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E-Government Partnerships Across Levels of Government

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**PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE
PUBLIC GOVERNANCE COMMITTEE**

Manag ing Mutual Dependence between Levels of Government

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This document is submitted to Delegates of the Public Governance Committee for comment. It represents the final report pertaining to the work on relations across levels of government carried out in 2007-2008. Written comment is requested by 29 May, 2009.

CHAPTER 4: E-GOVERNMENT PARTNERSHIPS ACROSS LEVELS OF GOVERNMENT

This chapter represents the executive summary of a longer report on designing and implementing e-government policies and programmes within the context of multi-level governance. It explores the various challenges and approaches surrounding the creation of collaborative and co-operative partnerships across levels of government for e-government development.

EXECUTIVE SUMMARY

455. Governments' pursuit of developing and delivering integrated and user-focused e-government services is increasingly challenging the way the public sector has organised itself and its work. Responding to citizens' and businesses' demand for integrated services – whether these are on- or offline – have questioned whether existing business processes and division of work are the best way of organising the delivery of services in general – and e-government services in particular.

456. As citizens and businesses in essence are less attentive to how the public sector is formally organised, the focus for citizens and businesses of the public sector's service provision is whether authorities in the public sector are solving their problems. This is the reason why governments are seeking to develop and deliver integrated services where the guiding principle is the citizens' or businesses' demands and needs.

457. This has concretely been articulated in a number of principles:

- **One-stop-shop approach** , where *ad hoc* online and offline sites were designed to act as a single point of contact for citizens and business in their dealing with the public sector.
- **The no-wrong-door policy** , where citizens can expect to receive appropriate solutions regardless of the point of contact with the public administration they use.
- **One-time data provision** , where citizens have the right not to be asked for information and data they have already provided to the public sector.

458. These fundamental rights to use electronic means to access public services and of not having to submit data twice have been incorporated into policy tools such as:

- **E-Government laws** , such as those approved in Austrian e-government law .
- **Shared visions and strategies** , such as in the Italian shared e-government vision document .
- **Collaboration agreements** , such as the collaboration agreement in Belgium between the different levels of government .

WHY E-GOVERNMENT PARTNERSHIPS ACROSS LEVELS OF GOVERNMENT MATTERS

460. E-Government enables major transformational changes in public sector organisations. Where the transformation involves a number of independent and loosely connected public bodies, successful strategies must go beyond aligning technology standards or improving the networking of organisations. Collaboration and co-operation among governments and their public sector institutions is both a key requirement and a significant challenge for the efficient and effective exploitation of e-government. Looking at central/federal government policies, the typical goals for collaboration and co-operating with the sub-national levels are to:

- **Improve services** – making them more accessible, more convenient, more responsive and more cost-effective. It can also make it easier to join-up local services (within all levels of government, between levels of government, and between government and other public, voluntary and private organisations).
- **Improve the processes that underpin services and foster public sector innovation** – ICT provide the opportunity to overhaul the way the “back-office” works, making it easier, faster and cheaper to process information and data, to share them between services, and to present it to customers, staff and partners.
- **Renew local democracy** – making particularly local/municipal governments more open, more accountable, more inclusive and better able to lead their communities. E-Government can enhance the opportunities for citizens to debate with each other and to engage with their local services.
- **Promote local economic vitality and innovation capacity** – a modern communications infrastructure, a skilled workforce and the active promotion of e-business can help local government and regions promote employment in their areas and the employability of their citizens.

461. Experiences in OECD countries have shown that without collaboration or collaborative frameworks, some of the important results that governments are seeking through e-government cannot be achieved.

462. The uneven possibilities for innovating and developing sophisticated e-government services among different actors within the public sector (such as regions and local government) have been highlighted by OECD country studies on e-government as a major challenge. The significant role of especially sub-national governments brings risks of fragmentation and uneven treatment of citizens on the basis of their place of residence. The level of service provision varies extensively between different local authorities, and especially small peripheral municipalities struggle to be effectively involved in the

populated areas may be more focussed using their scarce resources on addressing other areas for action (*e.g.* the primary health care sector, schools, elderly care, etc.) than e-government development.

464. Developments in e-government policies since the mid-2000s reinforce the need for collaboration and co-operation. In the early years of e-government in the mid- to late 1990s the focus was making as many services available online, an effort which required a lesser degree of change in government processes. It then became clear that this was not sufficient to improve the citizens' experience of public services, as shown also by the low take-up of e-government services provided by governments. Today, they are focussing more on changing the internal machinery of government – by improving information and data-sharing, management frameworks, developing building blocks and interoperability frameworks, and transforming the whole service delivery chain.

WHAT ARE THE CHALLENGES FOR E-GOVERNMENT ACROSS LEVELS OF GOVERNMENT?

465. Delivering integrated services across levels of government raise a number of questions regarding the existing organisation of the public sector in many OECD countries and the way the different government levels interact. These challenges are well-known, as the challenges are quite similar to the challenges encountered through working horizontally across existing organisational barriers and silos within levels of government or even within organisations, and also on cross-cutting policy areas. Meaning: The main challenges to effective collaboration are not specific to e-government but valid for any policy context in a multi-level government environment.

466. Four main types of challenges emerge:

- **Conflicts of leadership between different government levels.** E-Government development often requires the convergence of different processes, where different administrations traditionally had authority, and none wishes to appear marginalised. The party/parties initiating or raising the need for a change in existing approaches to business processes and responsibilities must be ready to negotiate/discuss division of work and minimise possible conflicts over competences. The possibility of having an external independent oversight body to resolve potential disputes may be a possibility.
- **Different priorities regarding e-government between levels of government.** Whilst all levels of government have short-, medium-, and long-term goals and priorities depending on their individual political situation, the central/federal level tends to have its main-focus and perspective on national coherency while the sub-national level tends to emphasise local needs and demands due to the level's closeness to citizens as part of a national e-government landscape. The different types of priorities due to the built-in difference in focus include a possible imbedded conflict regarding decisions on common e-government priorities and actions.
- **Different priorities between categories of actors, particularly the administration versus elected politicians** . Elected politicians have a stronger operative role in local/municipal administrations, including e-government activities, and they tend to have a stronger focus on achieving visible benefits and concrete results that have an immediate impact on their constituents; civil servants are focussed on keeping the machinery of government running and

and local/municipal administrations may be concerned about own visibility and autonomy if services are integrated in portals managed at other levels of government.

467. The complicating factors are often harder to overcome when different jurisdictions in a country need or are obliged to work together across levels of government. One of the dominant factors as also seen from OECD country studies of e-government is the balance between political considerations (often expressed as the need to show “independence” in decisions from the central or federal government) and more operational/managerial considerations of having “... things working” in the public sector.

468. Strong e-government leadership creates a joint vision of how e-government can benefit the whole public sector by making it user-focused, and often also drive the improvement of back-office functions and coherency. Influencing and changing people, environments, structures, and habits are often required. OECD countries use a variety of institutional frameworks (e.g. formal organisational structures or informal networking) and leadership tools (e.g. formal decisions within an organisation, formal or informal agreements in *ad hoc* co-ordination bodies within or between organisational units, or agreements from informal networking and dialogue between parties) to build capacity for e-government development and implementation.

469. A review of the strategic e-government approaches of OECD countries shows that public governance structures and decision-making frameworks focus on the following trends:

- **Innovation with the user in mind.** A user-focused e-government builds on the following principles: (1) know users and their needs: formally and regularly monitor user needs and expectations; (2) customise services to user needs: develop e-government services according to needs and expectations, and establish multi-channel management strategies to meet customisation challenges; (3) create the look and feel of one single public sector entity: simplify, integrate, and standardise front- and back-offices (e.g. business processes, application navigation structures, databases, etc.) to enable the provision of seamless services from a public sector acting as one entity.
- **Strong inter-governmental organisation.** To achieve strong e-government synergies it is necessary to establish a common vision and a set of objectives. Successful governance approaches also include the mapping out institutional stakeholders’ profiles, roles, changing influence/competence and motivations to better understand factors affecting inter-government reorganisation and the sustainability of e-government innovation.
- **Process re-engineering of the whole of government.** To share resources governments focus on the negotiation and transaction processes between administrations, the aiming for frameworks and voluntary arrangements rather than legislation and regulation on government processes and the sharing of resources for example with the implementation of a number of e-government building blocks (e.g. key registers, data sharing concepts and structures, e-authentication systems, and ICT security support functions).

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practices, spill-over effects, and critical mass when reorganising government and the organisation of the development of e-government.

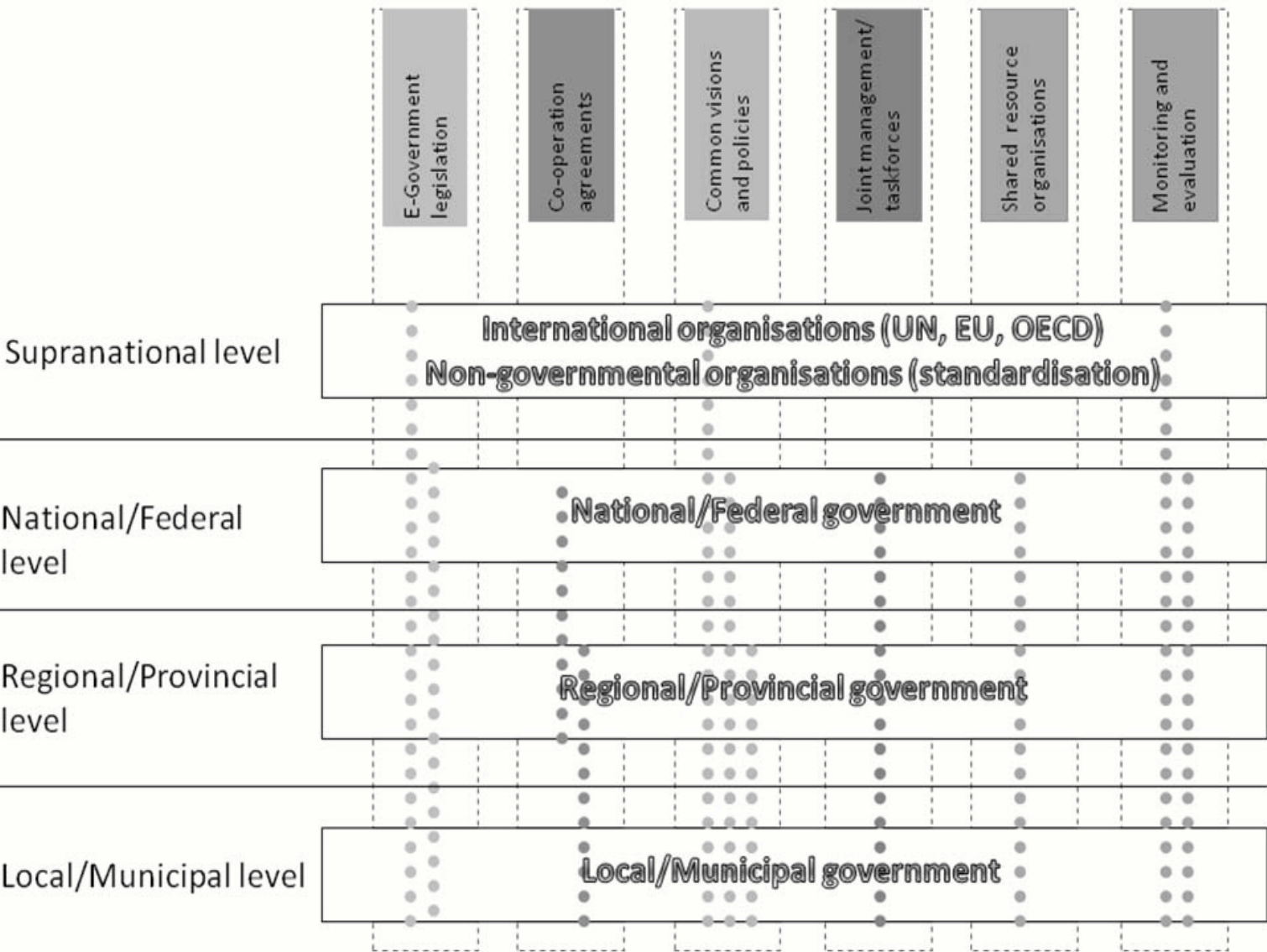
HOW DO GOVERNMENTS CREATE PARTNERSHIPS ACROSS LEVELS OF GOVERNMENT?

470. To understand the multi-faceted issue of e-government partnerships across levels of government, it is necessary to understand that e-government cut across and go beyond organisational boundaries by nature. How governments cover the diversity of issues involved in building trusted frameworks for collaboration and co-operation are addressed differently depending on both the administrative traditions in the country and on the maturity (and habit) of collaborating and co-operating on e-government within the public sector as a whole.

471. OECD country studies on e-government show that a matured e-government environment in a country often eases the political dialogue cross the levels of government and avoids unnecessary politicisation of e-government collaboration and co-operation within the public sector. The same experiences show that there is often a common understanding of the necessity of collaboration and co-operation among operational e-government responsables, and they often use informal channels of communications for operational collaboration and co-operation such as seen in Australia, Belgium, and The Netherlands. In Belgium this is referred to as the "grey zone" - a results-based approach to collaboration and co-operation where actors meet informally and on an *ad hoc* basis.

472. Governments are using different types of tools to achieve common objectives for the public sector as a whole. Figure 0.1 shows an overview of the tool types and where they have been or may be applied to create a framework for collaboration and co-operation. The types of tools listed in the top of the Figure ("E-Government legislation", "Co-operation agreements", "Common visions and policies", "Joint management/taskforces", "Shared resources organisations", and "Monitoring and evaluation") are listed – from left to right – with a decreasing level of formal obligation – or "command and control" – for the different levels of government.

Figure 1. Overview of collaboration and co-operation tools and their use



Source : OECD , 2008 .

Decision-making frameworks for collaboration and co-operation on e-government

473. A set of tools are aimed at creating efficient and effective decision-making frameworks for e-government collaboration and co-operation. These are often seen as tools that create either formal, political, or "technical" obligations for each of the levels of government to follow.

- E-Government legislation** : The legislative tools are used internationally and nationally in some OECD countries. Internationally, the European Union directives are examples of supranational legislation that affects their member states both nationally, regionally, and locally; nationally, some OECD countries with a more legalistically oriented approach such as Austria, Hungary, and Portugal have passed specific e-government legislation aimed at removing barriers for e-

is also used by unitary organised states such as the Nordic countries, Korea, The Netherlands, and Portugal with historic traditions of extended local level government independence.

- **Collaboration agreements** : Co-operation agreements are usually political agreements between a national/federal government, and regional/provincial and local/municipal governments defining specific areas of collaboration and co-operation, budgetary or economic goals/agreements, and the organisational setup within which to discuss issues or resolve conflicts within the scope of the agreement. Examples of co-operation agreements can be seen in countries such as Belgium, Finland, and Denmark.
- **Standards:** The definition of standards is one of the competences normally identified with the national level. Yet in many cases standards are defined collaboratively, in order to take into account the legacy systems of administrations and facilitate the adoption of the standards. Standards are elaborated in order to ensure interoperability in the back office, and consistent users' experience in the front office.

Resource-sharing methods

474. The challenge for successful e-government development and implementation is often to share resources in all government levels – either jointly within, across levels of government, or individually. The main issues are:

- **Financial resources** , including how funding is organised in order to support collaborative e-government development.
- **Human resources** , in terms of arrangements and solutions for knowledge sharing and human resource pooling in an area with limited staff or access to staff with the right competencies and skills.
- **ICT resources** , in terms of different models to encourage sharing of software, hardware, infrastructure, and other ICT related services.

475. Sharing of resources for e-government development is by experience not easy. OECD work on cost-benefits analysis of e-government and OECD e-government country studies show that the organisation investing in e-government development is not necessarily the organisation that will harvest the full benefits of the investment – also known as the "sow-harvest" dilemma. Some e-government solutions are of a generic character that generates benefits broadly for the public sector as a whole and thus not necessarily specific to the organisation that develops and implements an e-government solution.

Keeping progress on track – enforcement mechanisms

476. Partnerships are first real partnerships when there is a mutual common understanding of the

- **Implementation measures** : Implementation measures are used to ensure fulfilment of concrete action plans with specific and measurable implementation goals. Most OECD countries have over the last 10 years adopted and implemented e-government strategies and action plans; fewer have succeeded in consistently implementing stated action plans using systematically implementation measures.
- **Target setting** : Targets for the different levels of government are usually set at the central/federal level often using financial incentives while the operational choice on how to reach these targets is left to the sub-national level to decide on. All OECD countries have set targets for e-government development and most have also set aside funding to back the stated goals of e-government development; fewer countries have succeeded in getting e-government targets fully implemented at the sub-national level.
- **Monitoring** : Monitoring through the use of indicators is a powerful leveraging tool for keeping progress on track. Developing indicators for monitoring is closely linked to the development of measures and targets. An increasing number of OECD countries are adopting and implementing national monitoring frameworks in order to enable actors within the public sector to track their e-government progress.
- **Sanctions and rewards** : Monitoring systems are often only effective if they are followed-up by mechanisms that act on its results. In that regard, sanctions and rewards could be considered and include more formalised forms of enforcement such as judicial sanctions or softer forms such as "naming and shaming/praising". Most OECD countries have a "reward" structure. No OECD countries make use of "sanctions" as the only incentive structure; "sanctions" and "reward" are here closely linked, as most incentives are linked to economic performance such as budget-cuts due to expected efficiency and effectiveness increases.
- **Soft measures/Voluntary arrangements** : E-Government development is often a better case for soft measures or voluntary arrangements as a mechanism for enforcement; these include the possibility of creating common consensus on results benefitting all parties in a project – creating the sense of quick-wins and tangible results. Most OECD countries are using soft measures as an enforcement mechanism by arguing positively about benefits to each participating organisation in the public sector.

Institutional arrangements

478. A set of tools are centred on different types of institutional arrangements understood as different types of organisational structures and entities that creates a framework for collaboration, co-operation and joint decision-making. The OECD countries are using the following main types of institutional arrangements:

- **Joint management/taskforces** : Establishing joint management and taskforces within the public

Shared resource centres are increasingly used on sub-national level to achieve economy of scale or share scarce or very expensive resources (e.g. joint operation of selected costly service areas, joint ICT centres, and joint ICT skills and competencies centres).

- **Outsourcing** : Outsourcing is one way that the public sector can use the capabilities and competencies of the private sector. How much and which part of public sector operations are outsourced depends heavily on the political environment and priorities within each government level. OECD countries typically tend to outsource the more technical areas that often require highly specialised skills and competencies such as technical ICT operations and maintenance.
- **Public Private Partnerships** : Redesigning public-private partnerships as a major asset for joint public-private development projects with mutual benefits are needed to respond to different levels of success where anticipated results for both the public and the private partner(s) didn't emerge or only partially emerged.

LESSONS LEARNED...

479. Creating the right conditions for successful e-government development in the public sector is closely linked to the significance of creating the right conditions for a fruitful and trusted partnership across levels of government despite political, managerial , and legal barriers for such partnerships. An important feature of e-government is that being a recent, non consolidated policy area, the necessity for learning is higher and flexible arrangements appear to work best.

480. Even though the different types of tools listed in Figure 0.1 give an impression of the broadness of the governments' toolbox, the key discussion in countries is still how best to achieve a trusted and inclusive operational collaboration and co-operation in the public sector as a whole that respect diversity and politically (and in some countries constitutional) decided division of responsibilities. These tools are used by most OECD countries in different combinations to enhance and support e-government partnerships across levels of government.

481. OECD country experiences show that the most successful e-government developments are found in OECD countries where the different levels of government eventually have come together in a pragmatic and operational collaboration and co-operation rather than a politicized collaboration and co-operation with a minimum of trust between the different actors. Experiences show that formal division of work between

- **Trust:** the degree to which people and institution in charge of running the service is a prerequisite and a product of collaboration. A gradual approach in building trust is necessary, strongly embedded in day-to-day collaboration. Trust in the IT technical knowledge of partners is a driver of trust between people and organization collaborating in e-government.
- **Risk management:** collaboration has to be grounded in realistic expectation and appropriate risk management tools have to be put in place. Risk management has to address both external (technological, political and socioeconomic environment) and internal risks (from participants and their relationships).
- **Communication and coordination:** proper information sharing is often more effective than formal collaboration structures.

483. Successful collaboration is motivated not by an endogenous collaborative and co-operative approach but by the mutual advantage of parties. All these factors are put in place gradually through the achievement of visible results by all partners. Future service development and delivery need to take these factor into account as an integrated part of the ongoing innovation in and change of the public sector and its service provision – an area that the OECD will further look into in the coming years.

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