

A REPORT MADE FOR THE EUROPEAN COMMISSION DECEMBER 2008



### A vision of **public governance**

in 2020

A REPORT FOR THE EUROPEAN COMMISSION BY MAARTEN BOTTERMAN, JEREMY MILLARD, EDWIN HORLINGS, CONSTANTIJN VAN ORANJE, MARJAN VAN DEELEN, AND KRISTIAN PEDERSEN

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#### Foreword

The end of this decade is a unique period in which we will work on the 'post i2010'-debate. An important part of this discussion will be how public organisations will evolve in the near future. This booklet is a starting point to think about this.

Focus of public sector activities for the coming years will be on the creation of public value, and user empowerment. The citizen should be in the centre of the process, varying from taylor-made services to engagement in the political process. New technologies make it possible for public bodies to deliver this in collaboration with other actors in society, and to raise citizens' trust in public administration through better transparency and accountability.

It is time to look ahead and to achieve a common understanding of how government should and can work in the near future. We all know that there is still a big step to take. We need the strong commitment of public organisations in Europe to make the vision paper come true.

The European Commission has initiated this report to start the discussion about the future of eGovernment. GNKS is responsible for the content of this report, which presents a list of key transformations and challenges ahead. The vision expressed is to inspire and stimulate the debate on these issues as a basis for the renewal of the European eGovernment agenda beyond 2010. We hope that you will be part of the discussion on the future of eGovernment.

Mechthild Rohen

Head of Unit ICT for Government and Public Services Information Society and Media Directorate-General European Commission



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# Value for citizens A vision of public governance in 2020

The public sector is moving into a new era in which the provision of public services will be oriented towards the creation of public value and user empowerment. This transformation is part of an historical evolution with its own rationale and momentum, but which is being strongly supported and enabled by information and communication technologies (ICT). Indeed, the two are clearly linked and drive each other. ICT has today become mainstream in any public sector or government activity, whether making administrative processes more efficient or providing more effective services for citizens and businesses.

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. Public value is about all resources – facilities, services and information – which are shared by every individual and available to all. Optimising public value, therefore, requires governments to maximise the benefits that can be obtained from sharing resources between all stakeholders in society.

The creation of public value will contribute to empowering individually and collectively all actors that play a role in the constitution of society. It will increase the capacity of these social actors to function in society and take on their social responsibilities.

In order to obtain these benefits, governments in Europe will have to work together to create a new environment that will be characterised by:

 fully joined-up government administrations and networked governance structures;

- responsiveness to user needs and wants by empowering citizens;
- **3.** more open, participative and democratic governments; and
- **4.** new forms of evaluating and improving government performance.



Pursuing these objectives will help to adapt and transform current governance systems to meet the challenges of the 21<sup>st</sup> century. The use of ICT will be central to this transformation.

This vision has its roots in a number of societal transformations and in technological progress. Both are intrinsically linked. How technological innovation can contribute to achieve our objectives will be discussed in part two of this document. The first part will describe the historical transformations that explain why the concepts of public value and empowerment are central to this vision.

# Changing drivers of governance

Our notions of governance – the structures, roles and relationships governing how society functions – are constantly evolving. These changes are strongly conditioned by historical transformations in society's underlying values and organisation and can be analysed from both a long and short-term perspective.

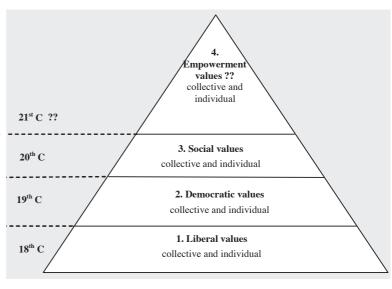
### Long-term perspective on public value and empowerment

Three major transformations of governance structures have taken place in the last two centuries in Europe, and a fourth seems underway, as is illustrated in *Figure 1*. In each of these periods, the dominant perception of the notion of public value changed.

- In the 18<sup>th</sup> century, the foundation of the liberal state laid down the rule of law, the separation of powers, property rights, the institutions necessary for capitalism to flourish, and the protection of individuals from the state and each other.
- In the 19<sup>th</sup> century, the establishment of democratic principles, initially driven by the demands of industrialists and entrepreneurs for their share of power, and then by labour and women's movements, culminated in universal adult suffrage in the early 20<sup>th</sup> century.

- In the 20<sup>th</sup> century, the welfare state became widely established, (largely) as a result of the new universal democratic franchise that compelled governments to support the socio-economic wellbeing of all citizens in such areas as health, education and employment, for the first time.
- Today, in the 21<sup>st</sup> century, 'empowerment' seems to be the next great societal value, in response to the massive increase in information and communication permeating society. There is a coming together of new ICT tools with growing competence, ability and incentive to participate in governance by all sections of society.

Figure 1 Changing political arrangements and the role of the public sector





### Short-term perspective on public value and empowerment

Against the background of this long-term evolution, the dominant notion of public value has also been affected by changes taking place over the last ten to 15 years. Much of these have been driven by the use of ICT. This is mirrored in the evolution of political priorities by the use of ICT by government and the way policy objectives for eGovernment have been defined. This culminated in a triple set of policy objectives, each of which incorporates the previous one, as illustrated in *Figure 2*.

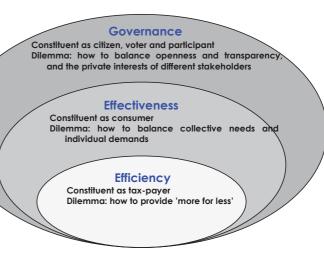
Each policy goal has a distinct view of whom the user is, and thereby government's relation to the user. Each faces specific policy dilemmas:

• Efficiency – the search for cost savings: a dynamic, productivity-driven, innovative and 'value for money' set of institutions, where the user is seen as a tax payer, and the policy dilemma is how to provide 'more for less'.

- Effectiveness the search for quality services: governments producing and delivering interactive, usercentred, user-driven, innovative and inclusive services, where the user is seen as a consumer or customer and the policy dilemma is how to find a balance between collective needs and individual demands.
- Governance: the search for public value: accountable, flexible, participatory and democratic services, where the user is seen as a social participant, voter and decision maker and the policy dilemma is how to balance openness with legitimate privacy and protection of interests.

In an environment where generating public value is a prime concern, an old political dilemma of democracy will re-emerge with additional force: how to balance the conflicting private interests of different members of society with the socio-economic and cultural trade-offs from the decisions taken. This is, of course, the realm of politics, but it will also affect the sphere of government at an operational level.

Figure 2 Evolving policy goals of government



## Key Transformations and challenges ahead

This historical analysis suggests that our vision of the future of governance is consistent with contemporary societal evolutions. Under current conditions, however, there is a limit to the benefits which can be achieved in pursuing these goals. Some Member States have already reached these limits. The power of technology should now be exploited to help change the nature and role of governance itself, building on current achievements, institutional systems and legal frameworks.

#### Fully joined-up government and networked governance

The future belongs to fully joined-up, networked governance. ICT makes it possible to integrate governance systems far better than before. New organisation models and value chains will have to be formed to allow citizens, businesses and other organisations to become more actively involved in governance. Government will need to act as champion and coordinator of these networks, which will have to be transparent and targeted in order to support the optimal development of delivery of public value.

 Governance will opt for pluralistic and more diverse governance arrangements. It will develop leadership, skills and working practices needed to accommodate these changes. This involves new roles for leaders and managers based on negotiation skills, empowerment of staff, new ICT-based multi-tasking skills and flexible working practices.

- Governments will be more open. They will, therefore, create an open source framework of appropriate and shared standards to ensure overall efficiency, transparency and simplicity, but which can simultaneously be openly and flexibly adapted to meet different local or sectoral needs in order to optimise on-the-ground impacts.
- Government systems will become more collaborative. They will bring together the resources, knowledge and know-how of all relevant public, private and civil actors in order to optimise the creation of public value. New modes of collaborative production will stimulate the creation of public-public, public-private and public-civil partnerships.
- Traditional distinctions between the public, private and civil sectors will be affected by blurring administrative boundaries. How public services production takes place will become subordinate to a main criterion of the production of clear public value, and will be done by those who are in the best position to do it, whether a government organisation, business, or citizens themselves.
- Governments will facilitate the re-use of data, including both user-generated data and public sector information. The increased availability and intelligent handling of data will empower public, private and civil institutions.

### Responsiveness to user needs and wants: personalised services

- ICT tools will be used to offer personalised services that create personal or private value enjoyed by all social actors. Personalisation has moved from a far off dream to something tangible, as users increasingly demand made-to-measure services designed for their precise, individual needs, rather than accepting one-size-fits-all offers from an impersonal state. This can be through pro-active services, self-service, pre-emptive services or personal service pathways delivered by any appropriate actor, including social entrepreneurs, and/or commercial intermediaries.
- Self-directed services will accompany personalisation. Users themselves will play a direct role at one or several points along the service value chain, perhaps



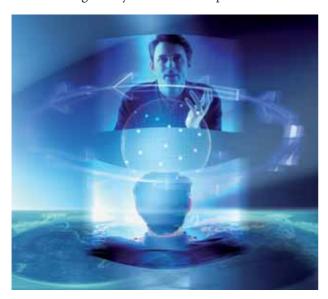


also assembling a complete value chain to suit their specific needs. Users will become directly involved through their own, or participative, service design, new user-determined delivery channels, or choice and control over their own service consumption via personal budgets.

- In addition to ICT-based interfaces, personal services will also be developed. Personal advisers and carers will use ICT support systems to improve the quality of service, either where a personal approach is more appropriate or to fulfil the needs of specific target groups. This can be done by staff operating from existing front offices or dedicated public service centres.
- Personalisation through inclusion will ensure that all groups and individuals, particularly those disadvantaged in some way, can access combined and flexible services using multi-channel delivery systems and multi-modal interfaces.
- Personalisation through intermediation will be achieved by combining the provision of public, private and civil services through new outlets, such as banks, supermarkets or social clubs. Intermediaries will also assist social actors who cannot, or do not wish to access services themselves, but have access to them through these third parties, whether on an informal, professional or commercial basis.

#### More open, participative and democratic government

Another key element of empowerment is the enabling and stimulation of participative policy making. It promotes collaboration between stakeholders in society by attempting to balance or reconcile any conflicts of interest. Critical to participative policy making is ICT-based social networking, in which people are increasingly making their experience and knowledge available to others. Governments will support, encourage and exploit the growth of networks of individuals and interests to improve the quality of governance and services through the 'wisdom of the crowd', and to increase legitimacy and trust in the public sector.



Governments will use ICT to empower citizens, businesses and other organisations from the bottom up. ICT will be used to leverage the voices and expertise of huge numbers of individuals and groups through consultations, active participation and elections. Many barriers to participation can be overcome by making consequences transparent and logical. Governments will actively inform citizens in order to raise awareness and stimulate interaction.

- Governments will empower local communities and localities, beyond formal politics and the ballot box, by promoting subsidiarity at local and neighbourhood level and interaction between policy makers and citizens. This leverages local resources, know-how and skills to develop new forms of political advocacy, social support and social capital and can serve to strengthen diverse cultures and interests as well as act as a bridge between them.
- Governments will encourage new ideas from all sources. ICT will be used to provide a voice by establishing platforms that make it easier for citizens with common interests and viewpoints to get together and refine their ideas. Voice is important. It is not enough for citizens to be able to understand or ratify government decisions; they must also be able to propose ideas and



know that those ideas have been heard and seriously considered.

Governments will develop and use mass collaboration techniques. New services will be used for highly specialised decision and policy support through modelling, visualisation and simulation. The mass collaboration and 'crowd-sourcing' tools of Web 2.0 will become mature and finally find widespread use within the public sector. The roll-out of new generations of Web services (Web 3.0) will begin and large scale networking and GRID based computing will become ubiquitous.

### New forms of managing, evaluating and improving performance

ICT make it possible to conduct almost continuous measurement and analysis. This means that a close tab can be held on developments that potentially require policy action or government intervention. Government will increase its capacity to measure and monitor the effectiveness of policies in society. This requires independent institutions to be able to monitor the quality of governance processes and structures and assess information and communication strategies. Governments also need to be

accountable and transparent while at the same time offering sufficient safeguards for the protection of privacy and maintenance of security.

Governments will make **cost/benefit calculations** of the services they offer. Services provided for society – whether for individual use, such as care, education and health services, or for the common good, such as land use regulations, infrastructures like roads, greenbelts or public wireless connectivity – always have both costs and benefits. For each of them, there are tradeoffs to be made in such terms as amount, frequency, access, and quality. The various trade-offs between these effects on different people should be available for citizens to explore.

• Governments will have to **manage risk openly**. Any responsible citizen hedges against risk by purchasing insurance. Insurance underwriters hedge against risk by purchasing reinsurance. For many risks, the government is the reinsurer of last resort, and it is important for governments not to incur the risk of not being able to exercise that role. A risk management approach is therefore a necessity. It is important that governments make explicit the underlying assumptions about what the risk of a certain line of action is, and what the gain may be.

A specific risk management approach will be required for **security and privacy protection**. Working in a flexible and information rich environment requires security systems that can be easily adapted to different administrative procedures. As these systems are increasingly used at pan-European level, interoperability of semantic

structures and technical standards will be of the essence. Data security will also be improved by giving social actors much greater control over their own data and their own (often multiple) identities, for example through trusted third parties.

• Performance monitoring of government

services will move from the present top down, processdriven approach of setting targets and defining measurements towards a more user-centric and **output-driven approach**. This will incorporate more accountability of local needs and organise feedback loops involving front line staff and users of government services themselves.

• Built-in quality assurance will be offered. This is necessary because one danger of the information age is that people are flooded with information or advice with no way of checking its accuracy or relevance. Quality assurance must be inherent in the system, or it will rapidly become the opposite of efficient and effective.

• Governments will encourage **continuous learning** in order to improve the quality of decision making and internal functioning of government. They will also learn how to better exploit the intangible assets represented by skilled and experienced staff. Organisational learning and competency development will contribute to evidence-based decision and policy making.



### In conclusion

The need for open, conscious and empowered governance, to make the best use of all the resources and skills society has to offer in the interest of producing public value, is already widely recognised. Looking ahead to 2020, we need to ensure that ICT deployment will reach its full potential in optimising the way societies are governed and operate, and measuring this through increases in both personal and public value.

eGovernment has reached the stage where it is inconceivable that any government or public sector project would not use ICT. Technology is no longer seen as an add-on, but is intrinsically bound up with developments in any aspect of government. Maximising the production and use of ICT for public sector innovation is a critical enabler that is needed to support and achieve the vision for 2020. From all levels (local, regional, national and European) eGovernment needs to be logically reinvented.

- 1. ICT will be used to create an environment in which government organisations will be connected, networked and fully joined-up. Public organisations will interact and connect intelligently with each other and with private actors citizens, civil society organisations and businesses to deliver both 'personal value' or wellbeing and overall public value to society.
- **2.** Government services in 2020 will be responsive to user needs and wants. They will provide more indi-

vidualised services, allowing users to tailor the service to their personal requirements. Increasingly, users will also be enabled to design, create and self-direct their own services, while providers will be able to differentiate and target recipients.

- 3. Governance will become much more open, participative, democratic, and will be welcoming at all levels inputs and interests from all segments of society. New ICT tools will enable development of more evidence-based policies and underpin decisions which are both more effective in their own right and better explained in terms of their rationale by presentation of the underlying evidence.
- 4. There will be a greater focus on managing, evaluating and improving performance in achieving public value across all areas of the public sector, as it is increasingly evaluated and shaped by different interests. This will also enable greater diversity in governance outcomes and effects. ICT-based tools will facilitate this task, which requires the use of new measurement and evaluation methodologies.

Ultimately, the 'e' from eGovernment will disappear. Governance structures will become fully ICT enabled and services accessible to all.







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