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*Ministro per la pubblica  
amministrazione e l'innovazione*

Towards recovery and partnership with citizens:  
The call for **innovative**  
and **open** government

15 November 2010  
Isola di San Giorgio Maggiore | Venice

## CONCLUSIONS

Ministerial meeting of the OECD  
Public Governance Committee



## **Public Governance Committee**

### **Meeting at Ministerial Level**

#### **Venice, Italy, 15 November 2010**

In the post-crisis context, governments are coping with the ongoing consequences, including making their public sectors more effective under fiscal pressure. They need to balance growing commitments while ensuring fiscal sustainability, fairness and environmental awareness. This involves fostering innovation, and resolving trade-offs between short-term gain and long-term needs and responsibilities. They also have to restore trust, by strengthening transparency and accountability, and improving responsiveness to citizens' and businesses' needs.

To discuss these issues and challenges, Ministers met in Venice, Italy, on 15 November 2010 under the theme “Towards recovery and partnership with citizens: The call for innovative and open government”. In addition to sharing experiences and possible solutions, Ministers agreed on a common acknowledgment of the importance of leadership, of the need to foster efficiency and effectiveness through innovation in the public sector. They recognised the importance of openness, integrity and transparency, and the need for public sectors to be forward looking, agile and prepared for the challenges of the future.

The meeting was chaired by Minister Renato Brunetta (Italy), with Mr. Stockwell Day (Canada) and Mr. Terry Moran (Australia), as Vice Chairs. Minister Francis Maude (United Kingdom) chaired breakout session III on open government. Former European Commissioner Mario Monti (Italy) gave a keynote address in the second plenary on the challenges of implementing public sector reform. The full agenda is at the back of this report.

The meeting was attended by 26 ministerial-level participants from 37 delegations, including OECD countries, the European Union, “enhanced engagement” countries (Brazil, South Africa), Egypt, Morocco, Estonia, Russia and Ukraine. For the first time, civil society organisations (BIAC, TUAC, CIVICUS and Transparency International) participated in all sessions.

The conclusions, in the form of a communiqué from all the participating countries, give clear directions for the future work of the OECD Public Governance Committee (see also [www.oecd.org/governance/ministerial2010](http://www.oecd.org/governance/ministerial2010)). This includes the “Venice Initiative for Dialogue with Civil Society Organisations” which provides an innovative stimulus for the Public Governance Committee to continue further engagement with civil society.

This document presents a synopsis of the key results, contributions and discussions at the meeting. It includes the key speeches, and a synoptic presentation of the discussions, with the relevant discussion notes. A complete list of participants is available at the back of this report. The overview of recent country initiatives which supported the discussions has been finalised as a separate publication.

## Key Results

*“The crisis is calling for better interaction between the state and markets, and for new instruments to boost their effectiveness and citizens’ trust in both”*

**Mr. Angel Gurría, OECD Secretary-General**

The following main themes emerged from the discussions:

### **1. There is a need to rethink the role of government two years after the crisis**

The 2008 global financial and economic crisis has had an impact on the balance between the state, markets and citizens, calling upon governments to assume greater responsibility. Public sector reform needs to be brought to the attention of the highest political leaders. Governments have to redesign their functions more in terms of steering and identifying strategic goals, than in terms of direct involvement in service delivery. They need to improve capacities for strategic insight, collective commitment and resource flexibility, to ensure greater coherence in political action and to restore long-term sustainable growth. A culture of performance is critical for governments to be more accountable. There is also a need to increase competition and citizen choice in service delivery as means for improving efficiency in the public sector, and to give users a greater voice in the design and delivery of public services.

### **2. Governments are under pressure to do more within tight fiscal boundaries**

Increasing the efficiency of the public sector is now a priority, as many countries have to reduce public expenditure in order to restore their fiscal balances. They need to find innovative and effective solutions for service delivery, in partnership with citizens and businesses. Citizens can help with the co-design and co-production of services, as well as with monitoring quality. The public sector needs to be more agile and to improve productivity at no additional costs, drawing on e-government as well as on strategic human resource management. This involves engaging with public sector employees to ensure that staffs perform at their best level. Evidence-based reforms in the public sector require data, analysis and focus on outputs/outcomes.

### **3. Open and transparent government is key to facilitating social engagement and restoring trust**

In difficult times, trust is vital to ensure the success of reforms. Openness and transparency can help redefine the boundaries between the public and the private spheres and to strengthen integrity. ICTs provide unique opportunities to improve transparency and access, facilitating better engagement with the public as well as improving user-centered service delivery. Strengthening dialogue with civil society is a priority. This was illustrated through the dialogue with BIAC, TUAC, Civicus and Transparency International, and led to the "Venice Initiative for dialogue with Civil Society Organisations".

# COMMUNIQUÉ

## **Context**

Since our 2005 Ministerial meeting in Rotterdam, devoted to strengthening trust in government, the world has lived through a deep financial and economic crisis. As the economic outlook remains characterised by uncertainty, it is clear that improving public sector productivity is crucial to economic recovery. This requires innovation in governance, public management and public service delivery, for which information and communications technology can be an important ally. Trust remains an overarching goal, to be built on openness, integrity and transparency.

Recognising this, we, OECD Ministers and our counterparts from Brazil, Egypt, Estonia, Morocco, Russia, South Africa and Ukraine, acknowledge the importance of certain key principles, including fostering an effective and performance-driven public sector, delivering better public services more efficiently and effectively, and promoting open and transparent government.

### ***Ministers acknowledged the importance of:***

#### **Leadership**

Our political commitment, leadership and accountability are essential for deciding where, when and how governments can strengthen their strategic capacity and promote public sector innovation and co-ordination. New working methods and skills will be needed to benefit from technological opportunities. They are equally important for establishing partnerships with citizens, civil society (including the social partners) and the business sector to build momentum for change and strengthen the capacity to prevent future crises.

#### **Fostering efficiency and effectiveness through innovation in the public sector**

Promoting and enabling an environment conducive to innovation is crucial to generating a dynamic public sector focused on performance and greater productivity at no additional cost. This could entail maximising the use of new technologies, making things simpler and more transparent for citizens and businesses, preventing corruption, and building human capital. Incentives, new tools to share successful initiatives and the removal of administrative barriers are important considerations in fostering a new environment. The public sector could also draw on the expertise and creativity of the private and not-for-profit sector. The wide sharing of information electronically across sectors and boundaries within the public sector is critical to fostering innovation and reducing administrative burdens.

#### **Openness, integrity and transparency**

Open government can help strengthen trust and build indispensable support for reform. Greater engagement with citizens and civil society is a key part of open and transparent government. Open government can also lead to more direct and effective engagement with citizens, civil society and businesses. Reaffirming the core values of the public sector will help improve public sector performance.

#### **Preparedness for future challenges**

Public sectors must be forward looking, agile and prepare for the challenges of the future. They should have the capacity to identify and assess these challenges, change strategic direction, and allocate human and financial resources accordingly.

#### **Ministerial guidance to the OECD**

We invite the OECD and its Public Governance Committee to support our efforts by:



***Providing evidence on government performance***

The OECD should continue to collect data, develop comparative analysis, and build indicators on public sector performance and innovation, to better advise us on how public governance policies, practices and arrangements contribute to improved economic performance.

***Fostering a more efficient, effective and innovative public sector***

The OECD should assess the main current and future challenges and constraints facing governments, and should propose innovative approaches for building a more efficient, effective and well-performing public sector with a focus on identifying best practice. It should draw lessons from country experience and, where possible, develop policy guidance on key levers for agility and performance such as: a) e-government and the use of new technologies; b) human resource management and human capital; c) budgeting and public expenditure; d) cutting red tape and administrative simplification; e) partnerships with citizens, civil society and the private sector, and f) developing evaluation frameworks to measure the effectiveness of government initiatives.

***Offering guidance for strengthening trust, openness and integrity***

Building on past experience, the OECD should provide guidance on strengthening integrity safeguarding the public interest, and levelling the playing field for the private sector. It should provide guidance for increasing openness and transparency in public policymaking, highlighting how to improve and strengthen citizens' involvement. In this respect, it should explore the possibilities as well as the limits of new technologies and help strengthen the development of instruments for steering relationships with the private sector.

***Supporting a whole-of-government perspective through strategic co-ordination and policy coherence***

The OECD should help us foster strategic co-ordination and proactive capacity, by promoting high-level policy dialogue among peers, and identifying common challenges and solutions based on specific country studies. It should provide comprehensive frameworks for the analysis of public governance policies and practices from a multidisciplinary perspective. Ensuring co-ordination across ministries and levels of government should be a key component of these frameworks.

***The Venice Initiative for Dialogue with Civil Society Organisations***

The Venice pledge for affordable and effective government underlined government determination to provide high quality public services, while dealing effectively with fiscal pressures and consolidating economic recovery. Ministers agreed that continuing dialogue amongst governments on ways to ensure effective, efficient and affordable government should remain one of the key issues of the agenda of the OECD Public Governance Committee. In this context, Ministers invite the OECD to explore the potential for dialogue on best practices of public sector reform with Civil Society Organisations. The dialogue would allow for an exchange on the challenges, opportunities and implementation of public sector reforms in times of fiscal pressure, and on the search for sources of sustainable growth.

***Promoting good public governance globally***

In the interest of broadening the level playing field for business, investment and the mobility of people, the OECD should provide a forum for global policy dialogue with non-member economies, and discuss ways to strengthen and improve public governance. This will require pursuing existing partnerships, for example with enhanced engagement countries, or through regional programmes such as MENA and the Latin American Countries (LAC). This work will also support co-operation with low-income and post-conflict countries.

We also agree that sustaining change in the public sector will require careful monitoring and analysis of progress, for example through measuring performance. We invite the OECD to provide us with regular updates.

## Speeches

### Speech by Mr. Angel Gurría, OECD Secretary-General



Mr. Angel Gurría  
Secretary-General  
OECD

It has never been more important to rethink the role of governments, two years into the worst economic crisis in our lifetimes. This crisis has shaken many of our old assumptions and governments are now called upon to assume greater responsibility in many areas. Some hard lessons have been learnt on the limits of markets as co-ordination mechanisms, lessons about information failures, transparency and conflicts of interest. The crisis is thus calling for a redefinition of the balance between the state and markets, and for new instruments to boost citizens' trust in both.

Trust is a key intangible asset, necessary for the functioning of our market economies. Trust is also needed for governments to undertake the necessary reforms to restore long-term sustainable growth. Action in this area does not cost much in monetary terms, yet it offers significant returns. Improving interactions between the public and private sectors, addressing issues of integrity, making the public sector more like a “glass house”, according to the words of Minister Brunetta; all this is necessary.

But also, one should understand that as the recovery remains patchy in many countries, governments will stay under great pressure to deliver more with less. The OECD is here to serve and support you in these difficult circumstances. This is the policy area where the Public Governance Committee has been active for nearly four decades, since its inception in 1961. And this is the policy area where the OECD will remain active in discussing how to build better governments, documenting trends and proposing policy options. This includes through our publication *Government at a Glance*, the second edition of which is turning in the presses.

This meeting is one of the first events celebrating the 50th anniversary of the OECD. Let me thus take this opportunity to emphasise how the OECD acts as a “club of best practices”, as a hub for global policy dialogue and exchange of experiences. Our role is to help design “Better Policies for Better Lives”.

And this is what you will be doing in the next two days. You will hear from each other what worked for you and, more importantly, what didn't, what failed. Your agenda for these two days will include a discussion on how to deliver better services under fiscal pressure; how to improve the effectiveness of the public service, with a shift of focus toward performance; and how to promote open and transparent government. You will also consider how to strengthen government's strategic capacity for foresight and innovation. All these are critical issues to restore trust, and to restore growth.



For sure, governments need to cut waste and streamline bureaucracy. But, more importantly, they also need to mobilise human resources. Ageing might be an opportunity in this regard. More generally, they could and should reap the benefits of ICT, a fantastic tool both to improve user-centred service delivery and to increase openness and transparency. Take, for example, the unemployment agencies. It is more than ever critical to help people get back to work, and the number of unemployed has dramatically increased. But at the same time, conditions are such that capacities can hardly be strengthened. It is only through human resources mobilisation, reorganisation and ICT that you can square the circle.

But to achieve all these ambitious objectives requires three main ingredients: dialogue, fairness and leadership. To get the latter, you will need to maintain buy-in from your Prime Ministers for reform, not only for streamlining and reducing the public workforce. As for fairness, it is a condition *sine qua non* for the reforms to fly. And, to this end, dialogue with companies, unions and citizens is more important than ever, as much as dialogue with the civil servants themselves. That is why the presence of TUAC, BIAC, CIVICUS and Transparency International is so important.

### **Conclusion**

Building better governments will require a common and collective effort. I hope this Ministerial Meeting will contribute to a better understanding of available options and mechanisms to help us advance in the right direction, and ultimately to help put our economies on a renewed growth path.

I just wanted to thank again our Italian Host, Minister Brunetta, and our Vice chairs from Australia, Mr. Terry Moran, and from Canada, Mr. Stockwell Day, for accepting to guide your discussions over the next two days.



*Delegation photo, Fondazione CINI, Isola di San Giorgio Maggiore, Venice, Italy. 15 November 2010*

## **First Plenary Session Speeches**

### **Opening statements by Mr. Giorgio Orsoni, Mayor of Venice**

The Mayor underlined the need to reflect on the improvement of the administrative machinery of government in a time of crisis. The goal was to move from a formal approach to a substantive one that would be oriented towards results.

It is fundamental to pursue these objectives and keep the citizen always at the center of the priorities of government. Citizens' direct participation is essential to a smooth functioning of government. In this, governments need to apply principles of subsidiarity, as well as horizontal approaches ensuring policy coherence from a whole-of-government perspective.

### **Remarks by Mr. Aart De Geus, OECD Deputy Secretary-General**

It is a pleasure to be with you on the occasion of this meeting of the Public Governance Committee at Ministerial Level, and I would like to thank Minister Brunetta and our Italian hosts for their initiative. I represent here our Secretary General who was with us last night but had to go back to Paris early this morning.

In contrast to the beauty of Venice, the economic, financial and social background to our meeting today in many countries is rather grim. But there are also some bright spots in some countries, and there is hope for the future. We also have to continue working further with the G20, following the meeting in Seoul last Thursday and Friday, which called upon the OECD to help in many areas.

It is when we were putting together my thoughts for this important meeting, that I came to think of the famous movie “the Good, the Bad and the Ugly”, which was filmed here in this country in 1966. In reverse order, I believe, the title of the movie pretty well characterises the situation.

The global financial crisis of 2008 was ugly. Banks lost immense amounts of capital, caused by severe failures in behaviour, corporate governance, supervision and regulation. Overnight, markets around the globe lost their function as co-ordination mechanism, and the consequences were significant, in economic growth, trade, and in employment. In OECD countries we now face on average 10% unemployment. The crisis has evolved in several stages, and these days we are facing a patchy recovery with high unemployment in many countries and high imbalances in public finances. Our public deficits go towards 10% and our public debts go towards 100% GDP on average.

Governments are under pressure to streamline public expenditures, sometimes dramatically. What is bad about it, are the conditions under which these measures frequently have to be decided and implemented: not much time for debate, not many consultations with those who are affected, insufficient data to support evidence-based decisions, limited opportunities for international co-ordination of policies.

But there is also a good side to all of it. As our Secretary General noted yesterday, the crisis also presents an opportunity to reshape the role of government, raise productivity in the public sector, mobilise our citizens, and create better conditions for growth in the private sector.

### ***Governments Matter***

Governments matter, that has been more or less always true. Public expenditure represents anywhere between one-fifth and three-fifths of overall GDP. In the future, however, governments may be less and less directly involved in the production of goods and services. Instead, they will increase their capacities for policy setting and steering, and ensuring that public services are delivered efficiently, effectively, and in a way that responds to citizens' demands and expectations. In this perspective, moving forward will require governments to significantly improve their capacities for strategic insight, collective commitment, and resource flexibility. This is the key lesson of our recent public governance review of Finland.

In this search for the new role, functions and machinery of government and the public sector, we will have to face a number of challenges, highlighted in your agenda for today. As a way to open the discussions, let me offer a few comments.

### ***First, where are governments now?***

Governments face a double constraint. In the aftermath of the crisis, in many countries, they provided massive economic life support. They implemented large rescue packages for the financial sector, and provided safety nets for workers and citizens who lost their jobs. The other side of the coin was that public finances deteriorated, with much red ink on our balance sheets. Today, fiscal pressures are there, as governments feel strong market signals to return to sound fiscal balances. There is no way out: improving efficiency is a priority. Given the economic scale of the public sector in the economy, this can yield significant dividends.

But there is more to it. Governments also have to restore trust. Many of the necessary actions in this area do not cost much, yet offer significant returns by giving citizens and businesses appropriate signals and incentives, and putting in place the right institutions. Improving interactions between the public and private sectors, addressing issues of integrity, all this can and will help.

## *Second, how to square the circle?*

Fortunately, governments are better armed today to rise to the challenges ahead. We can make things better and simpler, by better assessing priorities, doing more with less and rethinking the machinery of government.

We know that many countries have experience with spending reviews and similar tools. The United Kingdom just released its spending review, and it revealed a full menu of opportunities for reform. In today's world, public services can be delivered in many different and innovative ways. Governments have to reap the dividends of IT, which can help rethink government, from top to bottom. The private sector can help too, with innovative and creative solutions. We need to better understand and manage performance, with indicators on service delivery, and priority setting.

We also need public engagement, as citizens need to perceive reforms as fair, at a time when they are being called to take greater responsibility. Reforms cannot succeed without citizens' understanding and assent. The recognition that the state by itself cannot do it all needs to be accompanied by a call upon citizens and civil society. They need to be more engaged in the production of services, with the help of the voluntary and not-for-profit sector, as well as in the monitoring of quality to make sure that they can be drivers for success and that they own part of the solution.

Governments will not be able to succeed if the public sector just reflects the past. The challenge is to ensure fluidity and capacity for change in organisations that are often larger than the largest private companies. Technology can help, as illustrated by the outcome of our recent E-Leaders Meeting in Brussels. Human capital needs to be mobilised and civil servants committed to delivering the best. Ageing in the public sector is both a challenge and an opportunity for the civil service, since it offers the possibility to reorganise and streamline resources.

Minister Van Quickenborne from Belgium mentioned at our recent Regulatory Policy Conference in Paris, that we need human rules, to make things simpler, looking for ways to simplify the life of others, including civil servants themselves, to cut waste and streamline the bureaucracy. The review of public governance in Mexico, and our recent study of Italy, have highlighted the benefits of cutting red tape and reducing bureaucracy.

In a Web-based and information-driven society, governments can leverage the use of ICTs to increase openness and transparency and improve user-centered service delivery. Technology also offers opportunities to better engage with the public.

In fact, openness and transparency could imply a new relationship – or a better balance – between government and citizens. They can redefine the boundaries between the public and the private spheres and be formidable tools for strengthening integrity. This will help meet new social demands and consolidate trust. These efforts are an economic imperative. Corruption means waste and inefficiency, diverting taxpayer's money that could have been used for policy purposes rather than for paying bribes. This is one of the reasons we have developed the Principles for Enhancing Transparency in Public Procurement.



Over the longer term, how can governments strengthen their strategic capacity for foresight, innovation and leadership?

Governments need to invest in their capacity to anticipate, to be ready for the future and for the unforeseeable. Financial crises, earthquakes, new infectious diseases, environmental events — all of these events call for more than just sectoral policy responses: they require the capacity to co-ordinate and mobilise the public sector as a whole.

This includes two things: First is a greater capacity to manage and assess risks, understanding the balance of responsibility between the public and the private, relying on regulators to provide early warning of problems. The second is data, not just statistics, but lively data for action. This is what the OECD is committed to deliver with *Government at a Glance*. Our team is preparing the second edition.

### **Conclusions**

Building better government will require a common and collective effort. And the OECD will be here to help in this effort, acting as a “club of best practice”, a hub for global policy dialogue and exchange of experience, so that we can all learn from each other to design “Better Policies for Better Lives”. As mentioned by Secretary-General Angel Gurría yesterday, we have been in this line of business for quite some time, as we celebrate this year the 50 years of the Organisation. I just wanted to thank again our Italian Host, Minister Brunetta, and our Vice chairs from Australia, Mr. Terry Moran, Canada, Mr. Stockwell Day, for taking responsibility today to help guide your discussions.



*Meeting of the Public Governance Committee at Ministerial level,  
Fondazione CINI, Isola di San Giorgio Maggiore, Venice, Italy. 15 November 2010*

## Remarks by Mr. Renato Brunetta, Minister for Public Administration and Innovation, Italy



*Mr. Renato Brunetta, Minister for Public Administration and Innovation, Italy*

Minister Brunetta highlighted the search for a new balance between the public and the private sectors, introducing the concept of “Exit, Voice and Loyalty” from Prof. Hirschman as a guide for future reforms of the public sector:

- **Exit:** means that there is an option to choose from among public services providers, including those outside the government, thereby implying the need for a new balance between the State and Markets.
- **Voice:** means constructive criticism or protest where citizens are entitled to give their views on public services.
- **Loyalty:** refers to the credibility which stems from satisfaction for service quality and the accountability of the Public Administration.

Citizens are the target and the guide of public administration reforms, as customers.

This will be a win-win situation:

- Citizens and businesses will be winners with better services and increased responsiveness to their needs.
- Civil servants will also be winners with a more effective civil service; they will be praised and rewarded as a result of the quality of services provided.
- The State will also win with better services, while saving money.



The effects will yield macroeconomic dividends and will translate into productivity gains, through a positive impact on the private sector, lowering transaction costs with more efficient transactions, costing less time and money involved, and generating cost-savings in the delivery of services.

Italy has committed itself to balanced growth, with budgetary discipline and ambitious reforms of the public administration, highlighted by the OECD study available at this Ministerial Meeting. In the context of its reforms, Italy is introducing performance management to foster modernisation and enhance customer satisfaction through constructive criticism. The government is joining up the forces of the public and private sectors to ensure the supply of public services. Simplification efforts are being made to make life easier for citizens and businesses, particularly small and medium-sized enterprises. Italy is also introducing a “class action” to enhance the voice of the customer of public services, and improve service delivery. The Administration is also increasingly digitising processes.

The first results are starting to appear. Over the period 2008-13, the overall Public Administration contribution to the fiscal consolidation accounted for 62 billion euro. In 2013 wages in the public and private sectors for comparable occupations will be aligned. By 2013 civil servants will be reduced by 300 000 (over the 2008-09 period already cut by 70 000).

Absenteeism has already been reduced by an annual average of 35% compared to the pre-reform figures, while simplification has raised savings for more than 5.5 billion euro. An aggressive policy of transparency requires publishing all information on the public administration, to make it a “glass house”, with information on salaries, e-mail and other elements for senior post holders.

Italy is also experimenting with basic public services delivery through private networks, so called “Friendly Networks”, such as tobacco shops, post offices, banks and supermarkets and the facilitation of certified signature for e-mails. Italy has simplified and digitalised communication with citizens and businesses and set up one of the largest call centers for problem solving in Europe, while the “Show your Face” initiative allows citizens to give direct feedback on the quality of service rendered.

**Remarks by Mr. Aleš Dobnikar, Director-General, E-Government and Administrative Processes Directorate, Ministry of Public Administration, on behalf of Mrs. Irma Pavlinič Krebs, Minister of Public Administration, Republic of Slovenia.**

Mr. Dobnikar conveyed to participants a message from Mrs. Irma Pavlinič Krebs, Minister of Public Administration in Slovenia.

Today, governments face the challenge of restoring fiscal balance without undermining economic recovery, which may, in many areas, remain weak for some time. They need to keep long-term goals in mind when implementing recovery programmes. This requires a careful mix of fiscal policies and growth-enhancing structural reforms, well-developed regulatory policy, and open, transparent, accountable, and innovative government. Regulatory policy has implications for economic competitiveness and the development of small and innovative businesses. Therefore, it is crucial to reinforce institutional capacities to support regulatory reform, enhance consultation with stakeholders and strengthen the impact assessment of new laws. More efficient regulatory frameworks boost growth prospects, innovation and forthcoming green economy opportunities.

Fostering transparency, integrity and preventing corruption are key elements for restoring confidence in the financial markets, regulators and governments. Citizen engagement creates a shared responsibility for service delivery, and fiscal legitimacy may help governments better understand and respond to citizens' evolving needs. It is a key to fighting corruption, which is the cancer of globalisation undermining democracy, public policy and social capital. Global challenges have placed government at centre stage. Decision makers should take a strategic view on public policy responses. This requires the creation of innovative and anticipatory government, which can manage the benefits and costs of globalisation, nurture social fairness and deliver trust in society. Policy decisions should be solid and evidence-based. Therefore it is all the more important to clearly communicate the long-term objectives of reforms. Public understanding and support may be easier to obtain if changes in public administration are accompanied by more visible complementary reforms such as e-government initiatives.

The Ministerial meeting is an excellent opportunity for exchanging best practices on building open and efficient public administrations as well as for promoting a culture of change in the public sector with a focus on citizens. How could we better mark the OECD's 50th anniversary than by charting the way for the future in terms of how governments can interact more efficiently with markets and citizens to contribute to a stronger, cleaner and fairer economy? On behalf of Minister Krebs, I wish the OECD and the Italian Ministry for Public Administration and Innovation a successful conference and, above all, lively, quality and fruitful interaction.

## Remarks by Mr. Stockwell Day, President of the Treasury Board, Canada

Venice is a special place where we can all see the development of democracy over a thousand years together with the protection of human rights. It is of significance that participants have underlined the centrality and the importance of citizens.

Today, we are engaged in not just intellectual and philosophical discussion on the ways and means of government and services, but, in fact, it is important to recognise that the citizen today is worried. The citizen has a growing angst. Hopefully, the angst has been somewhat mitigated over the last couple of years but the citizen today is concerned about the global realities of the fiscal situation. Our discussions are so important. We have heard mention already of the meetings in Seoul, the G8 and G20 meetings which took place in Canada.

There is a very significant development that should have been more widely reported. It was very significant that all the leaders at the G8 and G20 meeting in June came forward and publicly said that it was their intent to reduce their deficit by half by the year 2013. That was a remarkable show of solidarity. We, as Ministers today, have the opportunity to continue sending the message out, that how we conduct our public services and how we manage those finances, is clearly a very significant part of that message to calm the angst of the global citizen, that there are ways to bring things under proper fiscal control.

We have a beautifully prepared catalogue here with the overview of country initiatives. This publication shows that each of us has included those measures which are helpful in dealing with the financial problems and in sending a message of calm to our citizens, especially those in the public service. We know that when we write things about ourselves, they tend to be slightly, softly congratulatory. When reading them, including those of Canada, I did not see a high level of criticism about us. It is very important that we continue carrying through with the things that we, as countries, have said that we were doing in this book.

I will briefly summarise some of the things that we have done, which are proving successful. We hope that these can be helpful as we can learn from one another, and will send a message to the global citizen, who sits there wondering if we are listening and if we are truly concerned. It is important to recognise that these are individual achievements. Collectively, they send a great message. We need to operate under guiding principles and yet recognise that we have different practices. The strength of sharing these examples, our successes and our failures, is what will continue to move our collective message onward.

Among the things that Canada has done, we have looked at government services, and we have sent a message that we are freezing all government operational spending for the next three years. Citizens intuitively understand that today's deficits are tomorrow's taxes. Without a sign that we are controlling our own deficits, we will send a disincentive on investment and on work. We are also requiring all departments and agencies to review their programmes and to reallocate their resources by 5%. Reallocating resources is a euphemism for cuts. We are therefore requesting 5% cuts in every department over the next three years. Can this be done? We believe it can. Even in public service, from time to time, we develop a programme or an agency, and once in place, it takes on a life of its own, and creates its own entitlement and right to live forever.

I visited the Doges' Palace, which contains the room of the Council of the Ten, appointed about 800 years ago to look into an insurrection that had taken place within the Cabinet. The Ten individuals did their study and the results were left hanging in the public square. What struck me was the note saying that the Council was never disbanded: it continued its work and continued to grow over the years. The costs of running the Council also continued to grow every year.

Today, or 800 years ago, the tendency of the public sector to develop programmes, and, once these programmes are in place, to leave them there forever, is something that we need to be looking at. By requiring this 5 % reallocation, we do not have to intervene in the public service to pass legislation to reduce salaries. We can simply say to our public service negotiators that they can have their salary increase, as long as it does not increase the overall envelope for their department. An increase in salary might lead to fewer people working. This needs to be worked out.

We also recognise that two things are necessary in a functioning public service: taxes and regulation. If either of those is not carefully minded or becomes excessive, of course, incentives are stifled and great problems occur. We are in a tax reduction programme with our business tax law for small businesses and large ones, which has been mapped out until 2012. This was started years ago. We send the message that tax reductions are not temporary but permanent. A temporary tax reduction is only a pause in the pain to the taxpayer. The message for workers and for those who want to invest is that tax reductions, whether small or large, must be permanent. The regulatory regime must continue to be analysed: we have a Red Tape Commission that is continually looking at that process. We just finished a project last year of requiring all government departments to reduce by 20 % their paper burden, both on themselves and on citizens.

We also impose this discipline on ourselves. In Cabinet meetings, Cabinet members are not allowed to come in with 50-page presentations: Cabinet Ministers' presentations are limited to a maximum of 10 pages, and to be succinct in our commentary. There is always inventiveness when something comes into play and is imposed on people. Some of my colleagues came up with 10 pages of microscopic print but this did not qualify, as presentations had to be readable. We impose these burdens on ourselves to send a larger message that red tape must be reduced. We have also said to departments that we are putting in the oversight of departments in such a way that departments know what they have to do, and what is expected of them.

Reducing central oversight is key. Oversight mechanisms with layer upon layer are counterproductive. We still have a Management Accountability Framework which is used to determine whether progress is being made. We are also in the middle of an administrative review in which we are reviewing all the administrative processes of government to see where these can be reduced. The overall effect is to send a message to the citizen that we are hearing back from our people and sending a sense of calm. Not totally of course, as the angst is still there. But in the areas of taxes and regulation, we are maintaining and not allowing a growth in the size of the public service, recognising that in this area ageing is our friend, not our enemy. Attrition can help us reduce the size of the public service, without having to see millions of people thrown into the street. These are the things that we are doing and are having an effect, which is a positive effect. We are learning as we go and are happy to be here and to learn from each of you and share these things. Overall, and collectively, managing these things, we send a message of hope that these things can be managed and we can have a future for our citizens.

## **Remarks by Mr. Terry Moran, Secretary, Department of the Prime Minister and Cabinet, Australia**

From an Australian perspective, government as a share of GDP differs significantly across OECD countries, and this reflects differences in the scope and the role assumed by government in different countries. Obviously also, the expectations of citizens vary greatly, as well as do the means by which government sets itself up to do things and to deliver services.

Some common themes are already apparent. First, we become accustomed to a new focus on defining what an effective and efficient government is, and a growing willingness to let citizens in on the secret when we discover it ourselves. Second, we face a set of overriding fiscal pressures experienced to a degree by all governments which creates an opportunity to push further reform. That reform is there to achieve more dynamic markets for government services and improve regulation within the economy more generally.

Australia expects to return to surplus by 2012-13 and to eliminate net debt at a national level later in the decade, largely as a result of tight fiscal rules which have been adopted for public expenditure.

From an Australian perspective, we need to focus on five elements:

- We need better means of measuring more reliably the efficiency and effectiveness of service delivery undertaken by government. This applies to the broad outcomes to be achieved as well as to the costs of related services.
- We need a new and renewed emphasis on who does what in federal systems and, wherever possible, devolution to service providers of maximum responsibility for responding to citizens. This should help to provide better and more efficient service delivery.
- We need to have renewed debates about what can rest with the private sector, or with NGOs, with or without government subsidy, what can be corporatised, as a basis for improved management of government services and activities, and better impact within our societies and economies.
- For citizens, we need to find ways to improve the integration of what governments do for citizens. Success in this area can build better trust in government and usually relies on investment in new IT initiatives as well as different ways of organising public sector resources.
- Finally, there is a powerful argument for keeping overheads under control in government, as mentioned earlier by Minister Brunetta.

My final comments will concern the Australian experience, including over a 25-year reform journey. Most of that reform journey has enjoyed bipartisan support, and that bipartisan support has been essential to public acceptance of reform.

These reforms have been clustered in three phases. The second phase, which largely focused on competition reforms, provided an estimated annual and recurring increase in GDP of about 2%. The third phase of reform, which is now under way, is projected, on the basis of independent macroeconomic modelling, to achieve after 25 years a sustainable increase in GDP.

Our Productivity Commission expects an annual increase of GDP by then of between 9 and 12 %. We are now debating the best focus for the fourth wave of reform, which will take a little bit of time to get through. We will get there eventually.

Reform, driven by the sort of adversity experienced at the moment, can bring major dividends. It must be strategically driven. It has to be capable of attracting broad support within the community. It has to be measurable in its benefits and impacts. If that is possible, one can sustain a quite profound reform effort over many years with great positive effects for our societies.



## Final Plenary Session

*“Citizens are the target and the guide of public administration reforms.”*

**Mr. Renato Brunetta, Minister for Public Administration and Innovation, Italy**



*Mr. Mario Monti, President of the Bocconi University, Italy*

The focus of this final session was to discuss the political economy of reform, looking at how to successfully implement reform, including what capacities need to be in place and what conditions need to be met.

In his opening intervention, former European Commissioner and President of the Bocconi University **Mr. Mario Monti** acknowledged that he was more involved in the governance of markets than of the public sector. Still, the fact that in Italy, the Ministry of public administration is busy promoting competitive markets, exit voice and loyalty is also very positive in the public sector.

*Mr. Monti stressed that:*

- Competition is necessary to fight corporatism and to give voice to consumers as well as to civil society.
- The political economy dimension is important too: as noted by Mr. Jean-Claude Juncker a few years ago, we all know “what to do”, but not “how to do it” and win the elections.
- There is a need to better produce public services, which can help reconcile citizens with the market economy, which is important for its future viability.

- Crisis management can be difficult but helps to provide positive change. The experience in DG Competition at the EU Commission, when several cases were lost with the EU Court of justice, was a setback that helped to put in place a better administration, with checks and balances, due process and better protection of the right of the parties.

**Minister Brunetta** highlighted several issues key to the success of government reforms: provide top political commitment, mobilise public opinion, create alliances for reform, and show immediate results. Top political commitment can come only from the national level, but alliances for reform can come at international level as well as national level. The Minister proposed an Initiative for Dialogue with Civil Society Organisations, known as the Venice Initiative, which calls upon the OECD to explore the potential for dialogue on best practices of public sector reform with civil society organisations.

**Iceland** commented that ministers should facilitate an open debate on reform, avoiding empty slogans. In mobilising citizens and the private sector, we need to look at the respective roles of all parties, and acknowledge that the public and private sectors each have much to learn from the other. After all, the crisis did not originate with the public service, but with the private sector. In addition, while ministers and the central level has an important responsibility for reform, there is also need to ensure that other levels of government take responsibility as well.

**Sweden** stressed the value of OECD's work on public governance and the opportunities it provides for exchanging views. Public governance is essential for governments to function successfully. To maintain the public's trust it is essential to show that taxes are used in the best possible way, and to continuously strive to improve public service delivery. Transparency alone does not help if what the public sees is inefficiency and waste. In the utilities sector, Sweden allows citizens to choose among different public, private and non-profit providers and suppliers. Such arrangements not only enable new kinds of partnerships between the public and private sectors, but also create a new role for the state: as regulator, enabler and, where appropriate, financier – but not necessarily as a producer.

**Minister Maude** from the **United Kingdom** suggested that countries were facing three different sets of pressures:

- **Fiscal pressures**, including budget deficits and a need to reduce expenditure while continuing to deliver needed public services.
- **Citizen expectations**. Better technology and increasing sophistication and affluence have led people to expect more in terms of control over and choice in public services, as in other aspects of their lives.
- **Loss of trust in government**. While this has probably always been an issue, it has become worse in recent years.

The need for reform is therefore pressing. The toolkits available to governments include:

- **Technology**, which can be used to drive reform and to deliver services digitally, provides citizens with greater choice and control. As governments create new digital services, they should also look at what does not need to be done anymore (*e.g.* non-digital services). Moving from physical to digital delivery can dramatically increase service quality, but efficiency gains will only come from discontinuing the non-digital delivery and improving back-office processes. Services must be designed in a way that is intuitively easy to use and meets public expectations, just as the commercial world does.
- **Pluralism**, *i.e.* mobilising the private sector and, above all, civil society organisations, to be public service providers themselves. The UK is developing a programme to encourage public sector works to form themselves into “mutuals” and co-operatives that deliver public services outside the public sector on an outsource basis. This should strengthen not only civil society but also public service entrepreneurship and job satisfaction.
- **Accountability and transparency**. Vested interests – often the bureaucracies themselves – resist change, so it is helpful to build a coalition in favour of reform. The most powerful factor in such coalitions is the citizens themselves, who, as both taxpayers and users, have a major vested interest in the success of reforms. Transparency is the means of engaging citizens and the essential tool of accountability. In the past, the public sector set up “watchdogs” to scrutinise the state. But today citizens and civil society should be the watchdogs and hold the public sector to account. Transparency, data and information that people can manipulate and re-use is crucial to this. To ensure the greatest trust, rough, unprocessed data should be made available. Here the OECD has an important role to play: urging countries produce reliable, high-quality data on the performance of public services that is comparable and useful for the public. An important outcome of the meeting should be to give a mandate to the OECD to drive its programme for better, more trustworthy and comparable data on public service delivery across the world.

The **General Secretary of the Trade Union Advisory Committee (TUAC)** suggested that dismantling the public sector after it saved the market system two years would be an unsustainable paradox. The issue should be what sort of public service is needed in the future to support a broadly mixed economy. Also, more than just a loss of trust in government, there is a loss of trust in most elites, starting perhaps with the financial sector. The strategic objective should be to develop a vision that rebuilds that trust.

- Fiscal consolidation is needed but should be carried out with a focus on growth, employment, addressing climate change, and more efficient public sectors in the medium term.

- Major problems existed before the crisis and contributed to it, including a pervasive growth in inequality. Governments should look not only at the average effect of policies but also at the distributional impact. This can help garner public support for measures taken in the medium term.
- The process of dialogue and consultation is very important. The Venice Initiative to step up this dialogue is welcome. A positive agenda for action is also needed, looking at how to better use the skills of public sector workers and foster innovation in the public administration. TUAC is ready to engage in and support the process.

**Spain** underlined the need to train public employees, to reduce administrative burdens, to reorganise the administration and to modernise structures to make them more efficient and effective. Of course, there is a need to do more with less, and to reduce deficits, but further progress on this can only come through co-operation and building alliances with workers and civil society.

**Transparency International** noted that transparency, integrity and accountability are “household names”, and are recognised as vital for rebuilding and enhancing trust. The question is how to mainstream these concepts into government services so that citizens feel that commitments made are being fulfilled. First, it is important to strengthen public participation in the design and review of programmes and regulations, developing mechanisms such as roundtables and the use of the Internet.

It is important to put all stakeholders around the same table, rather than rely on bilateral consultations – only then will all the complexities involved become clear to all parties. Second, raw information should be provided in a way that people will understand and can access (not everyone has Internet, for example). It should be remembered that if government does not provide the information, second and third parties will provide it, perhaps inaccurately. Transparency on all aspects of government financing and disbursement, in particular public procurement, is essential for public trust. The justice system must also be transparent. People interact mostly with local governments; so unless national-level reforms and public engagement practices are translated into how local governments work, the reality for citizens will not change.

**Mr. De Geus** recalled the key elements of the political economy of reform.

- Political commitment;
- Measuring results;
- Building a political alliance.

This is consistent with a recent OECD study on the political economy of reform, which looked at 20 cases of reform, both successes and failures, in 10 countries. A new publication on Making Reform Happen looks at critical factors for successful reform drawing on examples from a broad range of sectors. He wondered whether countries that suffered less from the crisis saw the challenges for open and innovative government in the same way as those who suffered more, and what the driving forces for reform were in the former.

**Morocco and Egypt** reaffirmed the fruitful co-operation taking place under the Good Governance Initiative in the MENA region. For Morocco, priority areas include decentralisation, regionalisation, consolidation of local communities, the management of integrity and the role of women.

The **Secretary-General of the Business and Industry Advisory Council (BIAC)** noted that the recovery remains fragile. There therefore is a need to boost investor confidence, support sustainable business activity and create private sector jobs. To do this, effective government leadership, public sector management and regulatory reform are necessary. Government must articulate clear economic objectives when undertaking fiscal consolidation. Government can support private sector growth, job creation, innovation and entrepreneurship by providing effective and efficient public services for business creation, as well as in health, education and infrastructure; by ensuring the enforcement of rules; and supporting open and competitive markets through effective regulatory governance.

Government leadership is needed to expand the market for public-private partnerships, to support access to information, knowledge transfer and establish standards. The potential for this market is enormous. Germany, Poland the UK have interesting initiatives in this area. Counter-cyclical measures, such as careful spending in good times to save for harder times, should also be encouraged.

OECD's work on public governance and regulatory policy demonstrate the Organisation's strength: its multidisciplinary approach to issues. OECD instruments, reports and peer reviews should be taken should be considered in the broader context of engagement with non-OECD economies, and could also benefit G20 discussions. The business community is ready to support and work with governments to do more with less, return to sustainable growth and put people back to work.

**CIVICUS** suggested that, for ordinary people, the most important deficit brought on by the crisis was not the fiscal one but a deficit of democracy. People around the world are feeling excluded, betrayed and exploited, and it is important to integrate citizens' views into the design, review and monitoring of policy. But beyond this, civil society also has a role as an incubator of innovation (*e.g.* Wikipedia, as well as initiatives from women's rights to anti-slavery, etc.). We should not limit the definition of innovation to technology, or limit our expectations of where we will find innovation. Another often overlooked role of civil society is providing governments with space to carry out reform, by mobilising the demand side.

It is therefore particularly disturbing to see a pervasive trend to diminish the space for civil society, which is reflected in a reduction in the freedom of information indexes. The OECD should continue to play a leadership role in ensuring an enabling environment for civil society. There is a need for a change in thinking, to redefine the paradigms of growth, development, success, progress and democracy. Civil society can play a useful role in this, in partnership with government and business.

**Egypt** mentioned that the government is seeking to move from implementation to regulation, relying more on outsourcing and public-private partnerships to achieve its objectives. More functions and responsibilities are being decentralised to the local level, with accompanying financial support. Multiple channels for service delivery are being developed, including the implementation of an e-government initiative, allowing non-government entities to deliver services and providing greater choice for citizens.

**Mr. Monti** noted the synergy between governments and international organisations such as the EU and the OECD. The latter can provide peer reviews, peer pressure and guidance to support effective reform. There needs to be strengthened compatibility between governments and markets, with cross-fertilisation of the best of both worlds. Markets have much to offer but have a weakness: excessive attention to the short term. This can also be a key problem for government, particularly at the political level. He suggested that the OECD foster greater collaboration between its Competition and Public Governance Committees.

**Portugal** suggested that to regain trust, citizens' expectations must be taken into account. Despite all the fiscal pressure, expectations are for better, not fewer (and certainly not worse), public services. This can be achieved by doing the right things, and doing them properly. In this context, exchanges of experience such as this meeting are important for identifying good practices. Countries need effective and sustainable reforms with strong political backing, taking full advantage of new technologies, introducing innovation and involving civil servants, citizens and civil society. To do this successfully, governments must promote reforms and their results to the public, highlighting their positive impact. As governments face pressure to reduce public expenditure and perhaps lower taxes as soon as possible, it would be a mistake to create unrealistic expectations that efficiency in public service delivery will result in free public services. In fact, a certain degree of fiscal pressure will reduce service quality. We need to be clear that public services, no matter how efficient, have a cost.

**Australia** noted that the problems discussed at the meeting were not simply about technical public governance issues but were, ultimately, about the engagement between the public, political parties and the government in power as to the directions to be taken. It would be a mistake to think that efficient, effective and innovative public sector can be pursued in its own right without an effective means of winning public support.

In Australia surveys have shown that the public expects governments to fix society's problems. Even if it is not the public sector itself that offers the solution, government should bring about a solution to the problem. Also, people view reform negatively, and feel that the political process is not always in harmony with what the public wants. Therefore, reform can only advance as fast and as far as political leaders can persuade the public to go. It should be recognised that in each country it is up to governments to persuade the public to go along with reform, and that this is not always easy.



**The Chair of the Public Governance Committee, Ms. Holkeri**, Finland, noted that the Committee's previous 2005 Ministerial meeting in Rotterdam was on strengthening trust in government in government. Building on the results of that meeting, the Committee had continued to work on these issues, including launching the *Government at a Glance* series. The guidance provided by the Venice communiqué will be taken on board by the Committee for its future work.

In his closing remarks, **Minister Day** from **Canada** highlighted three themes that emerged from the discussion:

1. **Leadership.** Political leadership is essential, but politicians must also realise that they cannot be the only leaders – others must be engaged.
2. **Information.** It is important to inform those who are affected by policies, and ensure that this information is communicated in an understandable way. Governments must recognise the nature of the problem and communicate it openly, fairly and honestly, so that people understand they are part of the conversation. For example, we have to be honest that reducing resources can affect the quality of services.
3. **Engagement and broadened engagement.** Governments may not always be fully aware of which groups will be affected by a policy, or of where any democratic deficits may exist, and should be looking at this. The role of civil society in providing governments with the space they need to implement policies is very important.

Finally, a number of countries mentioned the OECD and the appreciation for its ability to assimilate data and produce conclusions, as well as for holding up the values and principles that can lead to better government and help reduce democratic deficits.

## Breakout Session 1. Delivering Better Public Services under Fiscal Pressures

*“Reform [...] can only advance as fast and as far as it’s possible for political leaders to persuade the public to go”*

**Mr. Terry Moran, Secretary of the Department of the Prime Minister and Cabinet, Australia**



*Mr. Terry Moran, Secretary, Department of the Prime Minister and Cabinet, Australia*

Participants discussed how to establish priorities and form partnerships with the private and voluntary sectors, improve efficiency through innovation, and co-ordinate service delivery with local governments and all stakeholders.

- There is a need to **define and communicate the aim of fiscal consolidation**. Government action should focus on growth and employment creation. Spending cuts are not an end in themselves, but should be a means to achieving economic goals that are understood by citizens and by business. Fiscal consolidation is not only a task for Ministries of Finance. **Russia**, for example, emphasised the role of the government in identifying co-ordinated actions (savings, administrative reforms and cutting red tape) that, taken together, will boost growth. **Italy** stressed the role that government expenditure can play in influencing private sector demand. Balancing expenditure reductions with the need to stimulate economic activity involves tradeoffs that policymakers need to address explicitly.

- Countries clearly face **different levels of fiscal challenge**. This determines the government's room for manoeuvre. In some cases the adjustment has been the principal task of the government. **Czech Republic, Iceland, Ireland and Estonia**, for example, took drastic actions to deal with a rapid shift from strong to negative growth. Reacting to this challenge will inevitably affect the public service. **Iceland** underlined that the reforms should be seen as temporary not a rushed rejection of the basic values of the public service. Other countries – **Belgium and Luxembourg**, for example – warned of the danger of being led by short-term pressures to cut.
- Some countries have no immediate fiscal imperative to reduce public expenditure: for example, countries with natural resource incomes, or Latin American countries where previous crises have placed an implicit ceiling on government debt, leading to the introduction of tight fiscal rules. **Norway**, however, noted that **this margin can be used to generate gradual improvements**, such as reducing pension liabilities and investing in e-government. There was therefore no room for complacency.
- **Countries have adopted varied strategies to obtain savings**, as set out in the overview of country initiatives. The challenge of choosing targeted cuts versus across-the-board reductions remains, but if growth is the objective, across-the-board cuts are less appropriate. In some countries, the reform process predates the crisis (**Italy, Australia and Austria**, for example).

*Common strategies include:*

- Centralising and streamlining services. E-government and procurement stood out as opportunities to promote better cross-department working and reduce operating costs.
- Reforming territorial organisation and better co-ordinating across levels of government to clarify roles.
- **Institutional mechanisms to ensure commitment to reform and build consensus are important pillars of the response**. “Freedom and responsibility” is a notion employed in the **Netherlands** as well as in **Austria** that sums up the way governments in different countries define a tight budget envelope for departments, agencies and sub-national governments while allowing greater autonomy to define where cuts are made.
- **Public sector human capital** was highlighted as a crucial asset for countries and a key factor in determining the success of reform efforts. The public service needs to remain competitive and to be an attractive career option, open to people irrespective of age or gender. The public service should also reflect the society it serves, and cuts and reforms should keep this in mind. Several countries noted that statistical targets for savings can miss the human dimension. **Belgium** advocated for a more proactive approach, underlining the importance of the human resource dimension, with the need to promote administrations as attractive and dynamic employers, oriented towards development of talent and aspiration of staff.
- Identifying initiatives across OECD countries where **a business case for achieving efficiency or financial gains** can be proven remains a challenge for governments and for OECD. Indicators are crucial but evaluation remains under-used in policy design.

## Session 1

# Delivering Better Public Services Under Fiscal Pressures

## How to help governments to

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

## Questions for discussion

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

## The challenges

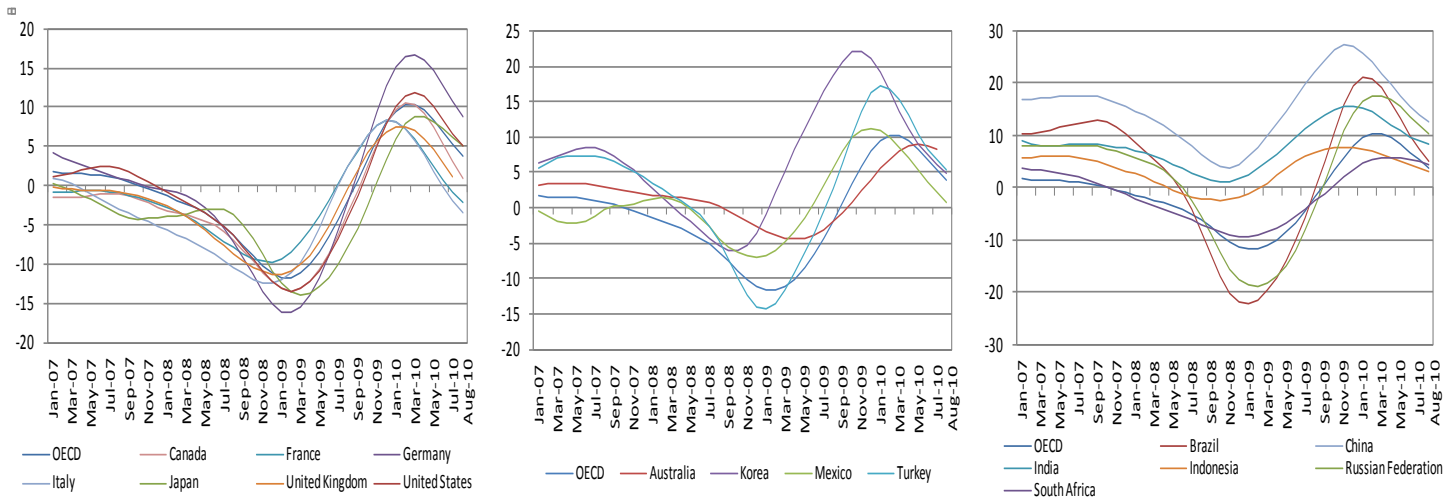
- Doing more with less, making the most of IT and innovation
- Building and maintaining trust: meeting citizens' expectations and communicating results
- Engaging with the public to foster reform, not to preserve the status quo

## The tasks

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

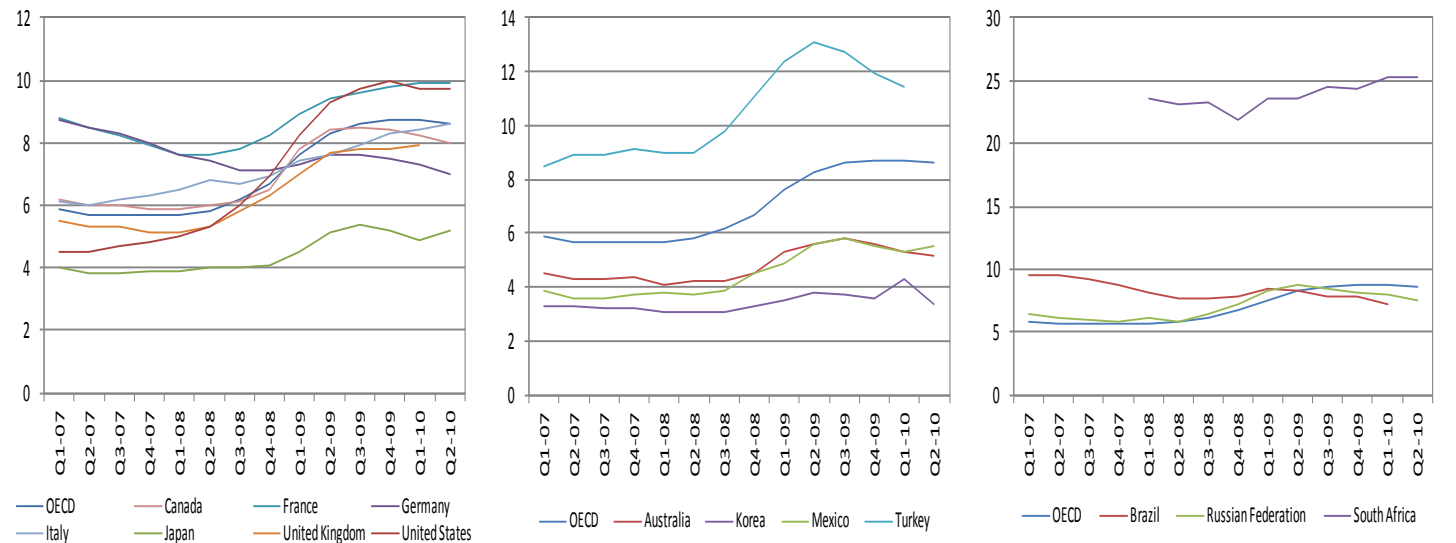
**Where is the recovery going?**

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

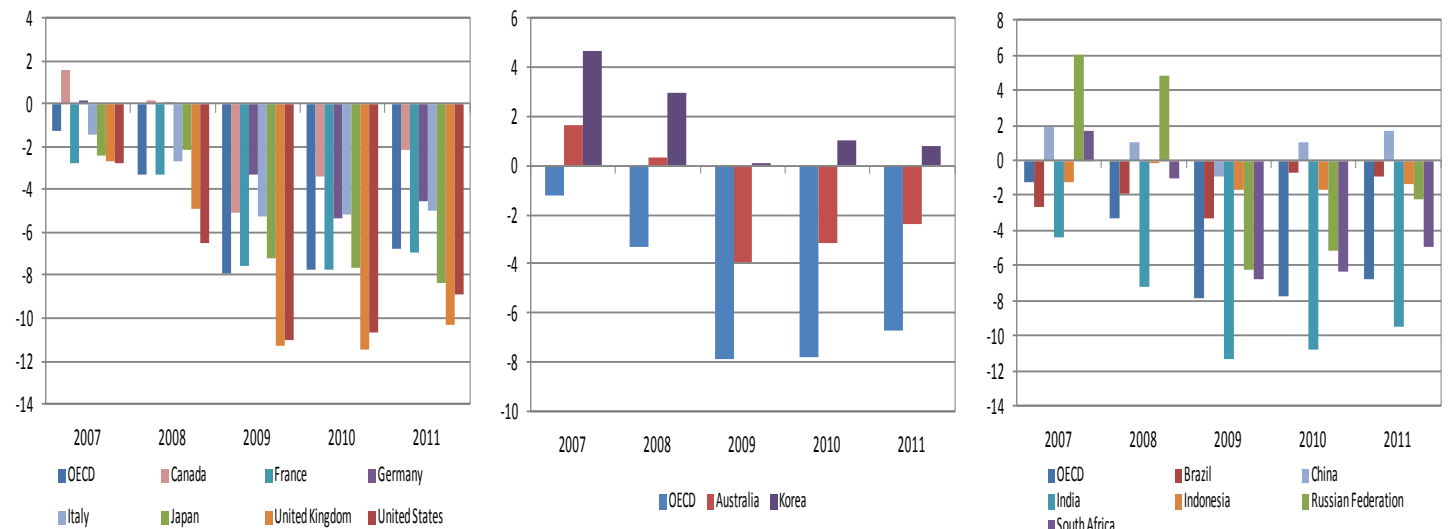


**Where is unemployment going?**

Unemployment rate (in percent)

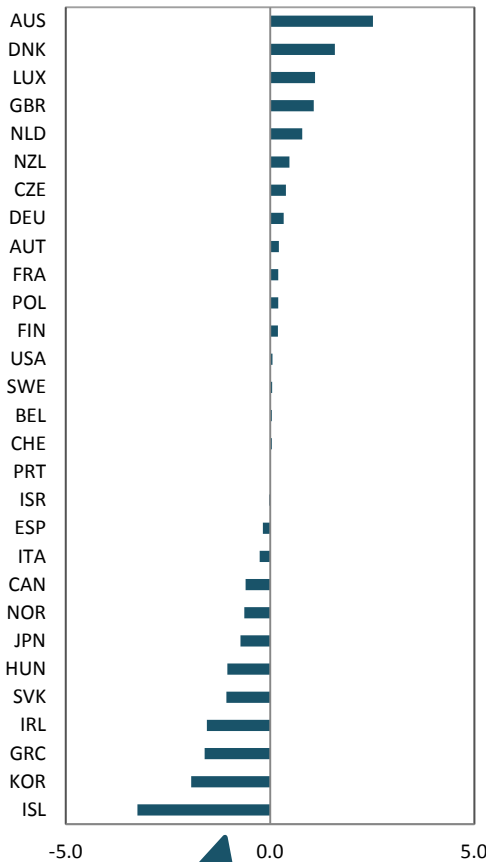


**Public finance deficits: all in the same boat?**  
 Net public lending/borrowing across OECD countries



### How to do more with less?

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



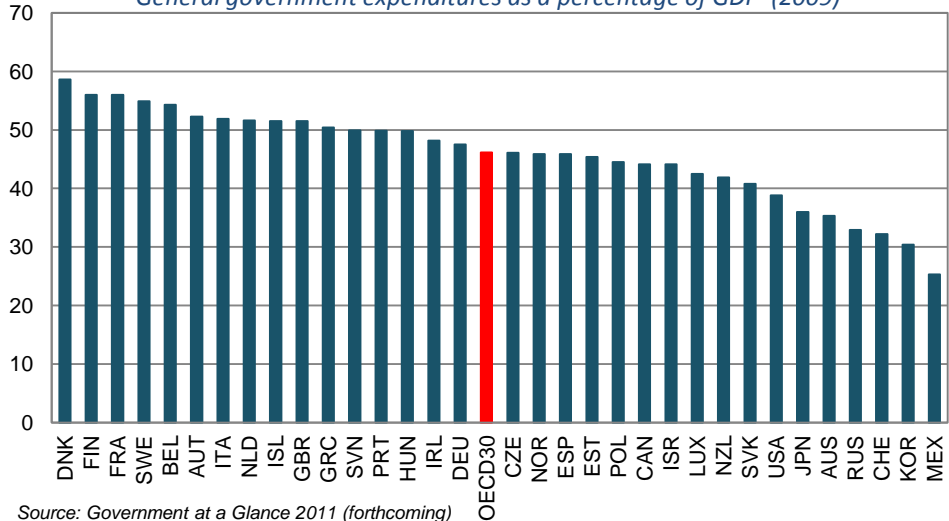
Source: OECD Economic Outlook 2010

Consolidation efforts have begun in some countries

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

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

General government expenditures as a percentage of GDP (2009)



Source: Government at a Glance 2011 (forthcoming)

### Extracting the efficiency dividends from IT

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

P. Orszag, OMB, United States.

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

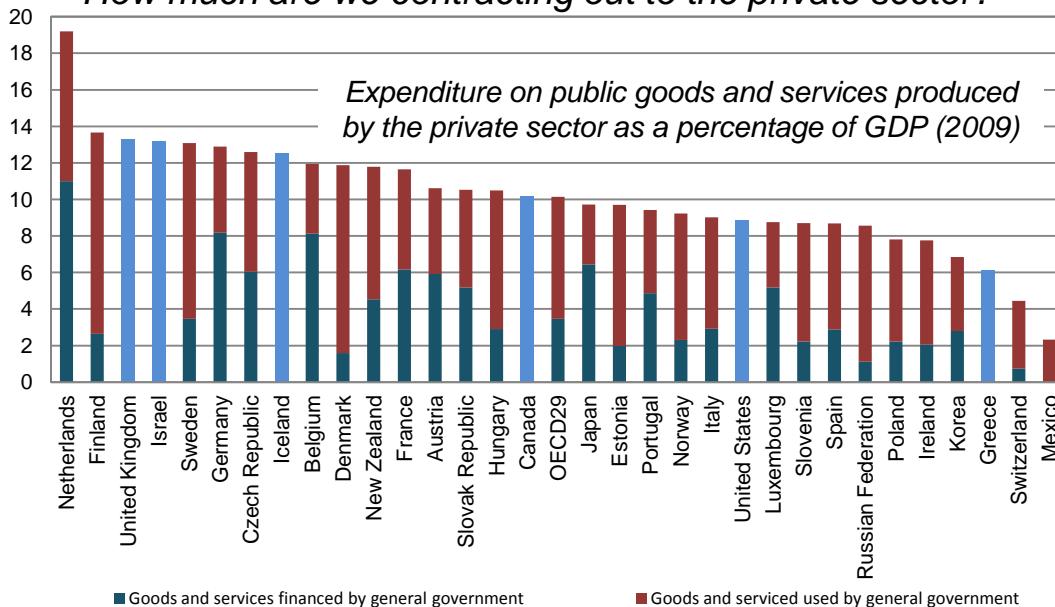
Renato Brunetta. The Economist. 5/9/2008

### Challenges

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

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

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



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

Source: OECD National Accounts Statistics Database

### On the challenge of doing more with less

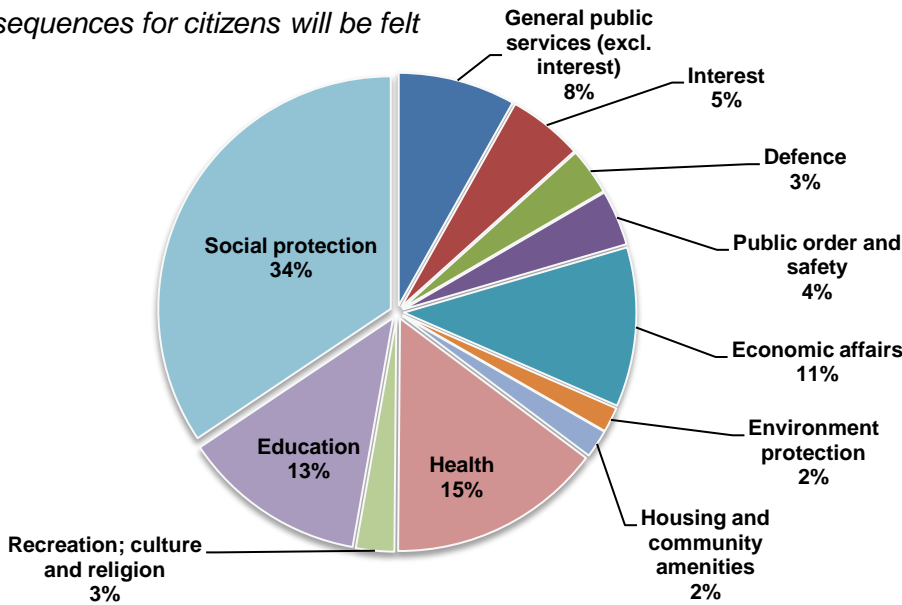
"It is more important than ever that across the Civil Service all of us rise to the challenge of doing more with less and keep looking for innovative new ways of working which will help us tackle the budget deficit while protecting important public services."

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

## Less of What?

The consequences for citizens will be felt

Source: Government at a Glance 2011 (forthcoming)

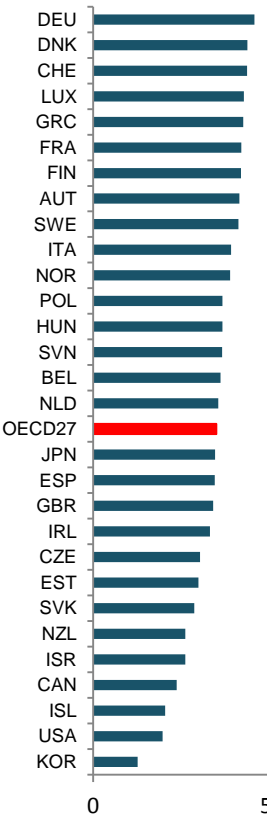


## Choices, trade offs and opportunities

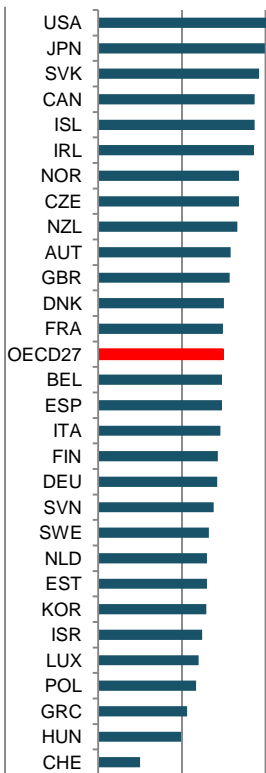
New technologies have the potential to introduce a paradigm shift, where service delivery is entirely rethought with a user-centered perspective (e.g. around life events for citizens and businesses).

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

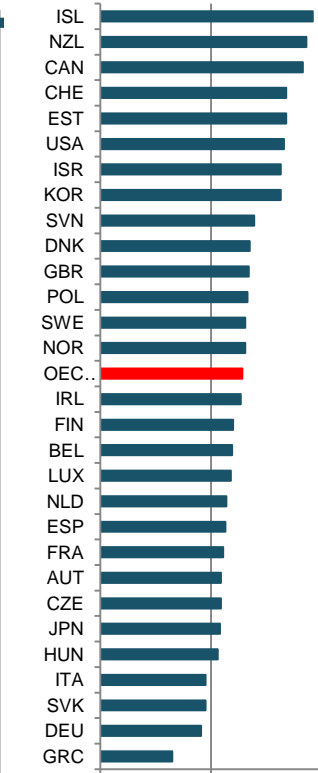
### Social Protection



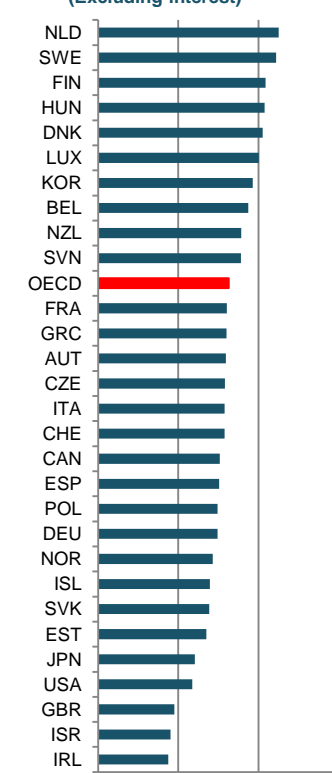
### Health



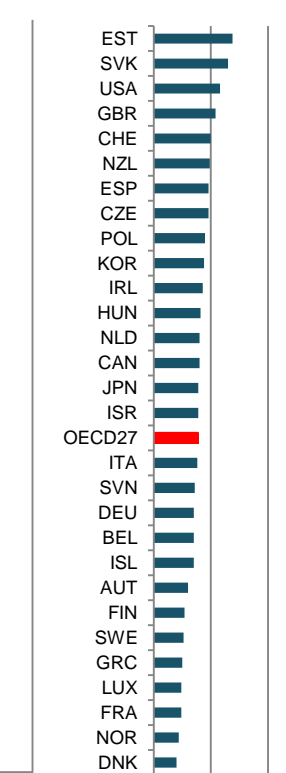
### Education



### General Public Services (Excluding interest)

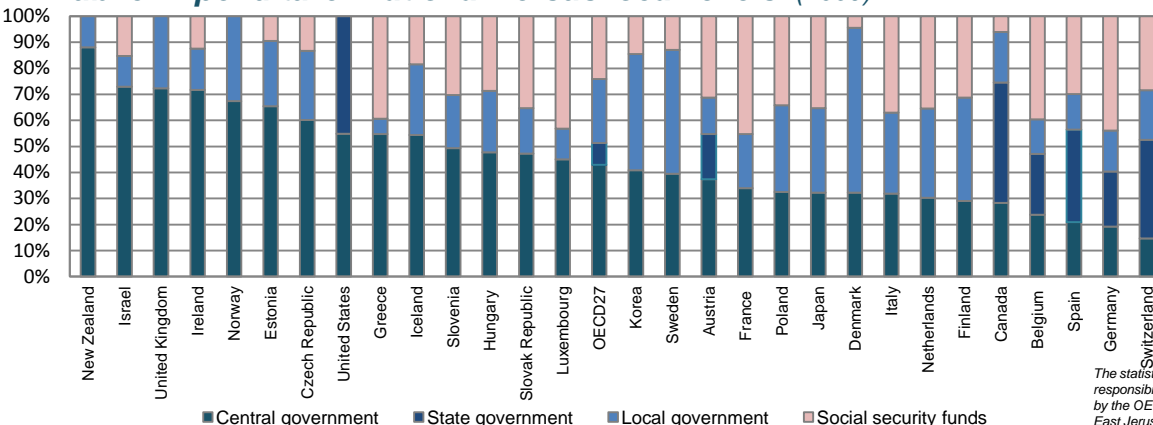


### Public Order & Safety



Source: OECD National Accounts Statistics Database

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



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

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



## Breakout Session 2. Towards a more Effective and Performance-Oriented Public Service

*“Part of [political] leadership is realising that we can’t be the only leader, and that others must be engaged”*

**Mr. Stockwell Day, President of the Treasury Board and Minister for the Asia Pacific Gateway, Canada**



*Mr. Stockwell Day, President of the Treasury Board and Minister for the Asia Pacific Gateway, Canada*

Participants shared questions and solutions on how to adapt to new and emerging challenges; improve the effectiveness of the public service; improve performance through better management, information and social dialogue; and promote user-centric approaches to cut red tape.

### Regaining citizen trust

Growing complexity and citizen expectations are increasing demands on government. Both citizens and the private sector are ahead of government in many areas, such as in the use of new technologies. New technologies are also multiplying the frequency, volume and immediacy of citizen inputs to government. But fiscal constraints are here for the near future, so governments need to learn how to do more with less. At the same time, the global crisis has resulted in a loss of citizen trust.

- How can governments improve responsiveness while maintaining a strategic focus on future needs?
- How can they communicate to their citizens the reform efforts and results achieved by the public sector?



## **Promoting innovation and efficiency**

In order to prepare governments for future challenges, it is important to ensure that government has the capacity to anticipate and prepare for future needs, and to manage long-term risks. This involves developing the capacity to collect and analyse data for strategic foresight, and evaluating government's ability to support responsiveness and coherence. A review of government operations, for example, can lead to innovation and efficiency. The global financial crisis has demonstrated the need for governments to be able to respond quickly, while maintaining a path to return to regular procedures after the crisis. **Switzerland** outlined the Strategic planning role of the federal chancellery.

## **Reforming all areas of government in order to strengthen public sector effectiveness**

A number of levers exist to help foster efficiency and effectiveness through public sector innovation, including through the use of e-government, administrative simplification and burden reduction, human resource management, and machinery of government changes.

But governments also need to communicate their objectives and achievements as well as to market new opportunities. Some examples of country initiatives include:

- E-services programme – 3 000 online services (**Korea**)
- Public administration modernisation programme (**Spain**)
- *Révision Générale des Politiques Publiques* (RGPP) – a comprehensive approach to reviewing and improving public administration processes and structures (**France**)

## **Ensuring citizen access and dialogue**

In addition to making services available, governments need to ensure appropriate service delivery by matching the service delivery channel with the target populations, taking into account differences in culture and access to technology. At the user interface, some governments are beginning to increase the use of mobile technologies to respond to the request for more agile responses, learning from the private sector. This is part of the growing view of citizens as customers/clients, but it is also important to keep in mind the mandate to protect the public interest. Governments can also bring services closer to local needs by empowering local communities, *e.g.* through decentralisation and state-local co-operation. Countries cited several examples:

- Kiosks, citizen relations management strategy, social media, and PPPs (**Egypt**)
- Mobile government (m-government) (**Korea, Chile, Turkey, Canada**)
- A unique front desk for job searches and unemployment compensation (**France**)
- E-transformation strategy with e-channel for citizen participation (**Turkey**)

## **Promoting transparency and accountability to citizens and a culture of performance**

In addition to service effectiveness, involving citizens serves to strengthen trust, openness and integrity through increased financial and administrative transparency, and reporting on performance both internally as well as to Parliament and Supreme audit agencies to promote a culture of performance. Surveying citizens helps to ensure a real assessment and to communicate improvements. **Hungary** mentioned its citizen satisfaction surveys, and **France** collects citizens' suggestions online, tests proposals, and investigates citizen perceptions of administrative complexity. This led to an 11 percentage point gain in perceived improvements in job search complexity after two years.

## **Engaging the public service for achieving excellence**

Citizens want public services that operate as if delivered by a single government rather than have to deal with the administrative complexity of public administrations. For example, governments should share information internally to reduce burden on citizens. In order to support a whole-of-government perspective, they need to change public service incentives and culture by moving to results-based management, and by aligning budget and strategic planning. ICTs provide the platform for integrated service delivery and more efficient use of resources.

Initiatives highlighted included:

- The introduction of a code of conduct (**Hungary**)
- A digital administration collaboration system (**Korea**)
- Allowing departments to keep some salary savings under certain conditions (**Israel**)

## **Political leadership is needed to transform public administrations**

Leadership is needed at both the political and top administrative levels to reinforce public service values and to overcome resistance to change. No one size fits all, and so countries need to take both the national and economic context into account. They can prepare the way for changes by improving the productivity of civil servants through training, mobility and incentives.

## Session 2

### Towards a more Effective and Performance Orientated Public Service

#### How to help governments to

- Adapt to new and emerging challenges, improving the effectiveness of the public service
- Improve performance through better management, information and social dialogue
- Promote user-centric approaches to cut red tape

#### Questions for discussion

- How can the public sector always be ready for tomorrow? How can Ministers strengthen their strategic capacity?
- How can Ministers foster a performance-oriented public service ? Is performance both necessary and sufficient for success?
- What is the role for performance management and evaluation in achieving governments' overall objectives? Do we know how to evaluate performance? What are the appropriate institutional settings?
- How can the public service simplify its processes while spending less? How can government design user-centric services to cut red tape? How can governments exploit the untapped potential of e-government?
- What should be the strategic objectives of public employment policies? How can Ministers foster culture change in the public sector? What is the role of social dialogue?

#### The challenges

- Managing expectations and tight resources to foster a more agile, effective and performance-oriented public service
- Reaping the dividends of new technologies
- Committing staff to better serve clients with problem-solving approaches

#### The tasks

- Strengthen strategic foresight and governance to steer a performance-oriented public service
- Promote frameworks for performance management as part of the policy cycle
- Ensure production and use of relevant performance information
- Promote an active social dialogue to foster feedback from stakeholders and motivate the public service workforce.
- Foster innovation, tapping into the expertise, networks and creativity of the private and not-for-profit sectors.

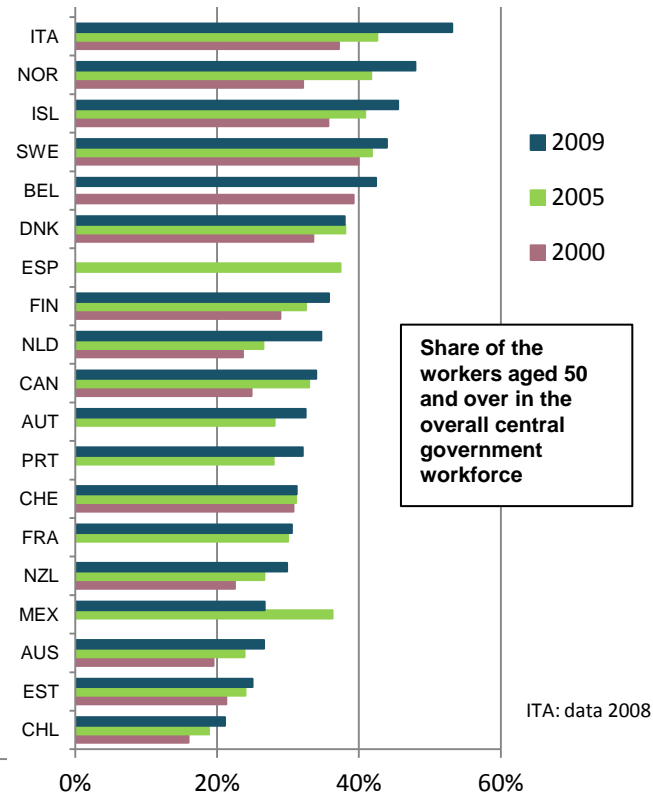
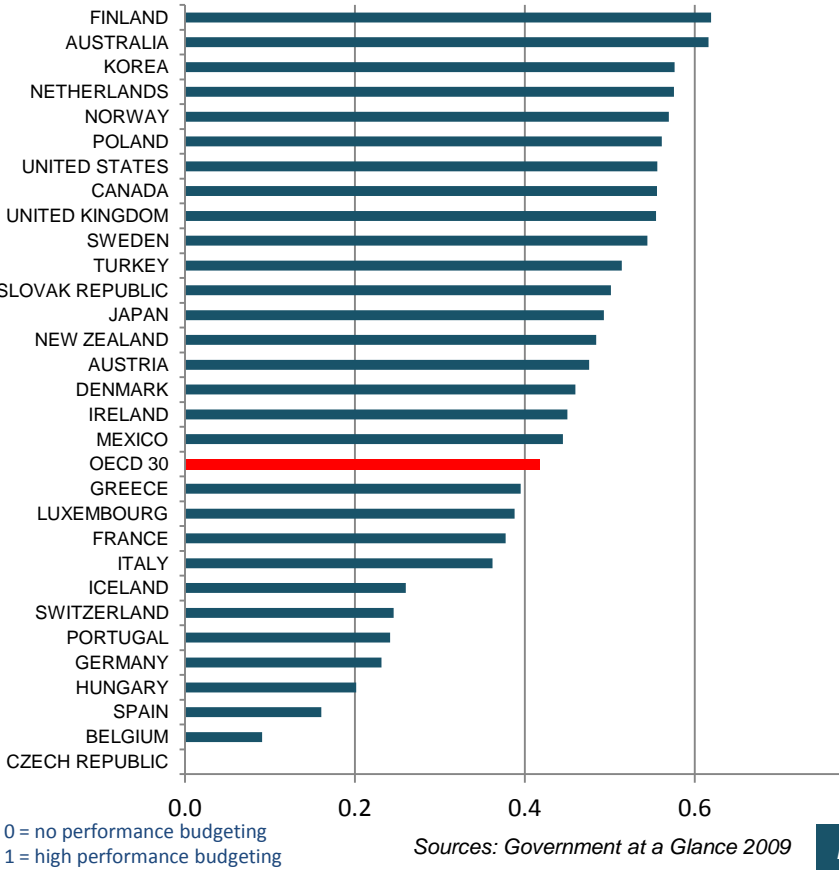
**President Obama's address at the University of Michigan, Spring 2010.**

"So, Class of 2010, what we should be asking is not whether we need "big government" or a "small government", but how we can create a smarter and better government. ....Yes, we can and should debate the role of government in our lives. But remember, as you are asked to meet the challenges of our time, remember that the ability for us to adapt our government to the needs of the age, has helped make our democracy work since its inception."

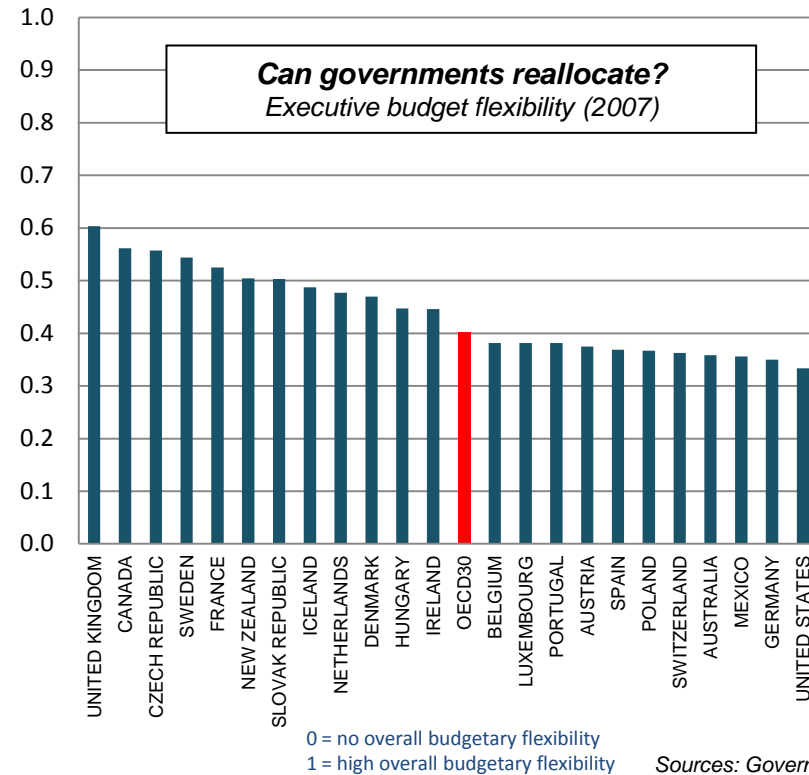
**Putting the civil service ahead of the game...**

**Do governments use performance budgeting?**

**Ageing and the Public sector: Facing the challenge and finding the opportunities for change**



Share of the workers aged 50 and over in the overall central government workforce



**Italy has undertaken....**  
 a comprehensive revision of all performance management in 2009, with multi-annual performance plans and reports encompassing all aspects of performance (efficiency, quality, customer satisfaction, innovation and equal opportunities), integrated with budgetary decision making and with a new body, the Commission on Evaluation, transparency and Integrity (CIVIT).  
 Source: Department of Public Administration

**Lessons from the OECD value for money study**  
 Efficiency dividends can be obtained through:  
 - Removing overlapping tasks within government  
 - Reducing internal administrative burdens through simplification  
 - Saving on the back office through shared service centers  
 (snapshots from Australia, Denmark, the Netherlands and Sweden)

**Challenges**

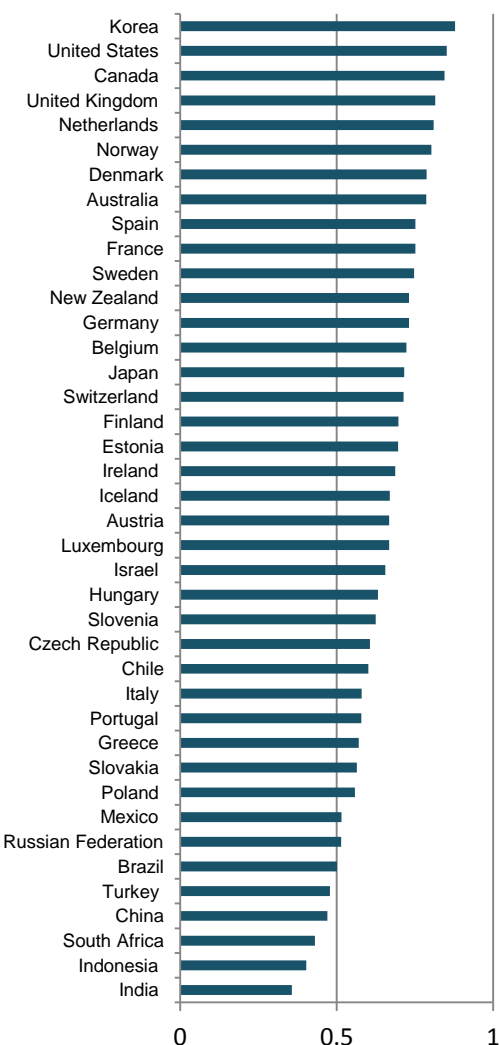
- The public sector needs to maintain a client focus in a changing world marked by crises and shifting expectations
- Delivering change within the public sector and to clients requires a shared understanding of the tasks ahead.

**E-government helps to achieve savings and increase responsiveness in service delivery. It is a reality of businesses but remains work in progress for citizens: How can governments close the gap?**

**Canada: towards management excellence and value for money**

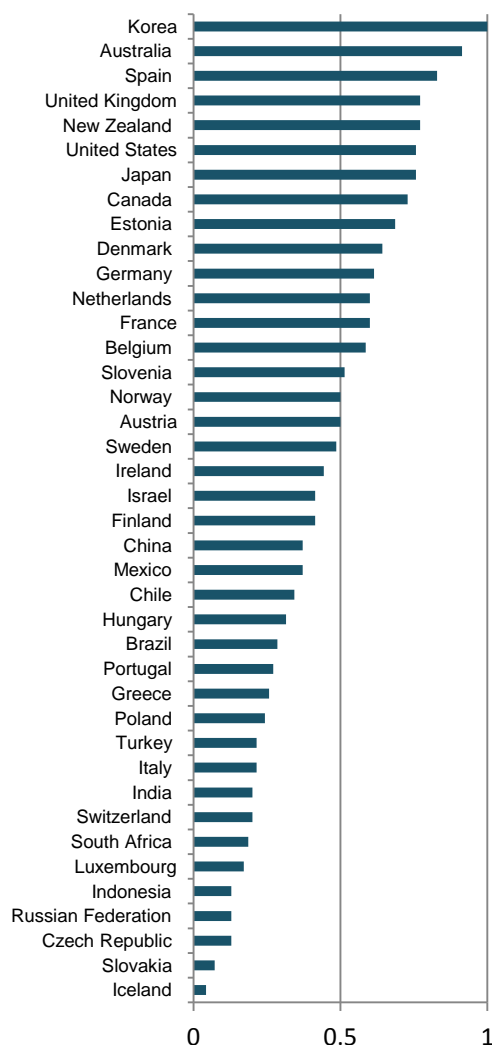
Employing a number of innovative tools such as the Management Accountability Framework, Strategic Reviews, the Management, Resources and Results Structure as well as a renewed policy on Evaluation, Canada has been driving towards management excellence and value for money. Strategic Reviews, offer Ministers of Cabinet a comprehensive picture of performance for all government direct program spending on a rolling four-year cycle. The objective is to ensure all existing spending is well aligned with government priorities, relevant, efficient, and effective. Results are published annually in the Budget. Canada will also deliver further efficiency gains through freezing of operating budgets for three years and performing a review of administrative services.

**How ready are governments to go on line?**



Source: UN e-Government Development Index 2010

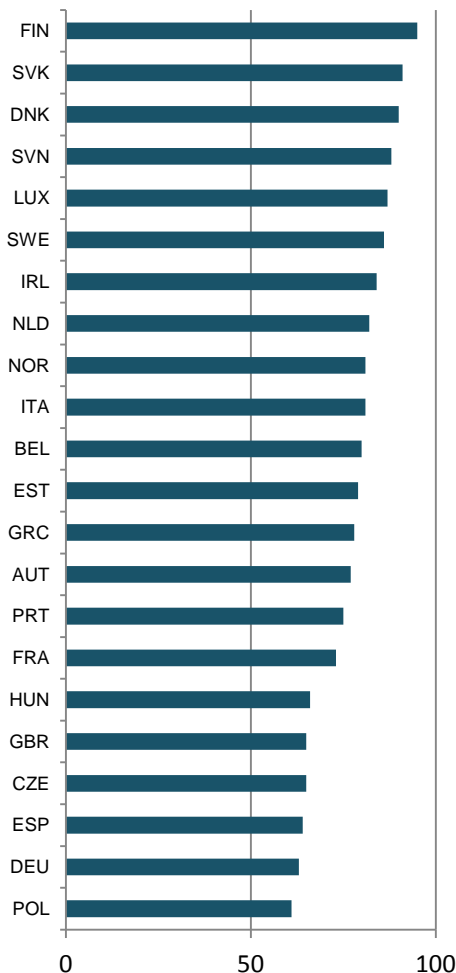
**Are citizens using on line services?**



Source: UN e-Participation Index 2010

**Are businesses going on line?**

Percentage of enterprises which use the Internet for interaction with public authorities,



Source EuroStat, 2009

**Brazil : Improving performance in public management**

Although the Brazilian public sector has played a crucial role in promoting stability and setting the conditions for economic and social development, there is still ample scope for efficiency gains in government operations. Total government employment in Brazil (federal, state and municipality) is rather limited in terms of size, but is expanding and increasingly costly.

A priority for Brazil is to define an HRM strategy based on a long-term vision integrated into overall public management reforms.

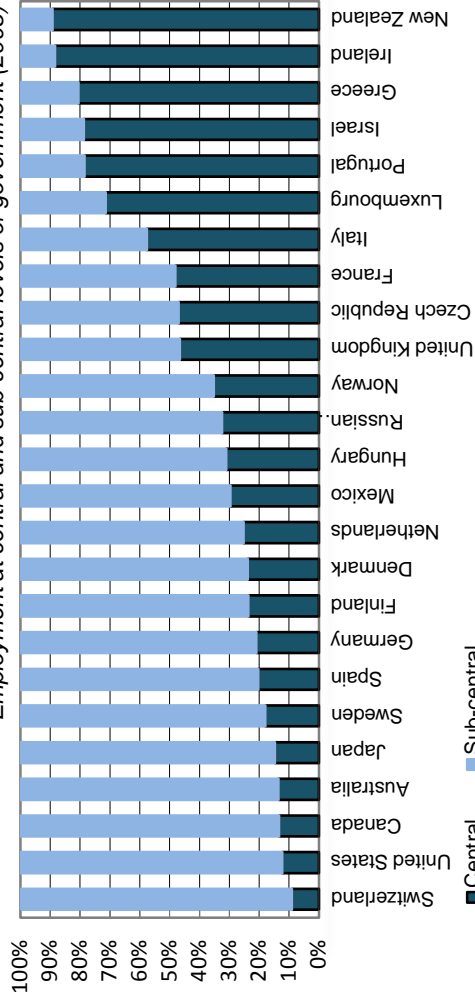
*OECD review on Human Resources Management, 2010*

**Cutting Red Tape in the public sector**

- Removing administrative barriers
- New technologies and IT are critical agents for change and imply new and more efficient ways of working,
- Strengthening coherence and interface across information systems, streamlining front- and back- office operations

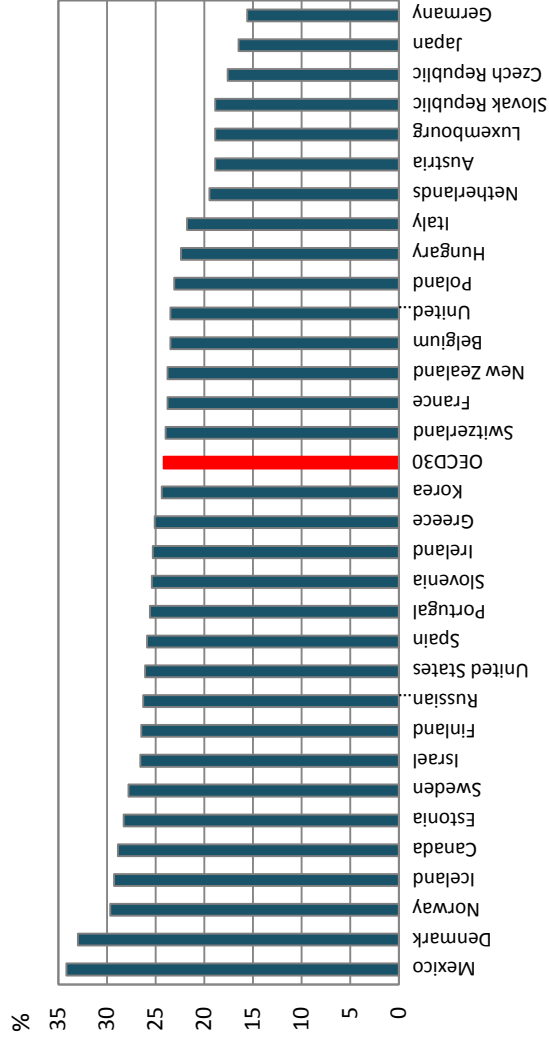
### Where are civil servants employed? National vs. Local

Employment at central and sub-central levels of government (2008)



Source: Government at a Glance 2011 (forthcoming)

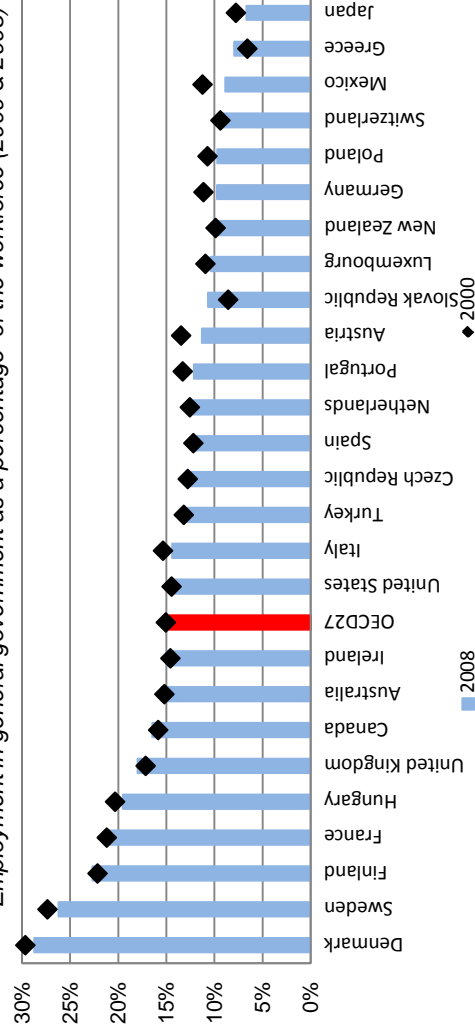
### What is the share of staffing expenses in total public expenditure?



Source: OECD National Accounts Database

### Public sector staffing : how big ?

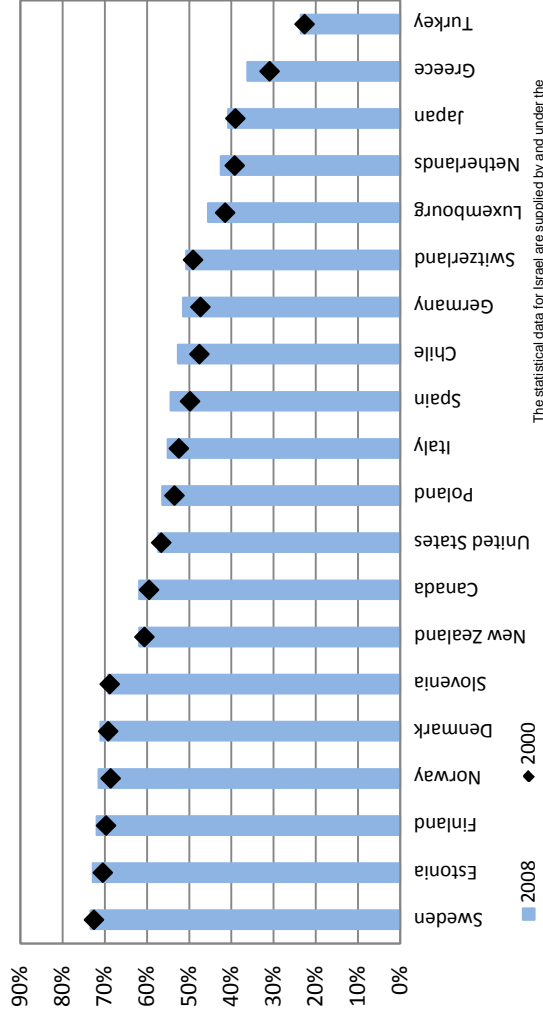
Employment in general government as a percentage of the workforce (2000 & 2008)



Source: ILO LABORSTA database, Government at a Glance 2011 (forthcoming)

### What is the share of women among employees?

Percentage of women among general government employees (2000 and 2008)



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

Source: ILO LABORSTA Database, supplemented by country submissions Government at a Glance 2011 (forthcoming) ITA (2001-2008)



### Breakout Session 3. Promoting Open and Transparent Government

*“Our assumption that the public have to conform to how we, the government, want to deliver services – that’s of the past. The new world is, we in the public service have to fashion our services to meet what the public expect, and that’s the way we’ll get both quality and efficiency.”*

**Mr. Francis Maude MP, Minister for the Cabinet Office, Paymaster General, United Kingdom**



*Mr. Francis Maude MP, Minister for the Cabinet Office, Paymaster General, United Kingdom*

Participants discussed how to build trust with citizens, foster transparency and openness, reaffirm the core values in the public sector and promote integrity in the interface between the public and private sectors.

#### **Restoring trust is a key challenge, where fighting corruption and promoting integrity are crucial.**

Governments need to provide good rules, to ensure a level playing field, with effective enforcement. They also need to form partnership with NGOs and the business sector. Fighting corruption in the public sector requires action on several fronts, with many interfaces (*e.g.* procurement).

**Brazil**, which recently underwent the first OECD review of its integrity framework, has established an “honour roll” of corporations that invest in ethical programmes.

**Morocco's** strategy to support ethical behaviour in public life includes programmes to fight against corruption and establish greater transparency. The goal is to strengthen control mechanisms and continue with reforms of the legal system, promoting partnership and co-operation. **Sweden** pointed out that trust can be negatively affected by unmet expectations: it is important to learn lessons from past initiatives. Maintaining trust in government, and promoting democracy, involves holding government to account. Openness and transparency are key for good governance.

The **European Union** noted that since European Commission is not an elected body, matters of trust are especially important. The lack of visibility of EU institutions, with less direct access to the press, makes it a challenge to explain their activities to the citizens affected by them. Lobbying is an area of interest, as is the issue of ethics for Commission employees. Post-employment regulations require further study.

In **South Africa**, Parliament is evaluating the effectiveness and efficiency of institutions to fight corruption. The country is using African peer review mechanisms and town hall meetings. In addition, the Consumer Protection Act reduces the scope for price fixing in certain sectors. People need to be able to detect corruption and deal with it effectively, and civil society should be mobilised on these issues.

In **Mexico**, while transparency in and of itself cannot build trust, government action needs to be co-ordinated in terms of ensuring transparency and strengthening trust. Simplifying procedures also helps reduce corruption.

**CIVICUS** wondered why, if everyone is doing so much, trust levels remain so low? Is it a failure to manage expectations, or of packaging? Or does it simply reflect a lack of capacity to understand the problems? While civil society organisations are considered the most trusted sector in the Trust Barometer, the space available to civil society appears to be closing in many places, according to CIVICUS Watch.

For **BIAC**, transparency means certainty, predictability and coherence in legislative processes and administrative environment for businesses. Clear objectives have to be set for the economic system to get back on its feet and to push for innovative solutions. What is required is: accountability, efficiency, a level playing field, innovation and growth.

## **Active transparency is essential to ensure greater accountability**

The goal is to better monitor what governments do and how they do it: for example, tracking public expenditure to avoid waste or misconduct, disclosing lobbying contacts. The goal is to create value for citizens and businesses.

Data disclosure is the first step, but requires improving data quality and usability: the **United Kingdom** stressed the need for greater transparency to let people know what government is doing, and what the results are. Reusing data allows people to compare services across departments. Governments need to share thoughts on how to drive this, on what resistance there may be, etc. The **United Kingdom** has put the Treasury's public spending database online, including information on salaries. Details of spending over £25k are being put online, with data on local government. The current strategy is to make the rough data available for public use although some suggest the data should be "managed" before being released. Transparency and accountability can be used to push government to act, to break up vested interests and overcome resistance to change.

**Transparency International** stressed the need to ensure transparency in financing, particularly for revenues. It is important but difficult to ensure that money is not lost to drug trafficking or corruption, for example. Justice systems need to be reinforced and public procurement, addressed. This needs to be done not only at central level, but at local level as well, since that is where most interactions occur.

For **CIVICUS**, civil society can play an important role in creating space for governments to better manage expectations and their political costs.

**Sweden** suggested that competition should be strengthened in the public sector, for example through supervision of public procurement. Competition is not only important for telecoms, electricity and pharmacies, but also for service delivery in primary education, health care and social services. Several countries described new open human resources management practices, including recruitment, for the public service.

Still, governments need to find the right balance between privacy and efficiency. **Germany** underscored the role of technology in protecting privacy, suggesting that a boundary needs to be identified that ensures both civic freedom and efficiency.

**South Africa** pointed out that increased transparency has a political cost, too. Governments have to be better at packaging information to show people what challenges government faces, and what it has achieved. A draft bill to establish a Protection of Information Act is before Parliament in that country.

## **Citizens and civil society are increasingly drivers for change and innovation**

Citizens' expectations have changed, as they want to have more control greater choice in public services. Citizens and civil society are moving beyond the exercise of public scrutiny and acting as agent of change. Multi-stakeholder collaborative approaches in all stages of policy development, from design to evaluation, can help better manage expectations and bring additional resources into play. Technology can help provide this.

As **Portugal** stressed, citizens want to see real results in terms of efficiency, reduced administrative burdens and better public service delivery. The Simplex programme aims to achieve this, and is a top priority. It involves all partners from central and local governments, and all information is publicly released. **Brazil** mentioned the need to provide guidance to citizens -- through seminars, distance education and other means -- on how they may exert social control.

For **Italy**, seeing citizens as a resource for better service delivery is a key part of building trust. Citizens can also become watchdogs. Italy's new performance management framework requires administrations to involve citizens in the design, delivery and evaluation of public services. Many countries require consultation for any new regulations. **Greece** publishes all government decisions on the Internet.

**Transparency International** emphasised the need to foster participation of society at large, putting people at the same table to find solutions. Civil society is not a contractor for service delivery, but it can ensure the effectiveness of those services. Working with local government, it can help to improve coherence and efficiency, facilitating citizen's involvement at every stage of reforms, rather than investing in new systems of policing and auditing.

**Finland** has ten years' experience with using social media to engage citizens, including a discussion forum "Share your views with us". It is currently building a new platform for citizen engagement.

For **Slovenia**, citizen participation is a key element of good governance: the country engages the public in collaborative projects as well as draft legislation. But, as **Sweden** pointed out, there is always a trade-off between addressing pressing needs and listening to all stakeholders.

**Finland** stressed that citizen involvement has an intrinsic value for bolstering democracy and helping strengthen trust and accountability, but requires building capacity and encouraging citizens to work with the state. There is a need for continuous cultural change, and civil servants need to be on board. **BIAC** noted that better engagement of stakeholders should offer better legislative outcomes.

New players with different value systems need to be involved. There is a need for making information more understandable, and those that receive information need to be equipped to understand it. Countries face the challenge of moving from establishing solid foundations for public involvement to mainstreaming this involvement into government programmes.

## Session 3

# Promoting Open and Transparent Government

### How to help governments to

- Build trust with citizens
- Foster transparency and openness, reaffirming the core values in the public sector
- Promote integrity in the interface between the public and private sectors

### Questions for discussion

- How can Ministers strengthen citizens' confidence in Government, foster greater transparency and openness? What are the key implications for public governance and the public sector?
- What are the challenges of greater citizen empowerment and engagement with civil society?
- How to strengthen and promote integrity in the public/private sector interface? How to reaffirm ethics and core values in the public sector?
- How can governments better address the expectation of an increasingly diverse population? How can the public sector be more inclusive and respond to shifting needs and demands ?
- What are the obstacles to maintaining and restoring trust? Is trust a long-term goal or a priority to start with?

### The challenges

- Building trust is always a work in progress. Trust represents an investment, as accumulated capital to invest in reforms
- A shared understanding of core values is necessary, but not sufficient, to produce trust
- Making things simple and transparent requires the will and the means to change the strategic focus of the public sector

### The tasks

- Establish strategic partnerships with the private sphere and civil society to build trust
- The core public sector values need to be reaffirmed and linked to policy implementation and outcomes
- Use all existing channels to foster true openness and transparency, including (but not limited to) ICT and web-based technologies
- Promote and implement culture change in the public sector with a client focus
- Foster integrity in public sector processes and ensure public scrutiny

## Building and maintaining trust is hard work!!

Mr. Pechtold, Minister for Government Reform and Kingdom Relations, The Netherlands.

**“Trust arrives on foot but leaves on horseback”**

Rotterdam, OECD Public Governance Ministerial Meeting 2005.

### Which tools for Open and Inclusive Policy Making?

The OECD released *Guiding Principles for Open and Inclusive Policy Making* in 2009. The goal is to broaden citizens’ influence, build civic capacity, while improving the evidence base for policy making, reducing implementation costs and tapping wider networks for innovation in policymaking and service deliver.

#### Are these meeting current/ future policy needs ?

**Commitment:** need for leadership at all levels

**Rights :** Citizens’ rights to consultation grounded in law.

**Clarity:** well defined objectives, clear roles and responsibilities, with easy to access information

**Time:** Public engagement early in the policy process

**Inclusion:** Giving citizens equal opportunities to access information, be consulted and participate.

**Resources:** Adequate resources for public information, consultation and participation.

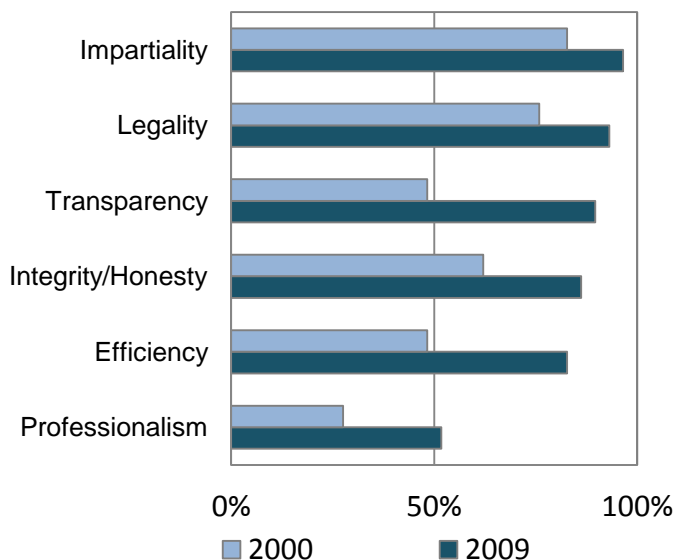
**Co-ordination:** within and across levels of government to ensure policy coherence and avoid duplication.

**Accountability:** Inform participants as to how their inputs will be used. Ensure open, and transparent processes.

**Evaluation:** build the demand, capacity, culture and tools for evaluating public participation

**Active citizenship:** benefit from dynamic civil society, raising awareness, and supporting autonomous problem-solving by citizens, CSOs and businesses.

### What are the core public sector values ?



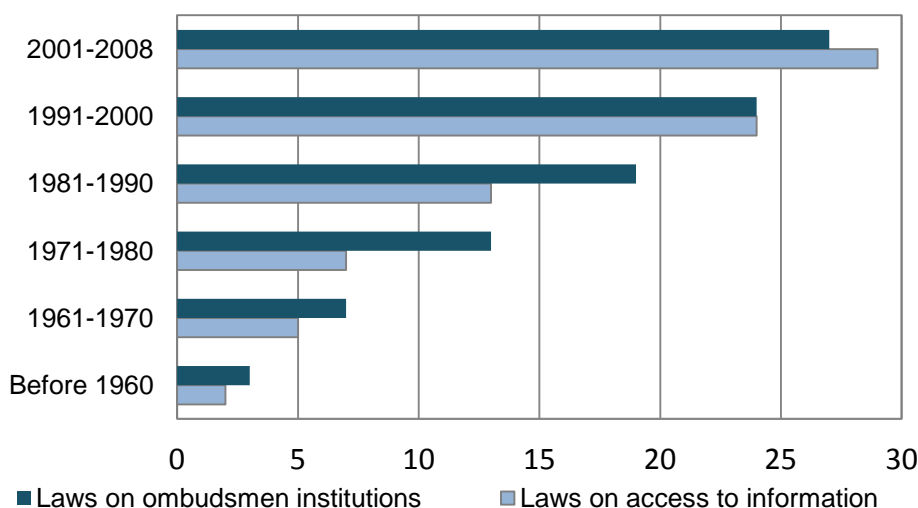
Percentage of the 29 countries that responded to both the 2000 and 2009 surveys

Source: *Government at a Glance 2009*

#### Address by US President Obama

“My Administration is committed to creating an unprecedented level of openness in government. We will work together to ensure the public trust and establish a system of transparency, public participation, and collaboration. Openness will strengthen our democracy and promote efficiency and effectiveness in government.” *January 21, 2009*

### How many OECD countries have laws on access to information and ombudsman institutions?



Source: *Government at a Glance 2009*

#### Citizen Engagement: Rising to the Challenge

“Citizen Engagement is hard work: it is neither a panacea nor a romantic vision of the ideal citizen. Giving citizens a voice in the matters that affect them most will be central to future public sector reforms,”

**Jocelyne Bourgon,**  
PC, OC, Canada



**Italy: Public Administration as a Glass House**

"Public Administration appears today as it should always have been: a Glass House in which citizens have the right to look and verify how their money is being spent, may it be in a good or a bad way."

Report to the Parliament on the State of the Public Administration (2008) by Minister of Public Administration and Innovation, Renato Brunetta.

"Australia's Declaration of Open Government espouses three principles: informing, engaging and participating. "Without open access to public data, all three are very difficult to achieve", "Government information should be, where possible, free as in beer and free as in speech," "It should be available free of charge, and people should be able to share it freely...The economic value of government information can increase four-fold within a year if it is made freely available to public. Its social value could increase by even more."

**Peter Harper, Chief Operating Officer of Australia's Bureau of Statistics, member of Australia's Government 2.0 Taskforce which produced Australia's Declaration of Open Government in July (2010)**

<http://www.futuregov.asia/articles/2010/aug/31/australias-open-govt-data-drive/>

**Address by Ms Kiviniemi, Prime Minister, Former Minister of public administration and local government at the launching seminar of the "OECD Public Governance Review of Finland"**

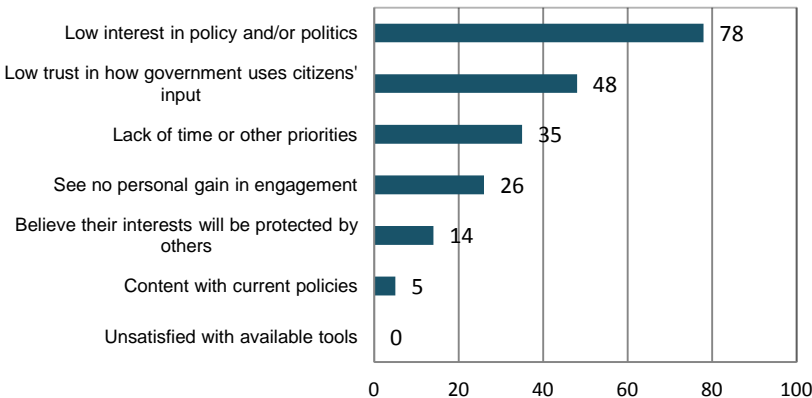
We need also a broad engagement strategy for the government as a whole. The challenges our country faces cannot be solved by administrative procedures, we need the collective will of the society, we need participation that gives people a proper role in problem solving. Therefore we need to create the enabling environment for stakeholder engagement by state government, including citizens, civil society organisations, businesses and local actors. 31st of May 2010, the House of the Estates. Helsinki

**Prime Minister David Cameron, Letter to Government departments on opening up data.**

"Greater transparency across Government is at the heart of our shared commitment to enable the public to hold politicians and public bodies to account; to reduce the deficit and deliver better value for money in public spending; and to realise significant economic benefits by enabling businesses and non-profit organisations to build innovative applications and websites using public data."

"The Government must set new standards for transparency, and our Coalition Programme for Government sets out a number of specific commitments. The Government's initial transparency commitments are set out below, alongside deadlines for publication. Limited exemptions on national security and personal privacy grounds will be permitted."

**Why don't people participate?**



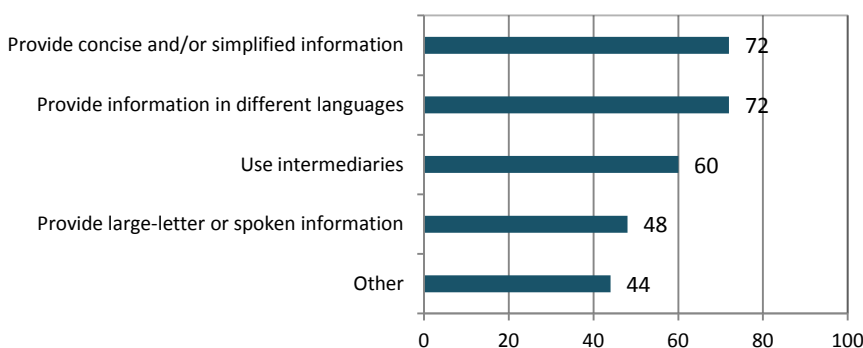
Source: Focus on Citizens, OECD 2009

**What is Cloud computing?**

Cloud computing is Internet-based computing, whereby shared resources, software and information are provided to computers and other devices on-demand, like electricity. It helps to drive down costs and make sure that technologies are made available to the workforce. It needs to be implemented horizontally to facilitate the streamlining of business processes and facilitate the diffusion of innovation.

**What can governments do about it?**

Measures to lower barriers for government information



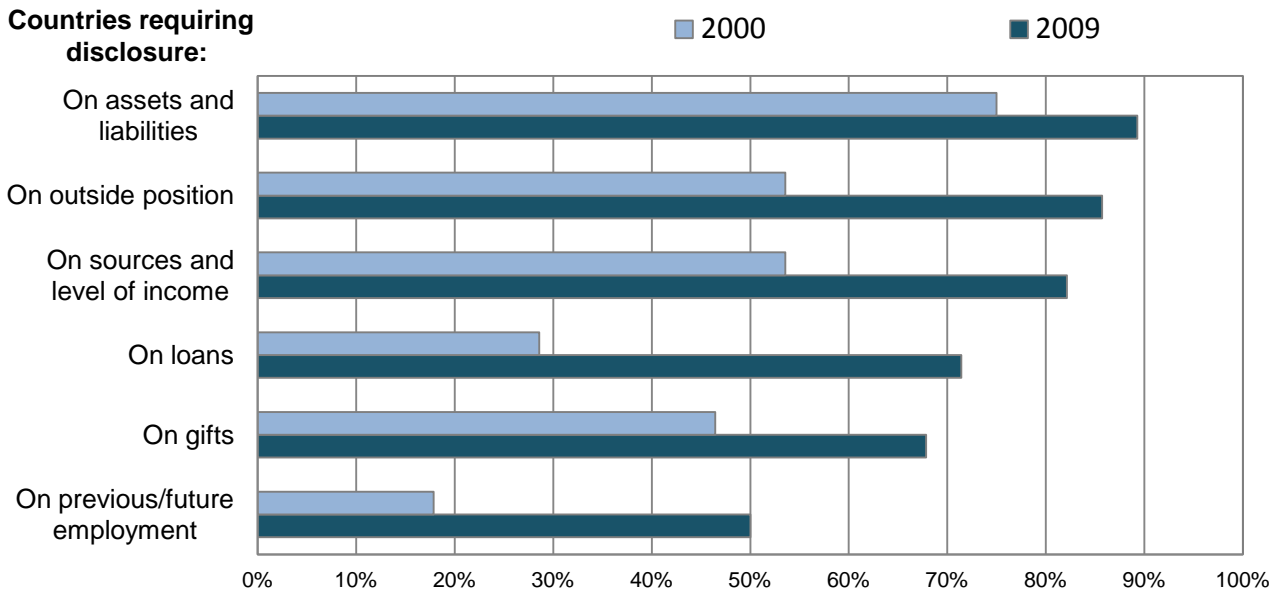
Source: Focus on Citizens, OECD 2009

**Promoting Open Government in the US**

In December 2009, the Office of Management and Budget released the Open Government Directive, instructing federal agencies to improve the quality of government information and to embrace a culture of open government. It lays out the vision for a transparent, participatory, and collaborative government. Agency leadership needs to commit to "changing the default," from closed government to a presumption of openness.

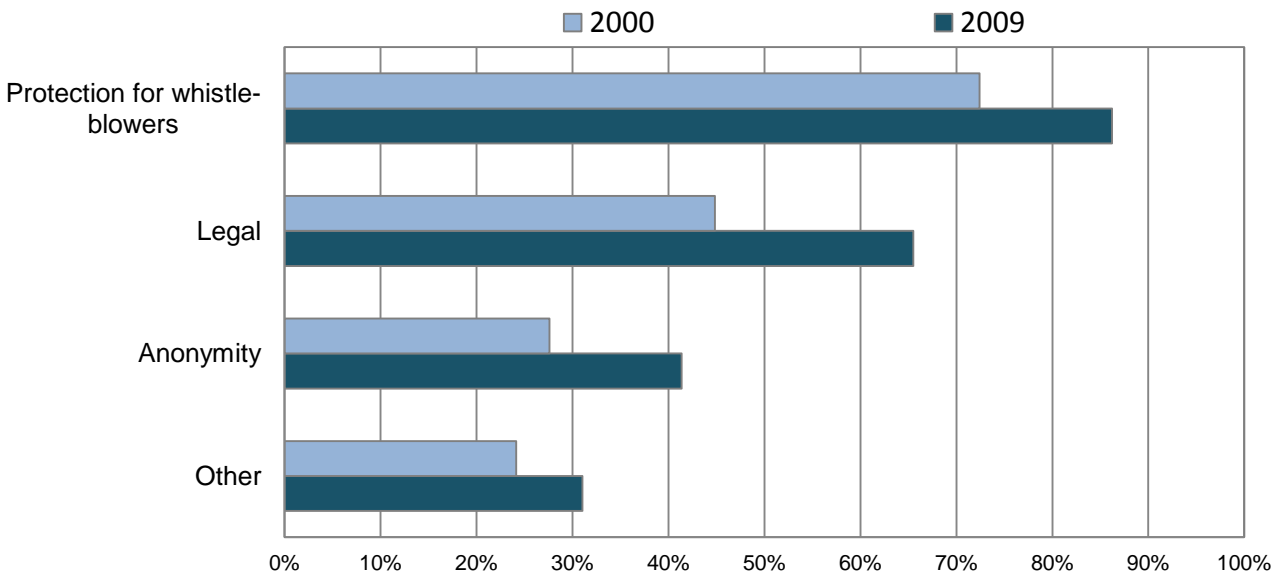
<http://techpresident.com>

### What percentage of countries require decision makers in the central government to disclose conflict of interest?



Percentage of the 28 OECD countries that responded to both the 2000 and 2009 surveys

### What percentage of countries offer protection for whistle blowers



Percentage of the 29 OECD countries that responded to both the 2000 and 2009 surveys

# AGENDA

## **Plenary Session I**

### **Governments and markets: Towards a new balance**

#### **Breakout Session I:**

#### **Delivering better public services under fiscal pressures**

Government face strategic choices to deliver better services under fiscal pressures. It is critical for governments to prioritise services and improve efficiency in service delivery. This will increase the need to identify priorities and improve effectiveness in investment and capabilities for delivery, while taking into account the interface with local governments.

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

#### **Breakout Session 2:**

#### **Towards a more effective and performance-oriented public service**

The public sector needs to be more agile, adapting to new and emerging challenges, taking advantage of innovative approaches in terms of the evaluation of government expenditure and programmes.

- How can the public sector always be ready for tomorrow? How can Ministers strengthen their strategic capacity?
- How can Ministers foster a performance-oriented public service? Is performance both necessary and sufficient for success?
- What is the role for performance management and evaluation in achieving governments' overall objectives? Do we know how to evaluate performance? What are the appropriate institutional settings?
- How can the public service simplify its processes while spending less? How can government design user-centric services to cut red tape? How can governments exploit the untapped potential of e-government?
- What should be the strategic objectives of public employment policies? How can Ministers foster culture change in the public sector? What is the role of social dialogue?

### **Breakout Session 3:**

#### **Promoting open and transparent government**

The public sector needs to foster transparency and integrity for citizen empowerment, trust in government and to contribute to a fairer and cleaner economy.

- How can Ministers strengthen citizens' confidence in Government, foster greater transparency and openness? What are the key implications for public governance and the public sector?
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#### **Press conference**

### **PLENARY SESSION II**

#### **Delivering on the challenges to build anticipatory and open governments**

The session will focus on strategies for implementation, building on the outcome of the breakout sessions.

- How can Ministers strengthen strategic capacity, innovation, foster horizontal co-ordination and increase resource flexibility in the public sector?
- How to mobilise citizens and the private sector to build consensus around the reform agenda? How to overcome resistance to culture change?
- How to work in partnerships with Civil Society Organisations to build momentum for change?
- How to share countries' experiences to promote good practice?

#### **Closing Remarks**

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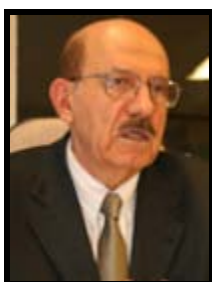
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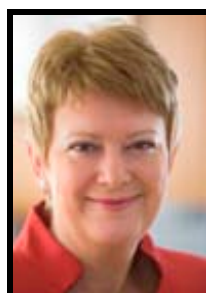
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## Invited Speaker



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