts should be favoured over a one-size-fits-all approach, it seems that proportional cuts play an important role in some Member States

Figure 8 – Types of budget cuts in Public Administration



Source: Hammerschmid, et al., 2016

Budgetary cutbacks need to be well managed to minimise negative effects on the functioning of the administration and the quality of services.

If not well handled, short-term budget savings can lead to longer-term costs due to decreased capacity, expertise or other factors.

Budgetary pressures may have to be weighed against other public policy objectives such as increasing legitimacy and public trust in institutions (Hammerschmid, et al, 2016).

2.8. Public administration and societal challenges

An overview of challenges also needs to reflect public administration in a broader context. The role of administration is to anticipate key societal challenges and address them proactively in order to reduce the shocks for citizens and business.

As illustrated in the table below, an adaptation to a changing environment may require a fundamental transformation of the role, purpose, organisation and service delivery.

Table 1 – Societal changes and resulting challenges for public administration

Societal Changes	Challenges for Public Administration
Demographic Change	Ageing populations put increasing pressure on every public system and require new policy solutions, new services, and different utilisation of resources; A large share of public administration staff is approaching retirement, and there is a need to attract new employees from dwindling numbers of young people entering the labour market;
Climate Change	Increased environmental risks require new skills and capacities at all levels of the administration for "horizontally-integrated, evidence-based and innovative government processes"; Capabilities and infrastructure need to be adapted;
Technological change	While digital by default is slowly becoming a key principle, the digital divide could seriously hamper access to services in some contexts; E-government should ensure a citizens centred approach and avoid 'digital bureaucracy'; Digitalisation needs to strike a balance between centralisation and decentralisation; E-government requires new skills and competences from the of public administration; The types of jobs in the public administration will change with the digitalisation of analytical tasks and advancement of artificial intelligence;
Economic trajectories	Pressure to react to economic crises requires governments to take greater control to develop central strategies for addressing budgetary and other challenges; Push for short-term savings creates a need for clear priorities to avoid hollowing out of essential services & capacities;
Public trust in government	The boundaries of public sector are getting blurred as a result of privatisation, outsourcing and public private partnerships, and other modern methods of service delivery and policy making. This has implications for public accountability in the delivery of policies and services; National governments are expected to respond to global crises originating beyond national borders; The nature of the political environment is changing.

Source: Based on Pollitt (2014) and own adaptation

3. POLICY LEVERS TO ADDRESS THE CHALLENGES

3.1. Ingredients for better public management

Public administration forms part of the broader public governance framework (Pollitt and Bouckaert, 2011). The political context therefore needs to be taken into account in the design and delivery of administrative reforms⁷.

This section looks at the opportunities for Member States to build better quality public administrations. The following five

interlinked dimensions are relevant for all public sectors and policies⁸:

Results & Accountability	
Institutional structures and processes	Public service and human resources management
Policy development and implementation	Service delivery

3.2. Results & Accountability

Public administrations need to embrace the increasing complexity of modern society. But the response often adds unnecessary 'complicatedness' in policy

⁷ For an overview of political economy analysis tools, see: Mcloughlin, 2014.

⁸ The inter-linked and highly relevant aspect of *public financial management* is dealt with in a separate factsheet.

and organisational terms (Morieux and Tollman, 2014). The dilemma here is that more control, more coordination structures, more measurement, more accountability requirements, produce frustration and alienation without necessarily enhancing productivity, when measured in terms of delivering better outcomes for business and citizens. There is a need to focus on outcomes and for navigating the relationship between government, society, and citizens in an integrated and dynamic governance system, aimed at producing public value⁹. A key element of such an approach is the accountability of government based on meritocracy¹⁰, transparency and citizen engagement.

3.3. Institutional structures and processes

A country's institutional landscape is usually made up of a plethora of different organisations in form of ministries, agencies and other public authorities, which act on national, regional or local level. The quality of interaction between these bodies significantly influences the effectiveness or inefficiency of a country's performance. The following opportunities could contribute to improving the overall system:

Enhance systemic productivity, by improving quality of relationships and collaboration;

Strengthen multi-level governance, including use of functional mapping and reviews to clarify responsibilities and reduce overlap;

Ensure powers/responsibilities are matched with resources on every administrative level;

Encourage inter-municipal cooperation, including pooling resources, and networks across and within government levels;

Streamline and simplify processes, and promote the concept and practice of

interoperability within and across administrations;

Holistically designed ICT solutions can transform inter- and inner-institutional interaction and communication and thus improve public administration performance.

Organising between hierarchies, markets and networks: There is no one-size-fits-all approach to public sector organisation. There is a need for a differentiated approach taking into account the costs and benefits of designing and managing different governance style combinations for the achievement of desired outcomes and optimised resource allocation according to different needs (Meuleman, 2008). The traditional hierarchies are increasingly replaced by new forms of organisation, which puts a new emphasis on what one might call **collaborative capacity**. So-called networked government is based on cooperation and coordination within the public administration as well as with stakeholders and intermediaries. It involves breaking down silos (Tett, 2015) across different administrative entities, while sharing infrastructures, processes, data, assets, knowledge, resources, content and tools (European Commission, 2013).

SOLVIT¹¹ is an example of a network among and within EU Member States authorities, which can help solve administrative problems related to living or doing business in another EU country. The success of networks like this requires active participation and capacity of Member States to timely deliver the results citizens and businesses expect.

At the same time, however, awareness is needed of potential pitfalls of such an approach. Blindly breaking down institutional entities can make formal structure disappear, which are needed for effectiveness and accountability (Niestroy and Meuleman, 2016).

In the same way as organisational structures need to strike a balance

⁹ An approach promoted by the so called New Synthesis framework, see: Bourgeon, 2012.

¹⁰ For an approach to measuring meritocracy, see Charron et al., 2015.

¹¹ <http://ec.europa.eu/solvit/>

between hierarchy and collaboration, the advantages of **political, administrative, and fiscal decentralisation** also need to be weighed up against opportunities for streamlining, simplification and positive scale effects (Netivist, 2015).

For **multi-level governance** to function well, responsibilities of local and regional authorities (LRA) need to be clearly defined; powers, resources and capacities of LRAs need to be in line with responsibilities; territorial division needs to be viable and boundaries uncontested; and the scope for top-down interference in the autonomy of LRA should be clearly regulated (Buis and Boex, 2015).

3.4. Public service and human resources management

Public authority organisations need to adapt to changing societal needs and challenges. As routine processes are increasingly automated, more emphasis needs to be placed on anticipating and responding to strategic issues. This requires capable leadership, which engages all staff beyond traditional hierarchies. Particular opportunities for organisational development through human resources management include:

Workforce planning to better perform by having the right people with the right skills at the right time;

Attract new recruits into public administrations, with better employer branding and talent management; survey and assess staff satisfaction;

Enable mobility within and across institutions, to broaden know-how and build flexibility and responsiveness; but stability and reliability also matters;

The role of the manager evolves to that of a facilitator and team supporter, rather than controller and decision-maker;

Foster team work and collaboration, knowledge management, including learning networks and inter-generational learning; use quality management systems for self-improvement;

Competency-based recruitment, promotion and development that

recognises merit and encourages continuous learning and development;

Create stimulating workplaces and increase trust in staff, to energise and empower employees, and make the most of workforce diversity;

Create a broader framework for performance management to reflect the reality of an ever-changing environment, the need for agility as well as accountability, the achievement of outcomes, and hence the importance of continuous learning.

Most administrations in Europe have an **ageing workforce**, with only a tiny proportion under 30 years of age. If not managed well, an ageing workforce can create challenges in regard to societal demands for flexibility, innovation and online interaction. On the other hand, a recurrent challenge is the loss of institutional memory from staff turnover and retirement (Baltic Institute of Social Sciences, et al. 2015). Systems and tools are needed to enable organisations to transform tacit and implicit knowledge into explicit knowledge that can be shared across the organisation. This can make organisations less vulnerable to staff turnover and reduce the risks of malfunctioning. Effective management of public policies requires strong systems and tools designed to support staff effectively.

Feedback-based HR practices should be pursued to enhance motivation, collaboration, professionalism in the public administration, but if not managed properly HR practices can be divisive, demotivating, and discourage teamwork.

Patronage-based recruitment is a major problem in some national systems, and can stand in the way of any rational effort to build a better public administration. The politicisation of the civil service varies considerably across EU Member States (Kopecky and Spirova, 2012). Politicisation and the lack of meritocratic civil service recruitment breed corruption in public administration and undermine performance (Meyer-Sahling and Sass Mikkelsen, 2016). Creating a culture of transparency and accountability

would be the basis for building more professional, merit-based systems.

Improving human resources management in public authorities is highly context dependent, and models not necessarily transferable (Demke, 2016). What is clear, however, is that what goes on inside an organisation has a direct impact on its ability and capacity to deliver policies and services.

3.5. Policy development and implementation

"There is nothing more important to the progress of our economies and societies than good regulation. By "good" regulation, is meant the sort that attains legitimate ends for public policy in cost-effective ways; regulation that serves to enhance the wellbeing of the community at large" (OECD, 2015).

The policy process is not only linear and composed of sequential stages, but also has inter-linked and inter-dependent elements and feedback loops. The impact of policy decisions should always be anticipated, but can never be perfectly predicted. Feedback mechanisms are essential to correct the direction taken when the policy is not achieving its goals. Those affected most by policy decisions, particularly citizens and businesses, should be active participants in the policy making process. Opportunities in this regard are:

Build analytical capacity, a better evidence base, and applying data analytics, design thinking & behavioural insights to policy making;

Engage civic society in co-creation & participatory policy making early on;

Establish an effective centre of government to set standards, broker policy development across institutional boundaries and monitor implementation;

Move to test/experiment and reflect, monitoring on an ongoing basis and adjusting in real time (adopt-and-adapt)

Enhance transparency and openness and make data available for development of better products and services

Following due process and ensuring sufficient consultation leads to wider acceptance of policy choices. Policy capture, whereby a few, narrow interests monopolise policy making against the interest of the wider society, should be avoided.

Analytical capacity is a precondition for improving policies. Giving room for professional policy analysts within the bureaucracy and the research community can create the foundation for better policy making. Member States have experimented with dedicated analytical departments, policy labs (such as the Dutch CPB, Denmark's MindLab or UK's Nudge Unit), and task forces (like Finland's futures research, or the Netherlands Smarter Network).

The role of data is highly important for effective and reliable policies as they provide solid evidence base to draw upon for successful policy design. This implies gathering and interpreting data from an array of sources and viewpoints, and challenging pre-conceived ideas and current practices in the search for more effective policy solutions [European Commission, 2015 (1)]. The availability of core statistics is a fundamental feat. Policy sectors should ask what core data they need.

Capacity to deliver policies and legislation is another necessary precondition. The *implementation gap*, i.e. the extent to which existing regulation is not enforced or lax enforcement not properly monitored and sanctioned, is a serious challenge to an administration's credibility. The quality of independent inspection and societal oversight are issues here.

Think beyond legislation. While legislation is still a prevailing policy instrument, some countries are increasingly experimenting with behavioural insights to achieve desired policy outcomes (OECD, 2015).

Reflective capacity is another necessary element. This requires the expertise to scrutinise policy decisions and their delivery, and the authority to question

whether changes should be made, in the interest of continuous improvement. This form of capacity should be both integral to delivery (monitoring), but also independent from it (evaluation and performance audit). Stakeholders should be able to express their views, highlighting the importance of independent media and civil society which can hold the administration to account and maintain its focus on the public interest. Such capacity is crucial for the administration to adapt and modernise itself.

3.6. Service delivery

This is the point when policy meets the every-day life of citizens. The current social, technological and economic changes create new expectations of public services. Many users expect personalised, simplified or automated services that are delivered through their preferred channels, which is increasingly mobile [European Commission, 2015 (2)]. Accordingly, attention could be paid to the following opportunities:

Understand what citizens, businesses and other administrations need and expect from public services, using for example surveys, focus groups, mystery shopping, customer journey mapping, life events analysis & empathy based techniques;

Deliver services at a time, place and pace that suits users best, and combining the 'digital by default' principle with multi-channel options;

Enable "once-only" registration and 'no-stop' shops (services delivered automatically based on entitlement), offer clouds of public services that enable users to assemble their own e-service packages, and move towards digital by default;

Review the whole service portfolio, to see if services that overlap or are outdated;

Creative decommissioning and replacement of obsolete services to achieve better outcomes;

Move to shared internal services where appropriate, to increase efficiency but especially become more (internally) client centred;

Encourage citizens and civil society organisations to use their insights as service users to engage in co-creation and co-production with public administrations and share ownership, including collaborative commissioning

Interoperability and '**cross-border by default**' have become increasingly relevant principles in public policy making as a consequence of the increasing digitalisation and internationalisation of society.

The uptake of **eID** and **trust services** can bring higher security and more convenience for any online activity such as submitting tax declarations, enrolling in a foreign university, setting up a business in another Member State, bidding to on line call for tender, etc.

The **digital by default** strategy at EU level could result in around €10 billion of annual savings (European Commission, 2010). 'Digital' is also essential for efficient and accountable public budget management [European Commission, 2015 (3)].

Applying the "**once-only**" principle in the EU would likely generate an annual net saving at the EU level of around €5 billion per year by 2017 (European Commission, 2012).

Users today also expect public administrations to be open and transparent: allowing them to track administrative processes and procedures, to give feedback about the quality of provided services, to contribute to their improvement and the implementation of new ones. Consultation should be seen as a continuum that starts with identifying initial needs and expectations, and later monitors and evaluates satisfaction that these preferences are being met during delivery or have evolved [European Commission, 2015 (1)].

Opening-up public sector information in electronic format is a powerful tool to foster data-driven businesses and thereby growth; it is expected to bring about economic gains of around €40 billion a year (Vickery, 2011). The direct impact of Open Data on the EU-27 economy was

estimated at €32 billion in 2010, with an estimated annual growth rate of 7% (Capgemini, 2013).

ICT and automation are definite drivers for better public service provision, but one also has to reflect some risks:

Don't digitise the bureaucracy - Technology considerations should really come at the end of integrated design approaches based on streamlined processes otherwise one risks digitising the bureaucracy, rather than provide seamless services.

Share and reuse tools, systems and services (Deloitte, 2012) – the temptation to re-invent the wheel in ITC is considerable. Many ICT projects are overpriced and underperforming. Many proven digital solutions for public services already exist and are freely available from various EU programmes such as Connecting Europe Facility¹² (CEF) or ISA via the JoinUp platform¹³.

Data protection - it is fundamental that data protection rules are fully respected. Without it, citizens would lose trust in their public administrations.

Security - cyber threats are a borderless problem and have a negative impact on our economy, on citizens' fundamental rights and on society at large. Protection of personal data, privacy and confidentiality are important pre-conditions for increasing trust in and take-up of digital services.

3.7. Public administration reform in times of crisis

The need to balance austerity with growth policies has put government efficiency high on the economic policy agenda. Administrative reforms that boost internal efficiency can alleviate the trade-off between consolidation and public service provision.

The experience in European crisis countries shows that an ineffective public sector is a crucial obstacle to economic recovery. While a crisis could be a potent

catalyst for reforms, it should not be taken for granted that crisis prepares the ground for overcoming institutional deficiencies. A powerful bureaucracy can constrain the opportunities of a crisis to promote reform (Asatryan, et al. 2016).

3.8. Managing successful reform – Ingredients for success

To sum up the discussion in the previous sections, there are few “one-size-fits all” approaches to building better public administration. We need to focus on how to achieve real improvements within a given (political) context. Hence, political economy analysis and policy dialogue are important starting points for any successful reform design and delivery. Here are some cross-cutting tips for successful reforms (Hammerschmid, et al. 2016):

Reforms should be based on **ex-ante evaluations** of particular circumstances and evidence about key challenges and deficits;

Focus administrative reforms less on cost-cutting but more **on objectives/results** and aim for broader public and staff involvement;

Changing formal structures and rules is **not sufficient** and sometimes is not needed;

Developing the human capital of the administration, focusing on administrative culture and informal processes is key to results;

The level of **management autonomy** and politicization can limit reform implementation and impact;

Pay attention to the **rhythm and pacing** of reforms; avoid reform overload!

Pragmatic approach: simple systems which are relevant for both management and staff;

No quick fixes: patience and perseverance is key to successful reforms; Do not regard reforms as a political or technical exercise - **communication, consensus-seeking, and building trust** are imperative;

Implementation should be based on **continuous reviews/evaluations** of what works and what does not work.

¹² <https://ec.europa.eu/digital-single-market/en/connecting-europe-facility>

¹³ <https://joinup.ec.europa.eu/>

4. CROSS-EXAMINATION OF STATE OF PLAY

4.1. Reform priorities in Member States

What are perceived public administration reform priorities? According to a survey of public executives in selected Member States (Hammerschmid, et al. 2016), digital or e-government dominate the agenda, on equal basis with better collaboration and cooperation in the public sector.

This is followed by a focus on transparency. Downsizing is still important, as are improving outcomes/results and cutting red tape. Privatisation, creation of agencies as well as 'contracting out' has lost significant momentum as a reform priority.

Figure 9 – Reform priorities in selected Member States



Source: Hammerschmid, et al. 2016

The focus of "indicator-based accountability" for performance measurement is gradually substituted by a focus on "indicator-based learning" (Van Dooren, et al. 2015).

4.2. Inspiring examples of public administration reforms in Europe

The following selection of inspiring examples is a portfolio of six different cases of different scale, scope, sub-sector

and context¹⁴, which show ways to address the challenges and opportunities outlined in previous sections.

Multi-dimensional public administration reform in Spain

Extreme budgetary pressure induced by the 2008 financial crisis led to a realisation in the Spanish government that there needs to be broad-ranging and fundamental change in the public administration. A comprehensive approach and rigorous implementation, with close monitoring of results, makes it exemplary:

The **Commission for the Reform of Public Administrations** (CORA) was created under the Spanish vice-presidency, with relevant high-level stakeholders, to improve the efficiency and efficacy of public activity, reducing its cost without any decrease in the quality of services provided. CORA focused on administrative duplication, administrative simplification, managing common services and resources, and institutional administration. CORA proposed 218 measures aimed at improving and simplifying the functioning of public administrations, both on national and local level.

These measures are being systematically implemented by the Office for the Execution of Administration Reforms (OPERA), and the impressive results in terms of efficiency, administrative clarity, cost savings and better service are regularly reported and scrutinised by the CORA.

¹⁴ For many more inspiring examples please refer to the Quality of Public Administration Toolbox [European Commission, 2015 (1)].

Achieving results by empowering staff in Belgium

Most public administration reforms are politically driven and orchestrated in a top-down manner. An inspiring example from Belgium shows, however, that a lot of positive change can also be achieved, simply by good management on organisational level.

The **Federal Public Service of Social Security** (FPS) transformed from "*the worst ministry in the western hemisphere*" to become the "*sexiest employer in Belgium*", in the words of Frank van Massenhove, who took over its management in 2002. He developed a unique management style, based on employee trust, autonomy, and flexibility; while being very clear about expected results. Staff work in self-organising teams with little management interference. People are free to work where they want, thus reducing the need for office space. This led to huge savings in running costs. The remaining office space is designed to encourage collaboration and team work. – The approach made FPS the most attractive public sector employer in Belgium, providing a large pool of talent. The culture, management style, working practices and physical environment have come together in substantial productivity improvements. Burn out and absenteeism due to sickness has all but disappeared.

Seamless e-service organisation in Estonia

E-government is an important theme for modernising public administration. Achieving its true potential of better services, more integrated organisation and lower cost, is however not so easy to achieve in practice. The Estonian e-government system is recognised as world-class for a reason in this regard:

The X-Road is a technical and organisational infrastructure that provides the interface between portals (for citizens, businesses and administrators), base registries (population, health & social insurance, vehicle, tax and customs databases etc.) and the state's information

systems, enabling 'once only' data registration and a comprehensive and flexible package of online services. Public and private sector enterprises and institutions can connect their information system through X-Road in an efficient and secure data eco-system. X-Road is also scalable, as additional systems can be added at low cost. Officials can use the services intended for them in the information systems of their own institutions. This avoids the labour-consuming processing of paper documents, large-scale data entry and data verification. Communication with other officials, entrepreneurs and citizens is faster and more accurate. Over 170 databases now offer their services over the X-Road in Estonia, providing over 2 000 services. Over 900 organisations use the X-Road daily in Estonia, and more than 50% of inhabitants through the information portal 'eesti.ee'.

Forward looking policies planning in Finland

Most public administrations are reactive when dealing with problems. Preparing to anticipate the future can be imperative in an increasingly volatile, unpredictable, complex and ambiguous environment. Finland sets an example:

The **Committee for the Future** in Finland is a permanent committee of 17 parliamentarians representing all parties and is underpinned by the Constitution. They deliberate about matters affecting future development, acting in effect to guard against short-sightedness by government. They are not involved in legislative proposals or scrutiny. They act in an advisory function, conduct relevant futures research and assess technological development and societal consequences of policies. Participatory techniques such as citizen hearings or crowd-sourcing are part of developing appropriate methodology for futures research. Their work has for example influenced health care policy, changing Finnish politics mind-sets towards considering long term future options, and direct democracy experiments.

Providing Better Public Services – Customer Journey Mapping in France

Citizens and business expect better public services that make compliance with regulation easy and are customer friendly. France made a very good effort to meet these expectations:

The **Secrétariat général pour la modernisation de l'action publique** develops a genuine user centric approach for providing public services, covering the entire administrative journey taken: of interacting with a number of government agencies, documents to be provided, case files to be opened, and time limits to be

complied with. The approach has already successfully eased many administrative interactions of users. From preparing for retirement to setting up a business, dealing with the death of a close family member or enrolling on the electoral register. Experience of this approach proves that a phase of listening to users helps to quickly identify specific ways in which the service provided can be improved. And the most effective improvements are not always the most complicated to put in place.

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6. USEFUL RESOURCES

- European Commission, 'Quality of Public Administration – A Toolbox for Practitioners'
<http://ec.europa.eu/toolbox>
- European Commission, E-government action plan
<http://ec.europa.eu/digital-single-market/en/news/communication-eu-egovernment-action-plan-2016-2020-accelerating-digital-transformation>
- European Commission, European Data Portal
<http://www.europeandataportal.eu/en/dashboard>
- European Commission, Vision for public services
<http://ec.europa.eu/digital-single-market/en/news/vision-public-services>
- European Commission, E-government factsheets
http://joinup.ec.europa.eu/community/nifo/og_page/egovernment-factsheets
- European Public Administration Network (EUPAN)
<http://www.eupan.eu/>
- OECD - Government at a glance, 2015
<http://www.oecd.org/gov/govataglance.htm>
- OECD - Observatory Public Sector Innovation
<https://www.oecd.org/governance/observatory-public-sector-innovation>
- OECD - Recommendation of the Council on Digital Government Strategies
<http://www.oecd.org/gov/digital-government/Recommendation-digital-government-strategies.pdf>
- SIGMA – Principles of Public Administration
<http://www.sigmaweb.org/publications/principles-public-administration.htm>
- European Semester Factsheet on Taxation
- European Semester Factsheet on Anti-corruption
- European Semester Factsheet on Public Procurement
- European Semester Factsheet on Effective Justice Systems
- European Semester Factsheet on Public Finance Sustainability

Case examples

- Public administration reform in Spain
http://www.seap.minhap.es/en/web/areas/reforma_aapp.html
- Federal Public Service of Social Security, Belgium
<http://socialsecurity.belgium.be/en>
- E-government in Estonia
<https://www.ria.ee/en/x-road.html>
- Policy Planning in Finland
<http://www.fdsd.org/ideas/the-committee-for-the-future-finnish-parliament>
- Customer Journey Mapping in France
<http://www.modernisation.gouv.fr/en/mapping-users-journey-improve-service-public>

7. OVERVIEW OF EU SUPPORT FOR IMPROVING PUBLIC ADMINISTRATION

European Commission initiatives and support in this area cover: funding, elements of a policy framework for e-government, research, technical guidance and support.

Funding

Key funding sources include the [European Social Fund](#) and the [European Regional Development Fund](#):

- [Thematic objective 11](#) finances 'Enhancing institutional capacity of public authorities and stakeholders and efficient public administration', via ESF/ERDF with a budget of about EUR 4.2 billion in 17 Member States.
- The ERDF complements this with a focus on e-government infrastructure under [Thematic Objective 2](#).

The [Connecting Europe Facility](#) invests in cross-border e-government inter-operability and promotes the re-use of common key digital enablers.

E-government policy

A policy framework is most developed in the area of e-government:

- The [eGovernment Action Plan 2016-2020](#) sets out a vision for public administrations, underlying principles and policy priorities.
- The [eIDAS Regulation](#) has set out a predictable legal framework for people, companies (in particular SMEs) and public administrations to confidently go digital through the use of electronic identification (eID) and trust services (i.e. e-signatures, e-seals, e-time stamping, e-delivery service and website authentication).
- **Studies** are helping to better understand, inter alia, how to reduce administrative burden, how to move towards open government and to analyse the value of the new generation of eGovernment services (see references).
- Furthermore, **sharing of good practices**, searchable databases with relevant use cases on e-government are also important learning and support mechanisms.

Research & innovation support

In addition, the EU is funding research and innovation projects via FP7 / Horizon 2020, e.g. [LIPSE](#) (*Learning from Innovation in Public Sector Environments*), [COCOPS](#) (*Coordinating for Cohesion in the Public Sector of the Future*), or [OPSI](#) (*OECD Observatory of Public Sector Innovation*).

The Commission's Joint Research Centre's [Behavioural Insights Applied to Policy](#) (BIAP) study helps to assess status quo and advance knowledge for better policy making.

Guidance and technical assistance

The Commission guides and supports Member States via the [EU Quality of Public Administration Toolbox](#), and facilitates peer-to-peer learning and networking.

To help Member States improve their administration on demand basis, the Commission has set up a [Structural Reform Support Service](#), which will provide technical assistance via a *Structural Reform Support Programme*.

Last but not least, the European Commission co-funds the [European Public Sector Award](#), hosted by the European Institute for Public Administration (EIPA).