1. INTRODUCTION

Public administration reflects the institutional foundations of how countries are run\(^1\). Public administration addresses society's needs, and functions based on organisational structures, processes, roles, relationships, policies and programmes. It shapes sustainable economic prosperity\(^2\), social cohesion and human wellbeing\(^3\). It influences social trust and moulds the conditions for creating public value\(^4\).

Institutions play a fundamental role in setting the right incentives, lowering uncertainty and making prosperity possible in the long run. Weaknesses in the functioning of public administration can create significant obstacles for the functioning of the Single Market, for investment at regional and local level\(^5\), as well as for innovation.


\(^4\) 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.

\(^5\) Committee of the Regions, 'Results of the CoR online consultation on obstacles to

The EU supports efforts in this area with funding, technical standards and tools, analysis, peer exchange, guidance and technical assistance (see Annex 1).

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

2. KEY CHALLENGES

2.1. Achievements and limitations of recent reform efforts

The past two decades of reforms in Member States have somewhat improved the cost effectiveness and efficiency of public administration. Overall, institutions have become more open and transparent, and access to and quality of services has increased. Yet, citizens' trust in investments at local and regional level', Secretariat of the Commission for Economic Policy (ECON), Brussels, September 2016.
Many reform initiatives across Europe concentrate on reshuffling formal structures and procedures. They are often driven top-down, reflecting a political or budgetary logic, and sometimes neglect developing human potential, rethinking government operation or changing administrative culture. Public managers often face low levels of autonomy. Institutions are rarely encouraged to nurture internal reflective capacity, learn from failure or innovate. In many countries, prolonged and intensive formalistic restructuring has led to general reform fatigue.

Member States who joined the EU after 2004 carried out substantial administrative reforms as part of their preparation for EU membership. These aimed to modernise policy-making, improve effective coordination, and create a merit-based civil service able to attract and retain well-qualified staff.

Several years after accession, however, in many of these countries the moment-

---

6 From 1= strong deterioration to 7= strong improvement.
tum was lost. Many aspects of administrative change remained fragile and fragmented. Sustainability was often compromised by a lack of political consensus about substance and direction, a failure to tackle underlying politicisation, and weak, unstable core government institutions. The absence of a professional, non-partisan top management to steer the modernisation left numerous legal amendments empty shells, not followed by working practices.

2.2. Executive capacity

The Sustainable Governance Indicators look at governments' capacity to deliver sound policies as well as the participatory and oversight competencies of social actors. They reveal the existence of large differences within the EU in terms of executive capacity and accountability. A significant number of countries still scarcely use in practice their formal arrangements for better policy making.

Strategic planning and coordination is the weakest in Greece, Cyprus and Hungary. It is best integrated into the policy process in Denmark, Finland and the UK. In a significant number of countries the use of evidence in policy development is still limited and the quality of regularity impact assessment (RIA) needs to be improved significantly. Stronger involvement of civil society and academia in policy development and evaluation can boost the quality of policies in Greece, Hungary and Romania.

Overall 14 EU Member States show a downward trend in the overall governance index (Estonia, Croatia, Latvia, Lithuania, Luxemburg, Hungary, Netherlands, Poland, Portugal, Slovenia, Slovakia, Finland, Sweden). Only three countries (Italy, Cyprus and Malta) show a more substantial improvement in their executive capacity (above 0,5 p.p.) over the last 4 years, since the launch of the indicators.

2.3. Developing employee potential in public administration

The public sector is EU's biggest 'industry'. It employs around 75 million people, or around 25% of the workforce. Public expenditure amounts to almost 50% of GDP.

The latest surveys show that, after a drop in 2012 (to 7% in Greece and 4.7% in the UK), overall government employment in Member States has returned to pre-crisis levels. Some countries experienced staff cuts (3.5% in Latvia, 3.6% in the Netherlands), while others have increased public administration staff numbers by up to 2 p.p. (Czech Republic, Estonia, Hungary, Slovenia). Available data suggest that central and sub-central governments have generally shared the burden of employment adjustments. There are a number of exceptions, although in some cases they reflect the reorganisation of service delivery between levels of government.

The aging of civil servants is the biggest risk for public institutions across EU. Some countries (Belgium, Spain, Italy) will see up to 45% of their civil servants retire in the next 15 years. This raises serious concerns about long-term capacity, institutional stability and quality of services.

Effective strategies to attract talent, ensure transfer of knowledge and offer career development need to be put in place.

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. Politicisation and the lack of meritocratic civil service recruitment breed corruption in public administration and undermine performance.

Reduction in public spending during the crisis has affected employee compensation and investment in training in the public administration. On average, the compensation of senior civil service professionals is 2.6 times less than that of their senior administrative managers. Italy has the biggest gap between compensation of top public servants (and senior managers, while Greece, Latvia and Slovenia have the smallest. Overall, job intensity and stress have increased in public administration. There has not been an observable increase in unethical behaviour.

Most human resources policies focus on performance, but the development of employee potential is not always given the same level of priority. Process management wins over people management. In some Central and Eastern European countries, approaches at central and sub-central level are incoherent. Given the key role of the sub-central level in service delivery (and in some cases regulation), better coordination across all levels of government will help address the need for a skilled and high-performing civil service.

2.4. Quality of public services

According to a recent survey, the quality of a country's public services correlates with the level of trust in public administration, the ease of doing business, and societal well-being. It is also a good proxy for the general well-functioning of a state.

Figure 2 shows stark differences in how public services are perceived across the EU.

18 OECD definitions used. 'Top public servants' are the officials below the minister or secretary of state. 'Senior managers' are the level below top public servants. 'Senior professionals' are the policy analysts and other professionals involved in policy and programme development.

19 European Commission, Overview of public administrations in EU Member States, forthcoming.
20 see EU Open Data Portal, Standard Eurobarometer 85, 2016 data volume A.
Figure 2 — Perceived quality of public services

Figure 2 shows stark differences in how public services are perceived across the EU.

2.5. Online service delivery

Well-designed eGovernment services have the potential to transform the quality and efficiency of public service provision.

Figure 3 — performance of eGovernance

Source: European Commission, 2016
The 2017 eGovernment Benchmark report however highlights large variations in eGovernment performance across Europe. The best performing cluster is composed of the Nordic countries, the Baltic countries, the Iberic countries, the Nordic countries, Germany, Malta, the Netherlands and Austria. The worst performing cluster is composed of countries from south-eastern Europe. Performance is measured as an average of scores for 4 top level benchmarks: user centricity, transparency, cross-border mobility, key enablers.

Looking at the priorities of the new eGovernment Action Plan, which aims to shape new initiatives using the seven principles listed below, the EU eGovernment benchmark report shows that online public services improved unevenly:

'digital by default': Mandatory business eServices are common practice in many countries (half of EU countries have made one or more online service mandatory), and services addressing students have increased (in 11 of 34 countries). This is not the case for the rest of the EU, however (4 of 34 countries).

In the Member States with the most developed online services, the online channel is the default channel for up to 43% of citizen services. However, 48% of EU citizens needing to use public services are still unable to use the online channel, with missing skills being the key barrier.

'once-only principle': The reuse of information has only slightly increased, by 1 percentage point, and information is now re-used in half of public services. 10% of the services needed when starting a business have been automated, but this figure is much lower for citizen services. The use of legacy software has caused significant complications for modernising eGovernment services and is preventing the full implementation of the 'once-only principle'.

'inclusiveness and accessibility': Almost all EU citizens have the possibility to access the internet. The use of mobile devices to access the internet has increased dramatically over the past five years: now 1 in 2 public websites is 'mobile-friendly'.

'cross-border by default': The business mobility benchmark indicates that cross-border services are lagging behind: 17% of the services entrepreneurs need to start their businesses (or information about these services) are unavailable from a foreign country. In contrast, entrepreneurs starting a business in their own country face this issue in fewer than 1% of cases.

The most common barriers are language, lack of information on the website, and the need for a physical meeting to provide the service.

'interoperability by default': Findings indicate that interoperability in EU could be slowly improving: at the moment, in only 31% of cases an eDocument issued abroad is accepted in only 31% of cases and a foreign eID can be used in only 22% of cases.

'trustworthiness & security': Most EU citizens feel that they have some control over the information they provide online (the possibility to manage personal data in online public services), but most do not have a feeling of complete control (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 opposite is also observed in some countries.

eID can guarantee the unambiguous identification of a person and make it possible to deliver the service to the person who is entitled to it. Nearly all Member States have or are setting up a nationally supported eID scheme. However, a lack of common legal basis prevents Member States from recognising and accepting eIDs issued in other Member States.
Transparency has improved as regards governments’ own responsibilities and performance, the service delivery process, and the personal data involved. Although transparency seems to be on the agenda of most governments, results vary and do not indicate 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’\(^{21}\) and the definition of rules on their re-use have the double benefit. They increase governments’ transparency and accountability and also stimulate the provision of innovative online services by private operators\(^{22}\). Open data can further stimulate research and citizen participation to boost the evidence base in policy making.

The overview of the Member States Open Data readiness and portal maturity reveals that countries need to raise more (political) awareness around Open Data, increase automated processes on their portals to increase usability and re-usability of data, and organise more events and trainings to support both local and national initiatives\(^{23}\).

2.7. Public administration in times of fiscal consolidation

The financial crisis has increased budgetary pressure on governments and the public sector, and has thus pushed budget management to the forefront of public sector reform. Responses to the crisis have been diverse and highly dependent on country-specific and contextual factors. While it could be argued that targeted cuts should be favoured over a one-size-fits-all approach, many Member States chose proportional cuts as their approach.

![Figure 4 — Open data](source: European Commission, 2016)

---

\(^{21}\) The ‘open data’ indicator measures the status of open data and public sector information re-use throughout the EU (the indicator ranges from 0 to 700). See: European Commission, European Public Sector Information Scoreboard, 2014.

\(^{22}\) European Commission, Communication on Building a European Data Economy, 2017.

2.8. Public administration and societal challenges

The role of public administration is to anticipate societal challenges and address them proactively in order to reduce shocks for citizens and business. Yet, public administration itself is affected by major external trends, as shown in Annex 2.

There are no immediate solutions that would respond to these trends. Future public organisations should aim to be: mission-oriented, innovation-led, long-term focused, decentralised, networked, and risk-taking. Anticipating the transformation ahead could help public managers equip their institutions with the necessary capacities, skills, knowledge and structures.

3. POLICY LEVERS TO ADDRESS THE CHALLENGES

3.1. Ingredients for better public management

Public administration forms part of the broader public governance framework. The political context therefore needs to be taken into account in the design and delivery of administrative reforms.

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 policies:

**Results & Accountability**

<table>
<thead>
<tr>
<th>Institutional structures and processes</th>
<th>Public service and human resources management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy development and implementation</td>
<td>Service delivery</td>
</tr>
</tbody>
</table>

3.2. Results & Accountability

As complexity of modern society and expectations for delivery of results from governments steeply increase the dominating transactional approaches in public management need to shift to systems thinking. A key element of such an approach is the accountability of government based on meritocracy, transparency and citizen engagement. The public authorities need to use better the knowledge, judgment, initiative, and integrity its employees to produce greater public value.

3.3. Institutional structures and processes

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

---

28 The interlinked and highly relevant aspect of public financial management is dealt with in a separate factsheet.
31 For an approach to measuring meritocracy, see Charron, Nicholas, et al., 'Measuring meritocracy in the public sector in Europe, A New National and Sub-National Indicator', working paper series, the Quality of Government Institute, University of Gothenburg, 2015.
32 An approach promoted by the so called New Synthesis framework, see: Bourgon, Jocelyne, 'A New Synthesis of Public Administration: Serving in the 21th Century', School of Policy Studies, Queen's University, 2011.
The following opportunities could contribute to improving the overall system:

**Improve systemic productivity**, by improving the quality of relationships and collaboration;

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

**Ensure that powers/responsibilities are matched** with resources at every administrative level;

**Encourage intermunicipal 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;

**Use holistically designed ICT solutions** which can transform inter- and inner-institutional interaction and communication and thus improve the performance of public administrations.

There is no one-size-fits-all approach to public sector organisation. There is a need for a differentiated approach that takes into account the costs and benefits of designing and managing different governance-style combinations for the achievement of desired outcomes and optimised resource allocation based on different needs. Traditional hierarchies are increasingly being 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 across different administrative entities, while sharing infrastructure, processes, data, assets, knowledge, resources, content and tools.

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

At the same time, blindly breaking down institutional entities can make formal structures disappear, and these may be needed for effectiveness and accountability.

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

For **multi-level governance** to function well, responsibilities of subnational authorities need to be clearly defined. Their powers, resources and capacities need to be line with their responsibilities. Territorial division needs to be viable and boundaries uncontested; and the scope for top-down interference in the autonomy of

---

37 Niestroy, Ingeborg and Meuleman, Louis, 'Teaching Silos to Dance: A Condition to Implement the SDGs', IISD, SDG Knowledge Hub, 2016.
38 Netivist, 'Political organisation: centralisation vs decentralisation — which is the best approach?', 2015.
subnational authorities should be clearly regulated.

3.4. Public service and human resources management

Employees are the main asset of public organisations. With aging and increased automation of 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. Particular opportunities for organisational development through human resources management include:

- **Plan your workforce** to improve performance by having the right people with the right skills at the right time;
- **Attract new recruits** to public administrations with better employer branding and talent management;
- **Enable mobility** within and across institutions, to share know-how and build flexibility and responsiveness; exercise caution as stability and reliability also matter;
- **Facilitate the evolution of the manager role** to that of a facilitator and team supporter, rather than controller and decision-maker; use quality management systems for self-improvement;
- **Foster teamwork** and collaboration, knowledge management, including learning networks and intergenerational learning;
- **Apply 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; survey and assess staff satisfaction;

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.

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 risk of loss of efficiency.

**Feedback-based HR practices** should be pursued to increase motivation, collaboration and professionalism in the public administration. However, if not managed properly HR practices can be divisive and de-motivating, and could discourage teamwork.

**Improving human resources management** in public authorities is highly context-dependent, and models are not necessarily transferable. 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.'

The policy process is not only linear and composed of sequential stages, but also has interlinked and interdependent elements and feedback loops. The impact of policy decisions should always be

---

39 Buis, Hans and Boex, Jamie, 'Improving local government performance by strengthening their 5 core capabilities', VNG International, 2015.


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 for this include:

**Build analytical capacity** and a better evidence base, and apply data analytics, design thinking and behavioural insights to policy-making;

**Engage civic society, research and professional organisations** in co-creation and 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);

**Increase transparency and openness** and make data available for the 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 interests of wider society, should be avoided.

**Think beyond legislation.** While legislation is still a prevailing policy instrument, some countries are increasingly experimenting with behavioural insights to achieve desired policy outcomes.\(^{42}\)

Key challenges are not single-sector, single-organisation problems. Member States have experimented with dedicated analytical departments, policy labs (such as the Dutch CPB, Denmark’s MindLab or the UK’s Nudge Unit), and task forces (like Finland’s futures research, or the Netherlands Smarter Network).

The role of data is very important in creating effective and reliable policies as they provide a solid evidence base to draw upon. 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.\(^{43}\) The availability of core statistics is fundamental. Representatives of policy sectors should make clear 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.

The TAIEX REGIO PEER 2 PEER expert exchange system is a tool that matches needs with expertise in different countries. The demand-driven tool responds directly to specific requests by national or regional authorities managing the European Structural and Investment Funds through expert missions, study visits and specific workshops.

TAIEX-FIR P2P is another Commission tool designed to support the sharing of expertise between national, regional and local public authorities in charge of implementing EU environmental law and policy.

### 3.6. Service delivery

This is the point where policy meets the every-day life of citizens. Current social, technological and economic changes create new expectations for public

---

\(^{42}\) OECD, ‘Behavioural insights and new approaches to policy design — The views from the field’. Summary of an international seminar, Paris, 2015.

\(^{43}\) European Commission, 'Quality of Public Administration — A Toolbox for Practitioners', 2015.
services. Many users expect personalised, simplified or automated services that are delivered through their preferred channels, increasingly mobile\textsuperscript{44}.

Accordingly, attention could be given 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 and empathy-based techniques;

**Deliver services at a time, place and pace that suits users** best, and combine the 'digital by default' principle with multi-channel options\textsuperscript{45};

**Enable 'once-only' registration and no-stop shops** (where services are 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 overlap or are outdated;

**Apply creative decommissioning** and replace obsolete services to achieve better outcomes;

**Move to shared internal services** where appropriate, to increase efficiency and 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 improve the security and convenience of any online activity, such as submitting a tax declaration, enrolling in a foreign university, setting up a business in another Member State, bidding for an online call for tender, etc.

The **digital-by-default** strategy at EU level could result in around €10 billion of annual savings\textsuperscript{46}. Going digital is also essential for efficient and accountable public budget management\textsuperscript{47}.

Applying the 'once-only' principle in the EU would likely generate an annual EU-level net saving of around €5 billion per year by 2017\textsuperscript{48}.

Users today also expect public administrations to be open and transparent, and to allow them to track administrative processes and procedures, give feedback about the quality of provided services, contribute to administrative improvements and the implementation of new ideas. Consultation should be seen as a continuum that starts with identifying initial needs and expectations, and moves on to monitor and evaluate satisfaction with how these preferences were met during delivery or have evolved\textsuperscript{49}.

\begin{flushright}
\textsuperscript{44} European Commission, eGovernment Benchmark Report, 2017.
\textsuperscript{45} The Vanguard Periodical, 'The Vanguard Method and Digital', 2017.
\textsuperscript{46} European Commission, 'Study on collaborative production in eGovernment (SMART 2010/0075)', 2010.
\textsuperscript{48} European Commission, 'Study on eGovernment and the Reduction of Administrative Burden (SMART 2012/0061)', 2012.
\textsuperscript{49} European Commission, 'Quality of Public Administration — A Toolbox for Practitioners', 2015.
\end{flushright}
Making public sector information available in electronic format is a powerful way of supporting data-driven businesses and thereby growth. It is expected to bring about economic gains of around €40 billion a year. The direct impact of open data on the EU economy was estimated at €32 billion in 2010, with an estimated annual growth rate of 7%.

ICT and automation are definite drivers for better public service provision, but one also has to reflect on 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 providing seamless service.

**Share and reuse tools, systems and services** — the temptation to re-invent the wheel in ICT 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 the Connecting Europe Facility (CEF) or ISA via the JoinUp platform.

**Data protection** — it is fundamental that data protection rules are fully respected. If they’re not, 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 preconditions for increasing trust in and take-up of digital services.

---

50 Vickery, Graham, 'Review of recent studies on PSI re-use and related market developments', 2011.
52 Deloitte, ‘Study on cloud and service oriented architectures for eGovernment’ (for European Commission), 2011.

---

3.7. Managing successful reform — Ingredients for success

The question how to design and deliver reforms that bring expected outcomes and benefits is a central one. Consideration of the specific context including the political process is an important starting point. Here are some further cross-cutting tips for successful reforms:

- Reforms should be based on ex-ante evaluations of particular circumstances and evidence about key challenges and deficits;
- Focus administrative reforms less on cutting costs and more on objectives/results, and aim for broader public and staff involvement;
- Changing formal structures and rules is not sufficient and sometimes not necessary;
- Developing the potential of public officials to develop their skills and competences for the future. Focus on administrative culture, engage in medium and long-term plans for transition to younger, small, flexible organisations socialised into public sector values;

The level of managerial autonomy and politicisation can limit reform implementation and impact;

- Pay attention to the rhythm and pacing of reforms; avoid reform overload!
- Adopt a pragmatic approach: use simple systems that are relevant for both management and staff;
- No quick fixes: patience and perseverance are an important part of 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 review/evaluation of what works and what does not.

4. CROSS-EXAMINATION OF STATE OF PLAY

4.1. Reform priorities in Member States

What are the perceived priorities for public administration reform? According to a survey of public executives in selected Member States, digital or eGovernment services dominate the agenda, on an 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 and 'contracting out' have all lost significant momentum as reform priorities.

The focus on 'indicator-based accountability' in measuring performance is gradually being replaced by a focus on 'indicator-based learning'.

4.2. Inspiring examples of public administration reforms in EU

The following selection of inspiring examples presents a portfolio of six different cases of varying scale, scope, sub-sector and context, 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 the Spanish government to realise that a wide-ranging and fundamental change in the public administration is needed.

Figure 5 — Reform priorities in selected Member States


60 For many more inspiring examples please see 'Quality of Public Administration — A Toolbox for Practitioners', European Commission, 2015.
A comprehensive approach and rigorous implementation, with close monitoring of results, makes this case exemplary:

The Commission for the Reform of Public Administrations (CORA) was created under the Spanish vice-presidency, in cooperation with high-level stakeholders, to improve the efficiency and efficacy of public activity and reduce costs without any decrease in the quality of services provided. CORA focused on removing administrative duplication, increasing 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 at national and local level.

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

Achieving results by empowering staff in Belgium

Most public administration reforms are politically driven and orchestrated in a top-down manner. However, an inspiring example from Belgium shows that positive change can also be achieved simply through good management at the organisational level.

The Federal Public Service of Social Security (FPS) transformed from 'the worst ministry in the western hemisphere' to the 'sexiest employer in Belgium', in the words of Frank van Massenhove, who took over its management in 2002. Van Massenhove used a unique management style based on employee trust, autonomy, and flexibility, while being very clear about expected results. Staff members work in self-organised 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 teamwork. The approach made FPS the most attractive public sector employer in Belgium. The culture, management style, working practices and physical environment have contributed to substantial productivity improvements. Burn-out and absenteeism due to sickness have all but disappeared.

Child benefits without application in Austria

eGovernment is an important theme in modernising public administration. Achieving its true potential of better services, more integrated organisation and lower costs is however not so easy in practice. Austria provides an example of how rethinking of processes can bring benefits both for the citizens and the administration:

The project 'Child Benefit without Application' is a 'no-stop shop' solution based on integration of processes and interoperability. Before that, citizens had to make an individual application for child benefit, either at the tax authority, by post, or online (only 20% of the applications). The case officers would then collect the relevant data and assess the application.

After the project, the notification for a live birth from the hospital triggers a fully automated process. The system generates the birth certificate and checks the child benefit entitlement by matching necessary data in relevant databases. Within two days, on average, the application is processed. An automatic payment is made in more than 60% of cases. In 45% of remaining cases only the bank details are requested in addition. The time savings to citizens are estimated around 39,000 hours per year. The registered error rate is 2%. By reducing the application workload, the administration can redeploy its staff to other tasks requiring human involvement.
Forward-looking policy 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:

Finland’s Committee for the Future is a permanent committee of 17 parliamentarians representing all parties, and is underpinned by the Constitution. Members deliberate about matters affecting future development, acting in effect to guard against governmental short sightedness. They are not involved in legislative proposals or scrutiny. They act as advisors, carry out relevant futures research and assess technological development and societal consequences of policies. They use participatory techniques such as citizen hearings and crowdsourcing to develop appropriate methodology for futures research. Their work has for example influenced health care policy, changing the mindset in Finnish politics towards considering long-term future options.

Providing better public services — Customer journey mapping in France

Citizens and businesses expect better public services that make compliance with regulation easy and are customer friendly.

Date: 22.11.2017
5. USEFUL RESOURCES

- European Semester Factsheets
  https://ec.europa.eu/info/strategy/european-semester/thematic-factsheets_en
  See specifically: Taxation, Anti-corruption, Public Procurement, Effective Justice Systems, Public Finance Sustainability

- European Commission, 'Quality of Public Administration — A Toolbox for Practitioners'
  http://ec.europa.eu/esf/main.jsp?catId=575&langId=en

- European Commission, eGovernment action plan

- European Commission, European Data Portal

- European Commission, Vision for public services

- European Commission, eGovernment factsheets


- TAIEX — Environmental Implementation Review Peer 2 Peer

- European Public Administration Network (EUPAN)
  http://www.eupan.eu/

- OECD — Observatory of Public Sector Innovation


- SIGMA — Principles of Public Administration
  http://www.sigmaweb.org/publications/principles-public-administration.htm

Case examples

- Public administration reform in Spain

- Federal Public Service of Social Security, Belgium
  http://socialsecurity.belgium.be/en

- Child benefits without application in Austria
  https://www.bmfj.gv.at/familie/finanzielle-unterstuetzungen/familienbeihilfe0/antrag-familienbeihilfe.html

- Policy Planning in Finland
  http://www.fdspd.org/ideas/the-committee-for-the-future-finnsih-parliament

- Customer Journey Mapping in France
TECHNICAL ANNEX 1: OVERVIEW OF EU SUPPORT FOR IMPROVING PUBLIC ADMINISTRATION

European Commission initiatives and support in this area cover: funding, elements of a policy framework for eGovernment, 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 €4.2 billion in 17 Member States.
- The ERDF complements this with a focus on eGovernment infrastructure under **Thematic Objective 2**.
- The **Connecting Europe Facility** invests in cross-border eGovernment interoperability and promotes the re-use of common key digital enablers.

eGovernment policy
The most developed policy framework is in the area of eGovernment:

- The [eIDAS Regulation](http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014R0910) 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 how to reduce administrative burden, move towards open government and analyse the value of the new generation of eGovernment services (see references).
- The **sharing of good practices** and searchable databases with relevant eGovernment case studies 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](http://europa.eu/legislation_summaries/transport/innovation/lipse_en) (Learning from Innovation in Public Sector Environments), [COCOPS](https://ec.europa.eu/programmes/consideration-coherence-cooperation) (Coordinating for Cohesion in the Public Sector of the Future), or [OPSI](http://www.opsi.org.uk) (OECD Observatory of Public Sector Innovation).


Guidance and technical assistance
The Commission guides and supports Member States via the [EU Quality of Public Administration Toolbox](http://ec.europa.eu/standardisation), and facilitates peer-to-peer learning and networking.
To help Member States improve their administration on a 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).
## TECHNICAL ANNEX 2: SOCIETAL CHANGES AND RESULTING CHALLENGES FOR PUBLIC ADMINISTRATION

<table>
<thead>
<tr>
<th>Societal changes</th>
<th>Challenges for public administration</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Globalisation</strong></td>
<td>The increasing interrelatedness and complexity in society makes it difficult to predict trends in development. Constant disruptions in modern society require constant adaptation, which traditional management and organisational practices cannot cater for. The pursuit of optimisation and efficiency reduces the resilience of public organisations and systems. The need for agile, flexible public administrations challenges some of their traditional principles.</td>
</tr>
<tr>
<td><strong>Demographic change</strong></td>
<td>The ageing population puts more and more pressure on public systems and requires new policy solutions and services, and a different way of using resources. A high proportion of public administration staff is approaching retirement, and there is a need to attract new employees from decreasing numbers of young people entering the labour market.</td>
</tr>
<tr>
<td><strong>Climate change</strong></td>
<td>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.</td>
</tr>
<tr>
<td><strong>Technological change</strong></td>
<td>New technologies bring changes to every aspect of our lives. The government needs to strike the right balance between facilitating change and guaranteeing open and fair competition. New technologies require new reflections on how to ensure security, privacy, transparency, equality, and freedom of expression. Innovation demands major, long-term investments. Those may compete with other priorities for public funding. Technological developments require new skills and competences from public officials. While we default to digital in the provision of services, the digital divide could seriously hamper access in some contexts. Digital technology can recreate bureaucracy and reduce the ability of institutions to capture and respond adequately to citizens’ needs. The types of jobs in the public administration will change with the digitalisation of analytical tasks and advancement of artificial intelligence. Digitalisation needs to strike a balance between centralisation and decentralisation.</td>
</tr>
<tr>
<td><strong>Economic trajectories</strong></td>
<td>Societal challenges increase competition for limited public funds. The quickly changing environment requires governments to react promptly with central strategies. The push for short-term savings creates a need for clear priorities to avoid harming essential services and capacities.</td>
</tr>
<tr>
<td><strong>Public trust in government</strong></td>
<td>The boundaries of the 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. Societal challenges increase mistrust in government and its responses. Social and political movements challenge the legitimacy of the state.</td>
</tr>
</tbody>
</table>

*Source: Based on Pollitt\(^{61}\) and own adaptation*

---