Chapter 1

A Paradigm Shift Towards Citizen Centricity

For many years the use of information and communication technology (ICT) has been seen as the "silver bullet" that could improve the performance of the public sector and its service delivery. However, the adoption and use of e-government services (also known as user take-up of e-government services) remain low and far from satisfactory today. This report will analyse why ICT has not proved to be the silver bullet governments hoped for and will showcase the approaches and good practices that OECD countries have used to address lagging user take-up.

The historic focus on technology has overshadowed the organisational, structural, and cultural changes needed in the public sector. In the process of rendering internal government functions and processes efficient and effective, users were often forgotten. This lead to a significant change of focus and approach in the mid-2000s, from government centricity prioritising outcomes for governments, to user centricity prioritising outcomes for users of public services.

A paradigm shift government centricity to user centricity raises the question of whether e-government activities contribute to the creation of broader public welfare: does e-government create welfare for all – meaning the public sector itself as well as its users? Shifting towards citizen centricity with the goal of increasing user take-up in order to create public welfare is about balancing outcomes (large user take-up and satisfaction) with improving the cost-effectiveness of the public sector as a whole.

Over the last 10-15 years, governments have seen the adoption and use of information and communication technology (ICT) as the "silver bullet" that could improve coherency in public service delivery and at the same time free up resources through efficiency and effectiveness gains. Unfortunately though, the adoption and use of e-government services (also known as user take-up of e-government services) have been low[1] and remain far from satisfactory today.[2] This report will analyse why ICT has not proved to be the silver bullet governments hoped for and showcase the approaches and good practices that OECD countries have used to address the challenge of lagging user take-up of e-government services.

Governments have invested heavily in developing e-government services as part of their national ICT policy programmes for the public sector. ICT usage in governments since the 1960s has focused on the automation of tasks and processes to eliminate paperwork and reduce unnecessary, burdensome internal – often manual – processes and procedures. The impact on users – whether they were citizens, businesses, or the government itself – were indirect and often hidden: internal efficiency and effectiveness within a public authority were often only experienced as a reduction in waiting time for an answer to a user's question or request. The perception of ICT as solely a technical tool – at the level of a typewriter, a calculator, or a fax machine – was at the time broadly shared among politicians and management in the public sector.

Today, e-government (understood as both ICT usage and its broad impact on public governance) has moved from being "just another office tool", through the phase of being a tool for transformation of the public sector, to becoming a key lever for innovation and change. *E-Government as a Tool for Transformation* (OECD, 2007) explored these issues and emphasised that OECD countries are increasingly using e-government as a strategic tool for innovation of service delivery and as a support for structural and business process changes. It has become an integrated part of service delivery across the public sector, supporting and enhancing service delivery to users. Transformation of the public sector has clearly become a transformation towards a more open and user-friendly public sector which cares about user needs and demands.

A paradigm shift: From government centricity to citizen centricity

For many years the focus on technology has overshadowed the organisational, structural, and cultural changes needed in the public sector. This has left key challenges (*e.g.* legal and cultural barriers for collaboration and co-operation within and across levels of government – the prerequisites for building attractive, integrated, user-focused e-government services) unaddressed. In the process of rendering internal government functions and processes efficient and effective, users were often forgotten.

With increasing pressure from society on governments to become more efficient and effective and at the same time pay more attention to user needs, demands, and satisfaction, governments have been forced to rethink their approach to development and delivery. The message from the OECD e-leaders (the high-level national e-government representatives to the OECD Network of Senior E-Government Officials) at their meeting on 6-7 March 2008 in The Hague, Netherlands, was clear: the focus in public service delivery should be on user needs, demands, and satisfaction – not on the tools and service delivery channels governments have been focusing on since the mid-1990s. Integrating a citizen-centric approach to public service development and delivery raises a number of questions for governments:

- How can governments enable and support a more participatory and inclusive approach to public service development and delivery in order to ensure that user needs and demands are met by government services? Or, perhaps use ICT to develop a service-delivery framework and supporting tools that empower users to create their own personalised services to meet their individual needs?

- How can the public sector itself transform into a coherent whole, meeting users on their terms and not under the terms set by governments' administrative organisations, traditions and cultures?

- How can the current division of responsibilities and the organisational structures within the public sector be rethought to accommodate a whole-of-public-sector approach to service development and delivery?

This is a fundamental shift of thought and approach towards public service development and delivery: a new paradigm is emerging.

E-Government development has been part of different OECD countries' political and public sector reform agendas since the 1990s where attention was given to equipping administrations with ICT and how this could lead to better government.[3] Understanding the progressive transition from a government-centric e-government paradigm towards a user-centric paradigm requires a revision of and an agreement on the overall purpose and functioning of the public sector as a whole. E-Government development has in

this context traditionally focused on the *internal transformational drivers* of ICT usage. It has emphasised, for example, the potential for improving efficiency and effectiveness, resulting in increased productivity and organisational performance, cost reductions, and coherency in front- and back-office functionality. Public sector transformation and the focus on internal transformational processes have – by nature – a more programmatic or deterministic drive towards a government-centric view.

The shift of focus and approach towards user-centricity (with a special focus on citizens) in the mid-2000s is significant. Today, governments recognise that e-government is a key tool to support and enhance public sector performance in general. In particular, it has shown its strength as a tool to improve and enhance innovation in the public sector as a lever for new approaches to service development and delivery. Governments are turning their attention to this broader view rather than the narrow focus on the tools themselves. They are shifting from a *government-centric* paradigm to a *user-centric* paradigm, placing more attention on the context (*e.g.* social, organisational, and institutional factors) in which e-government is developing and the outcomes for users[4] in general.

A user-centric approach forces governments to rethink whether a "transformational" perspective on public service development and delivery is still the right one, or whether a user-centric perspective will be better served by adopting a new paradigm – a so-called *new perspective on public service development and delivery* – and how e-government in that regard could be viewed (see Table 1.1 for an overview of the two conceptual paradigms). Concretely, shifting the focus from the transformational or process-oriented view to a more "contextual" view on service development and delivery, looking

Table 1.1. **E-Government paradigms**

Paradigm	Focus
Government-centric (transformational orientation with an emphasis on organisational coherence)	• Processes and procedures. • Efficiency and effectiveness leading to cost-reductions. • Increased productivity. • Coherency in front- and back-office, enabling service integration. • Collaboration and co-operation within and across levels of government.
User-centric (contextual orientation with an emphasis on external coherence)	• Context-oriented. • Social factors: social and economic prerequisites and determinants, human behaviour and habits, cultural issues, etc. • Organisational factors: information and data sharing, integrated service organisation allowing for customisation and individualisation of services, "one-entry-only", personalisation to individual needs, etc. • Institutional factors: collaboration and co-operation between public sector institutions, "whole-of-public-sector" approach to service delivery, adaptive rules and regulations supporting "whole-of-public-sector" service delivery, etc.

Source: OECD, 2008.

at the interplay between ICT and broader social, organisational and political factors, will create a better conceptual understanding of user centricity in e-government development. It will also more directly address issues of importance for the increased user take-up of e-government services, *e.g.* socio-economic, institutional, organisational, and cultural issues.[5]

OECD countries are increasingly focusing on a user-centric public service delivery rather than e-government as such, for e-government today is mainly seen as an integral part of public service delivery. Governments cannot function without e-government and public service delivery has e-government as an integrated part of its design and delivery mechanisms.[6] The attention among OECD countries on user-centric service delivery confirms the progressive shift in paradigm. This raises the question of how to strike a reasonable balance between user centricity and broader societal needs: does user-centric e-government service provision create "enough" public welfare to make investment in it "worthwhile"? Creating and maintaining public welfare through the development and delivery of e-government services will be discussed below.

Improving public welfare

Another dimension of the paradigm shift is a new focus on whether e-government activities contribute to the creation of broader public welfare: do we all receive sufficient benefits (monetary and non-monetary) given the resources invested? Does e-government create enough welfare for all – meaning the public sector itself as well as its users? Shifting towards citizen centricity and aiming towards high user take-up of e-government services makes good sense as governments will need to strike the balance between chasing *internal* organisational goals (*e.g.* efficiency and effectiveness) and *external* outcome goals (*e.g.* user focus, take-up, satisfaction, quality of services, and openness and transparency).[7] The question here is: can the *public welfare created by e-government services* be more than achieving the outcome of user take-up at "a reasonable and acceptable cost"? Creating public welfare from e-government investment is about balancing outcomes such as large user take-up and satisfaction with the cost-effectiveness of the public sector as a whole.[8]

Governments' increasing focus on user take-up should be seen in the context of this paradigm shift, where the political and managerial considerations regarding balancing different aspects of the public welfare become important: is there a satisfactory balance between legitimate concerns about cost-effectiveness and the outcomes of investments made? These considerations have become central in government decisions on e-government implementation and lead to an increasing use of cost-benefit analysis of projects.[9] E-Government projects have developed from political

high-profiled projects to mainstream public investment projects that require thorough justification: nowadays, they need to show a business case and a convincing argument for the return on investment.

Increasingly, governments do not see a contradiction between becoming user-centric in service development and delivery and improving efficiency and effectiveness in the public sector as such. In fact, by experience, optimising e-government development for users, leading to higher user take-up, in general also leads to improved performance and more efficient usage of public sector resources. The question of using channel management proactively as an instrument for creating incentives for behavioural changes among users is actively considered by some countries such as Denmark[10] and the Netherlands[11].

Linking the public welfare of e-government services to the performance of an organisation, a sector, or the public sector as a whole might be a logical next step. Figure 1.1 illustrates this relationship: performance of an organisation is low if the outcomes and cost-effectiveness of e-government investments are low; performance is high if the outcomes and cost-effectiveness of investments are high. When striving for high outcomes at a

Figure 1.1. **Maximising public welfare – balancing outcomes with cost-effectiveness**
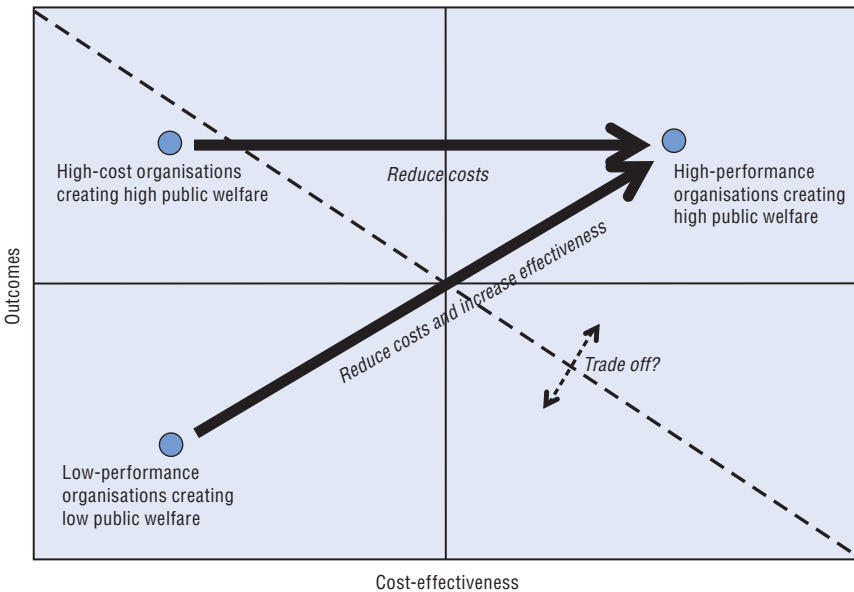
Source: OECD, 2008, inspired by Cole, Martin and Greg Parston (2006), *Unlocking Public Value: A New Model for Achieving High Performance in Public Service Organisations*, John Wiley and Sons, Inc., Figure 4.1, p. 64.

"reasonable price" in the public sector, it is necessary to ensure that all public organisations are high-performing individually as well as collectively. Low-performing organisations with low outcomes and low cost-effectiveness will need to follow a development path where outcomes and effectiveness are maximised while costs are minimised. Organisations with high outcomes but at a high cost will need to reduce costs while maintaining the achieved high outcomes. The question here is: how does an organisation assess and overcome the trade-offs to be taken? And how does a collective of organisations decide on the trade-offs needed to optimise the performance of the public sector as a whole in order to maximise the public welfare for all? (This dilemma is illustrated in Figure 1.1 by the dotted-and-dashed line.)

Even though the correlation model in Figure 1.1 is simplistic, it stresses the point that governments which strive to maximise public welfare from their e-government investments need to keep in mind how to balance outcomes with cost-effectiveness when deciding to implement e-government. They need to guarantee a close linkage between the outcomes and cost-effectiveness of their investments in order to ensure a valuable contribution to a high-performing public sector. One of these outcomes, in some cases, is an increased user take-up of e-government services (Box 1.1).

Box 1.1. **Australia: eCensus 2006**

Every five years the Australian Bureau of Statistics (ABS) counts the number and key characteristics of every person in Australia, including those living in remote areas such as the outback Northern Territory and offshore oil rigs. To do this, the ABS has traditionally had to employ a large temporary workforce to deliver forms to every household and then collect the completed forms after census night.

The introduction of eCensus as part of the 2006 Census of Population and Housing has made this huge task somewhat easier for the ABS – and potentially for all Australians. eCensus is a tool that provides every citizen with a robust, secure and easy alternative to completing the paper census form, and makes it easier for the ABS to count people living in isolated places. Importantly, it is also accessible for people with a disability as it uses assistive technologies such as screen-reader software. The system was fully accessible for people with a disability which meant that these people, especially those with vision impairment, no longer had to rely on a family member, friend or census collector to help them complete the paper form. In addition, the general community had more flexibility in completing their census forms, and could keep their data private from other members of their household or census collectors.

Box 1.1. **Australia: eCensus 2006** (*cont.*)

eCensus is easy to use for people who do not regularly use the Internet. This was an important consideration when developing the application as it would potentially be used by every household in Australia. It also had to perform well over slow dial-up connections, and meet World Wide Web Consortium accessibility guidelines. Furthermore, the ABS tested the application extensively to ensure it was fully compatible with a wide range of commercial and open source web browsers.

eCensus has proved to be very successful, with many positive outcomes for Australians in general and for the ABS. Approximately 780 000 households (9% of Australian households) used eCensus during the 2006 Census of Population and Housing. The ABS did not know how many people would use eCensus as this was the first time an online census had been offered in Australia and there were no comparable international experiences. Another issue was the peak load expected on census night. Despite the large load spike, with 315 000 forms submitted after 6.00 p.m. on census night and a peak of 55 000 users logged on at the same time, there were no load or performance issues.

In all, over 45% of people said the eCensus was easy to use and 35% said it was quick. Only 6% of respondents made negative comments about their experience in using eCensus. Given that 9% of Australian households used eCensus in 2006, despite it not being actively promoted before the census, the ABS is confident in using and promoting it as a primary channel for the 2011 census. The ABS expects a significant increase in the number of Australians who choose to use eCensus in 2011.

Source: Australian Government Information Management Office (AGIMO) (2007), *Excellence in e-Government Awards. 2007 Finalist Case Studies.* September 2007, Department of Finance and Administration, Australian Government. See also *www.finance.gov.au/publications/excellence-in-e-government-awards-2007-finalist-case-studies/e-census.html,* accessed 26 September 2008.

Creating the right conditions for integrated services is a prerequisite for maximising the public welfare of e-government. Integrating services across organisational boundaries and levels of government has, in all OECD country studies until 2008, proven to be one of the most difficult challenges to address. It is often necessary to share resources such as information and data, and the responsibility for the delivery of those cross-cutting services is not always clear in a traditionally line organised government administration. An increasing number of OECD countries, however, are addressing these challenges: Canada (Box 1.2), Denmark,[12] the Netherlands,[13] and the United Kingdom (Box 1.3) are examples of countries which are in the process of changing their organisational structures, responsibilities, service delivery mechanisms and channels in order to support and enhance a user-focused service delivery approach.

Box 1.2. **Canada: Service Canada – a one-stop-shop for public services**

Service Canada was created in September 2005 to provide enhanced, one-stop-shop services to Canadians, delivered with a strong client-service orientation. Over time, it will bring federal services and benefits together making it easier for Canadians to get more of the help they need in one place, whether by phone, Internet or in person. It has since its creation been in the process of integrating services from a number of federal departments to form a single service delivery network. Over time, it will continue to enhance and introduce more services with the goal of continuous improvement in service delivery and client satisfaction, including closer co-operation with provinces on one-stop-shop service delivery.

Service Canada's mandate includes providing Canadians with better services at lower cost, whether by operating services more cost-effectively or by tackling possible fraud and abuse of programmes. To achieve savings targets, a number of integrity strategies were introduced. For example, by implementing rigorous forecasting, planning, tracking, and reporting procedures, Service Canada achieved an accuracy rate of 94.5% for employment insurance claims. It also helped people applying for employment insurance benefits by providing comprehensive information sessions that helped them learn their rights and responsibilities under the programme. By improving the accuracy of its payments, standardising and automating its services, as well as improving the way it purchases goods and services for day-to-day operations, it delivered about CAD 424 million in savings during 2006-07, well beyond the set savings target of CAD 355 million.

Source: Her Majesty the Queen in Right of Canada (2007), Service Canada Annual Report 2006-2007, *www.servicecanada.gc.ca/en/about/reports/ar_0607/pdf/ar_0607.pdf,* accessed 24 August 2008.

Box 1.3. **United Kingdom: Shared services – making e-government service cost-effective**

The 2007 progress report on implementing the transformational government strategy established in November 2005 focuses on the benefits of shared services in the public sector. By working more closely together, government can save money, reduce waste and deliver personalised services in the way citizens and public sector workers want and expect. To deliver transformational government, the public sector needs common approaches to corporate services such as human resources, finance, information technology (IT) and procurement.

Box 1.3. **United Kingdom: Shared services
– making e-government service cost-effective** *(cont.)*

It is not logical for each government organisation to have its own services for human resources, IT, pay, etc.. The Cabinet Office is promoting the use of *shared corporate services* across Whitehall to enhance *efficiency*, *effectiveness* and *employee experience*. Over half of all central government employees are now customers of shared corporate services. Discussions are taking place between departments about sharing not only corporate services, but IT infrastructures and delivery contracts, buildings, call centres and even staff.

- Government corporate services will be delivered through a handful of professional organisations – serving a minimum of 20 000 staff.

- People will have control of their information, enjoying the highest levels of assurance, transparency and self-service.

- To avoid duplication, the Department of Work and Pensions (DWP) and Her Majesty's Revenue and Customs (HMRC) have been designated providers of shared services to smaller departments. The Department of Work and Pensions is due to provide the Cabinet Office with shared human resources, finance and procurement services in 2008. This process will help other departments understand the mechanism by which small departments buy services from larger ones.

Source: United Kingdom Cabinet Office (2007), *Transformational Government – Our Progress in 2007: Delivering Better, More Efficient Service for Everyone, www.cio.gov.uk/documents/annual_report2007/ tg_annual_report07.pdf,* accessed 24 August 2008; UK Cabinet Office (2005), *Transformational Government – Enabled by Technology, www.cio.gov.uk/documents/pdf/transgov/transgov-strategy.pdf*, accessed 24 August 2008.

Notes

1. The low user take-up of e-government services is reflected in a number of studies, *e.g.* the international study done by Accenture in 2002, *eGovernment Leadership – Realizing the Vision*, and subsequent e-government peer reviews documented in OECD country studies since 2003 (see also references in Note 2).

2. OECD (2003), *OECD e-Government Studies: Finland*, OECD, Paris; OECD (2004), *OECD e-Government Studies: Norway*, OECD, Paris; OECD (2005), *OECD e-Government Studies: Mexico*, OECD, Paris. OECD (2006), *OECD e-Government Studies: Denmark*, OECD, Paris; OECD (2007), *OECD e-Government Studies: Netherlands*, OECD, Paris; OECD (2007), *OECD e-Government Studies: Hungary*, OECD, Paris; OECD (2007), *OECD e-Government Studies: Turkey*, OECD, Paris; OECD (2008), *OECD e-Government Studies: Belgium*, OECD, Paris.

3. OECD (2005), *OECD e-Government Studies: e-Government for Better Government*, OECD, Paris.

4. "Users" refer to citizens, businesses, and employees in the public sector itself.

5. The different perspectives on e-government are discussed for example in Helbig, *et al.* (2005), "Understanding the Complexity in Electronic Government: Implications from the Digital Divide Literature", Proceedings of the Eleventh Americas Conference on Information Systems, Omaha, NE, 11-14 August.

6. The OECD E-Leaders Conference 2008, held on 6-7 March 2008 in The Hague, the Netherlands, discussed the future of e-government towards 2020. One of the significant conclusions was that the focus on e-government over the last ten years is being transformed into a stronger focus on service delivery and service delivery mechanisms – rather than on the enabling technology.

7. OECD (2007), "E-Government as a Tool for Transformation", OECD unclassified document, GOV/PGC(2007)6, 28 March 2007, Table 1, p. 15.

8. This important issue is also discussed in: Cole, Martin and Greg Parston (2006), *Unlocking Public Value: A New Model for Achieving High Performance in Public Service Organisations*, John Wiley and Sons, Inc. The book introduces the notion of "public value" of e-government investments and focuses on a number of case studies illustrating the trade-offs governments need to make when deciding on the value of proposed e-government projects.

9. OECD (2007), *Benefits Realisation Management*, OECD unclassified document, GOV/PGC/EGOV(2006)11/REV1, 29 March 2007.

10. Denmark closed the non-electronic tax reporting channel to citizens with effect from the tax return reporting in 2008 (see *www.skat.dk/SKAT.aspx?oId=1744385&vId=0*, accessed 22 August 2008) due to the fact that the tax authorities already had all the relevant information and data on citizens from reporting obligations for all relevant data sources such as organisations, institutions, business, etc. Since 1 February 2005, Denmark has demanded electronic invoicing if providers of services and products to the public sector wish to receive payment (see *www.oes.dk/sw1903.asp*, accessed 22 August 2008).

11. The case of the multi-channel strategy of the IB Groep (the Dutch Agency for Educational Grant Administration) shows that a targeted e-government strategy aimed at an agency's user population's. preferred communication channel can significantly affect user take-up. See OECD (2007), *OECD e-Government Studies: Netherlands*, OECD, Paris.

12. Establishing shared service centres are also a priority for Denmark. In February 2008 the Danish government decided to establish two service centres: one on ICT and one on human resource management. The centres will service all central government organisations (see *www.fm.dk/Publikationer/2008/Administrative%20servicecentre%20i%20staten%20-%20Hovedrapport/~/media/Files/Publikationer/2008/Download/administrative_servicecentre_rapport_feb2008.ashx*, accessed 24 August 2008.

13. The Dutch government has set up a number of cross-organisational units to support e-government implementation and operations using common e-government building blocks such as common registers, electronic identification, data standardisation, etc. These common building blocks are prerequisites for delivering integrated and user-focused e-government services. See OECD (2007), *OECD e-Government Studies: Netherlands*, OECD, Paris.