

# Public Services Online

*'Digital by Default or by Detour?'*

**Assessing User Centric eGovernment performance in  
Europe – eGovernment Benchmark 2012**



## **FINAL INSIGHT REPORT**

**A study prepared for the European Commission  
DG Communications Networks, Content &  
Technology**

*Digital  
Agenda for  
Europe*

This study has been prepared by Capgemini, IDC, Sogeti, IS-practice and Indigov, RAND Europe and the Danish Technological Institute for the Directorate General for Communications Networks, Content and Technology.



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## Executive Summary

### Context

This “Insight Report” presents the findings of the 2012 eGovernment survey, discusses the implications, and makes some outline recommendations. It is supplemented by a more detailed “Background Report”, and openly available “online survey data”; the latter of which provide material for those that design and manage eGovernment initiatives. The combination of reports, and the assessments made provide evidence and insight to a number of different groups both within countries and at a European level. These include leadership; policy advisers; public service owners, and technical staff.

The report is titled, and poses the question of, **“Digital by Default; or by Detour?”** This could be read to pre-suppose that digital is ‘the’ answer; or that detour is ‘bad’. Neither is necessarily so. It is not meant to be judgemental.

The reality, and quite likely the recognition of most now, is that digital is happening; and in a way that will have profound impact – positive impact, if embraced in a quality manner. The astonishing adoption and impact of social media; the ever-intriguing and almost daily innovations we see in new devices; the unseen yet extraordinary number of sensors that are embedded in what we buy and own; the vast canvas of

opportunity that big data offers us; the new provisioning models that cloud technology opens up; are all testament to the profoundly impactful role that information and technology play.

What route to follow to make advances, indeed perhaps to ‘leap-frog’ improvements, and retain national and European prominence? Europe comprises a diverse set of countries. Each with a multiplicity of public services. Progressively, the need for services to operate across borders rises in prominence. The people they serve are mixed and varied. There can therefore be no single route to follow; neither can we deny the potential to learn from others!

This comparative exercise seeks to inform and support individual nations and Europe at large as to how we can employ technologies to advance society, and our economy.

In Europe, we are under intense and sustained pressures to remain competitive, on a global level, in responding to a variety of now well-known and profound challenges (demographic change; environmental impacts; natural resource shortfalls; social cohesion, worrisome waste streams, and the like).

Governments play a vital role in this response. At a European level, policy influencing and setting through Horizon 2020, the Digital Agenda for

Europe (DAE), and the eGovernment Action Plan are all important means to guide our response. At a more operational level, the provision of efficient and effective public services in each Member State is a core element of our response. However, for too many years we have designed and delivered our public services from the ‘inside out’ – taking a department-centric view. The result too often has been disjointed, inefficient and ineffective ‘silo’ services.

With the increased expectations and influence of the public we can no longer continue to deliver administration-centric services. Services must be designed and delivered in a customer-centric manner: ‘outside-in’. Services must be far more integrated across government entities, and indeed across borders. This represents a fundamental transformation in the way services are constructed.

The benefits are however substantial: better quality services, more reliable delivery, far swifter, with less effort. Proof points are increasingly emerging – yet we need many more!

Information and technology (ICT) play an increasingly vital role in transforming public service delivery. We must learn fast, and share our knowledge openly, to help keep Europe most relevant.

## Measurement

The EU eGovernment survey has provided a benchmark for online service evolution since 2001: initially measuring basic service availability and sophistication. It has helped inform policy makers; provoke valuable discussions; set new ambitions; and identify countries to learn from.

The 2012 survey is redesigned to align with current policy priorities and has innovated to keep the survey current and relevant. We provide insight and detail in three broad areas:

1. **A demand-side citizen view of public services** – based on a representative sample, of 28,000 European internet-using citizens.
2. **Three life-event assessments** of very relevant customer experiences: (i) starting and early trading of a business (ii) losing and finding a job (iii) studying. Three elements that are core to a healthy economy.
3. **Assessment of five key technology enablers** – the foundations on which services can be delivered in a more consistent interoperable cross-departmental and cross-border manner.

This measurement could not be successfully delivered without the collaboration of EU country representatives, who play a vital role in the design and validation of the instrument, and for which we remain most grateful.

## Results

### 1. Demand-Side Survey: What EU Citizens think about online public services

The demand-side citizen survey polled 28,000 internet-using citizens across 32 countries – a sample sufficiently robust to provide 95% relevancy – and asked them 27 questions about 19 common citizen services. This is a new instrument in 2012 that offers insights into the real views of the 600 million EU citizens. The results show that:

- *46% of respondents who interacted with public administrations used online public services, though the variance by segment, by country, and by service is wide*
- *Satisfaction with eGovernment services lags that of eCommerce services (e.g. eBanking) – and satisfaction is dropping; yet where public services have been modernised (for instance online tax) there is clear recognition of improvement and satisfaction*
- *There is a wide variation in satisfaction of online services, from 41% to 73%, emphasising the wide variety of types of public service.*
- *There is still a significant proportion of public service customers (54%) that are wedded to traditional channels, though a growing proportion of them(30%) are potential users with an online channel preference*
- *A significant group of users of eGovernment services (29%) are potential 'drop-outs'; following their less than desirable online experience. A large proportion of the total (38%) remain non-believers*
- *Considerably more communication is required to inform those that are unaware of what public services are available on line (21%).*
- *More is needed to address the needs and concerns of citizens that are unwilling to use online public services: preferring personal contact (62%), anticipating that the service requires face-to-face contact (34%), seeing other channels are more convenient (19%), or who are not convinced of the benefits (11%). Of these unwilling, many are however daily Internet users (62%)*
- *Personal data security concerns are significant, though perhaps surprisingly modest (11%)*
- *Time saving and flexibility in use are the most prominent benefits cited by citizens, followed by simplification and money saving. Quality is, it would seem, relatively less relevant.*

Public agencies must put more focus on how they understand the needs and wants of their citizens. And indeed align how this is done across agencies and government tiers. Only then will this customer insight provide the clean signal by which services and channels can be best designed, and the current barriers to use satisfactorily addressed.

Much can be learned from comparison with practices used in commercial services.

Given the variances that exist across services, countries, and segments, there is considerable scope for structured learning – contextually informed of course!

Given that this is the first year that this citizen demand-side survey has been run, regular comparison over upcoming years will offer an intriguing picture to help us see what and where improvements lie.

Importantly, this knowledge provides the food that shapes the new “outside-in” model of service delivery.

## 2. Life-Event Experiences

Customer-centricity and service quality can also be assessed by means of life-events: i.e. baskets of services that are relevant in a particular point in time to a business or citizen. Importantly, such services – that are typically delivered in silos from individual agencies – are required to be streamlined across

public (and at times private) organisations to adequately satisfy the customer.

The life event measurement is a very contemporary and relevant way to look at the provision of services. It addresses the more complex (and costly) chains of events, more than perhaps the simple, and at times frequent public services (like waste collection).

Three life events have been assessed – each including a basket of some 20-30 individual services; so a very thorough evaluation. These are:

- (i) **Entrepreneur:** “Starting a business, and early trading operations”
- (ii) **Job Seeker:** “Losing and finding a job”
- (iii) **Student:** “Studying”

All three are all particularly relevant in the current economic conditions.

This approach was first used in the 2010 measurement, and has been applied again in 2012. Four more high-impact life-events will be assessed in 2013, which when combined, will provide a suitable basket of measures to compare country performance.

The assessment addresses: availability of services (both basic compliance services, and extended value-added services), usability, transparency of service delivery, transparency of public organisations, and transparency of personal

data. It also looks at cross border delivery where relevant.

Life-Event results reveal:

- A very wide *variance in results* (51% for User Centricity) between countries
- *More mature development for business services* – notably compliance services (consistent with previous years evolution)
- A *growing pool of automated services* (more is done without me having to do anything), which benefits from advancing algorithms and data analytics tools
- A *frustration for entrepreneurs*, where their highest desired benefit is time saving, or at least clarity of expectations on time – yet this is not well served
- Services relating to *finding a job are the most available online* across Europe; however many of the associated *supporting social services surrounding the event are poorly served* (housing, debt, health). This potentially introduces a ‘spiral of decline’ for this at risk group. These services are also rated the most usable of the three life events, though there is large variance between countries.
- *Interesting approaches are observed to channel mix* throughout the employment life event (e.g. forced or coached online CV development)

- *Studying is well served online*, though more on the aspects of enrolment than on those of grants and the like. The users of this life event are the most tech-savvy, and most demanding of all the three examined. Interestingly 82% would use the online channel again, suggesting good satisfaction levels.
- *Transparency of service delivery and personal data rate below 50%*, indicating scope for improvement across all life events.
- *Cross border services seem to prove complicated* (perhaps understandably) to orchestrate.

Life-Events are at the core of cross-cutting and often very complex multi-channel customer interactions that we seek to improve. They engage various service owners, and ICT staff. They bring to light where public services can provide good customer experiences, or not. As such they provide a very useful focus for measurement and discussion about joined-up public service improvement planning.

### 3. Key ICT Enablers

Having competent ICT building blocks behind the web front end is vital for public services to be delivered competently, and for customers to be provided with quality services. Without these there is a limit to how well customers will be served, and online investment is less likely to deliver real return on investment.

In 2010 we evaluated nine ICT building blocks, based on country self-assessments – proving resource intensive, and offering a less consistent output. The 2012 Key Enabler measurement has been based on a ‘transversal’ evaluation of the life-events; addressing the extent to which five key enablers have been made *available*, and are *used*. These include:

1. **eIdentity** – to what extent can a government-issued electronic form of identification and authentication be used within the process?
2. **eDocuments** – to what extent are authenticated documents (i.e. by eSignature) used to transmit information through the process?
3. **Authentic Sources** – are base registries used by public agencies to store and retrieve customer data for (suitably secure) use throughout the process, thus enabling e.g. pre-filling of forms with consistent and accurate data?
4. **eSafe** – are there secure electronic means for customers to store and retrieve documents?
5. **Single Sign On (SSO)** – is it possible for users to access to multiple systems without the need for multiple log-on?

Such ICT enablers will (i) address challenges of interoperability and standardisation, (ii) decrease overall ICT costs for development and maintenance, and (iii) break down barriers between organisations and countries. All three are very laudable goals!

Clearly, such facilities are of particular importance when one is dealing with a customer’s life-event, which typically involves interaction through various channels and across various different public service providers.

Interoperability, and thus common approaches and building blocks, are of increasing prominence as we seek to make it easier for Europeans to ‘live, work and retire’ across a single Europe. Various directives, and ongoing large scale pilots (LSPs), seek to set goals and means to make this a reality (for instance the Services Directive, and the SPOCS LSP, in the case of enabling business start-up across Europe).

Key Enabler evaluation indicates:

- In aggregate (i.e. across all three life events and all countries assessed), all five key enablers were used in 54% of cases. There is clearly a considerable gap to be filled.
- Business life event is better served (58%), than citizens life events (53%), consistent perhaps with the more homogenous nature of business services and the purpose they serve.
- Single-Sign-On scores consistently higher in all cases (66%).
- eSafe facilities are the least employed (38%).
- Cross-border interoperability will continue to present significant challenges as legal and operational conditions in each country vary substantially.

- Considering only those services that are *automated* across the life-events (i.e. requiring the presence of key enablers), and mapping these against the extent to which key enablers have been integrated into the service delivery chain shows a wide variance of levels of maturity across Europe.

We observe that some countries have a more advanced strategy clearly intended to establish key enablers as a basis for streamlining service delivery. The thesis being that a common set of interoperable components should speed up the process by which services can be transformed from silo to cross-agency (cross-border) delivery. We see also examples where taking a digital approach to service delivery through establishing such foundations can lead to considerable savings.

However, there are a number of key questions that are raised as we look to the future for these key enablers, notably (i) to what extent they can be provided with mixed delivery models between public and private sector providers (eg banks and authentication), and (ii) how technology shifts like cloud, and social media can and will change how these are provisioned and perceived. This cross-cutting agenda clearly warrants further leadership focus, both within countries and across the EU, in order for it to bring the promised rewards.

### ***Towards a new generation of eGovernment services***

Three principal messages emerge:

1. *The shift in eGovernment thinking towards designing services around user needs is not yet fully embraced in Europe*
2. *Governments are not yet fully reaping the benefits of eGovernment*
3. *Transformation is needed to realize a new generation of eGovernment services.*

Clearly then there is work to do. It is work that must *involve* and *connect* the technology community with the ‘business’, and the customer. However that work needs to be informed by other observations that we can make:

- Countries take different routes to increase take-up of eGovernment services
- There are mixed results regarding return on investments
- The importance of sound technical foundations for improvement
- Dealing with decentralization is a challenge, but also an opportunity
- Digital by default, or by detour? Using legislation as a game-changer

The implications of these findings and observations must be built into plans for each Member State, and policy actions at a European level.

### **Four considerations are made for EU Countries:**

1. *Consideration 1: Implement strategies to increase customer centricity, improve the design of public services, and thus increase online take-up*
2. *Consideration 2: Increase use of social media to involve hard-to-reach groups (‘non-believers’)*
3. *Consideration 3: Open up data to unlock economic gains and drive innovation*
4. *Consideration 4: Address collaboration, commonality, and consistent service foundations*

There are also some steps that are offered at a European level:

- Consideration 1: Align and draw insight from International Benchmarks
- Consideration 2: Stimulate structured learning and collaboration between Member States up of services

Transformation cannot be considered a short term fix. This report highlights that it is both necessary, and desired (by customers at least!). The crisis that we face offers an opportunity for some countries to put the leadership commitment in place to sustain the required process. If not, the customer (and the ever-changing capabilities of ICT) will provide an increasingly vocal driver!

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*All info graphs designed and produced in collaboration with Visual.ly ([www.visual.ly](http://www.visual.ly)).*

# 1 Introduction

## 1.1 Context of this report

Information and Communications Technologies (ICTs) play an increasingly important role in our lives. The advent of cloud; the massive uptake of social media; the dramatic shift to smart devices; the extraordinary analytical capabilities of ‘big & open data’ – all are testament to this ongoing transformation.

These modern technologies present very substantial opportunities for us to advance in all areas. They can help enhance the quality of life of the elderly; make things very much easier for the operation of businesses (particularly SMEs); help citizens participate in the governance of their community; enable living, working, studying across borders.

Europe has developed much needed plans to extract maximum value from the use of ICTs to improve (indeed transform) public services.

Budget constraints are forcing governments to radically improve efficiency. Global competition is much tougher, and a strong European internal market is needed more than ever to drive sustainable growth. It is a key condition to strengthen the competitiveness of European companies, stimulate

innovation and create jobs for a healthy and resilient European economy. That is precisely where public services are needed.

The European Commission contributes to these themes in various ways: through the 2020 Strategy and its flagships such as the Digital Agenda.

The Europe 2020 strategy<sup>1</sup> proposes an ambitious schedule to exit from the economic crisis and to create a smart, sustainable and inclusive Europe that is able to compete globally, across sectors. The schedule for action focuses on five key areas: *Employment, Innovation, Education, Social Inclusion and Climate / Energy*. Improvement on these domains can be accelerated by better use of ICT. ICT provides innovative solutions for global issues that are addressed in the Europe 2020 strategy. Furthermore, ICT has proven to be a powerful tool to include people in society, e.g. the ‘Arab Spring’ could not have happened in the way it did without social media. Mobile communications technology and applications enable citizens (that might have been excluded previously) to access information and services anytime anywhere. Technology can thus empower citizens, not only to connect to other people, but also to connect to governments.

“

**To enable European citizens, businesses and governments to fully benefit from this digital revolution and to address current societal and economic challenges, governments have to actively *anticipate* and *exploit* technological developments**

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<sup>1</sup> European Commission (2012). *Europe 2020*. Retrieved from [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm).

“

**Serving our end users is at the heart of what we do, and remains our number one priority**

*Larry Page, one of the founders of Google*

”

Governments can more easily exchange data and therefore better inform citizens and businesses, and better engage them in policy development, democratic decision-making and co-creation of services and content.

Alongside benefits for citizens, ICTs offer significant advantages for governments themselves. Smart use of data can provide governments' with valuable information to anticipate trends, combat crime, or increase the effectiveness of public services. Through 'crowd sourcing' opinion on policy, governments can use ICT to solicit feedback from citizens to improve initiatives *before* implementation. Importantly also, technology can be used by governments to significantly reduce costs, contribute to fiscal consolidation, cause transform and innovate. To enable European citizens, businesses and governments to fully benefit from this digital revolution and to address current societal and economic challenges, governments must actively anticipate and exploit technological developments. To be part of the global economy of the future, they not only have to work towards a European Single Market, but towards a European *Digital* Single Market.

One of the seven flagship initiatives of the Europe 2020 Strategy that builds on this is the **Digital Agenda for Europe**<sup>2</sup> (DAE).

The DAE specifically addresses the need for effective use of ICT based on (very) fast Internet and interoperable applications to deliver social and economic benefits.

The DAE targets are translated into specific actions for governments in the European eGovernment Action Plan 2011-2015<sup>3</sup>.

The resulting eGovernment Action Plan focuses on four areas:

- 1. Empowerment of citizens and businesses**
- 2. Mobility in the Single Market**
- 3. Efficiency and Effectiveness of governments and administrations**
- 4. Legal and technical pre-conditions**

Actions are set out for each focus area that help governments deploy ICT with the aim of using public resources more efficiently, reducing public expenditure and at the same time providing digital government services across Europe that engage, enable and empower citizens.

<sup>2</sup> European Commission (2012). *Digital Agenda for Europe*. Retrieved from [http://ec.europa.eu/information\\_society/digital-agenda/index\\_en.htm](http://ec.europa.eu/information_society/digital-agenda/index_en.htm).

<sup>3</sup> European Commission (2010). *The European eGovernment Action Plan 2011-2015 - Harnessing ICT to promote smart, sustainable & innovative Government*. COM(2010) 743. Retrieved from [http://ec.europa.eu/information\\_society/activities/egovernment/action\\_plan\\_2011\\_2015/docs/action\\_plan\\_en\\_act\\_part1\\_v2.pdf](http://ec.europa.eu/information_society/activities/egovernment/action_plan_2011_2015/docs/action_plan_en_act_part1_v2.pdf)

**The emphasis on user needs is a significant shift in eGovernment thinking**

However, the emphasis shifts more and more towards establishing the right pre-conditions to answer user needs. *“Serving our end users is at the heart of what we do and remains our number one priority”*, one of the founders of Google, Larry Page has stated numerous times.

This quote demonstrates in similar fashion that governments should not forget whom they represent and serve. Users, whether citizens or businesses, will be the instigators of change in bringing sustainable recovery to the economy. The emphasis on user needs is a significant shift in eGovernment thinking. The technological developments described have opened up opportunities for citizens and businesses and have raised their expectations.

However, how well are we doing in using modern technologies to make such improvements?

Since 2001 there has been an annual process of benchmarking the development of eGovernment across Europe.

This year our survey has developed further, and addresses three broad areas:

1. Demand side citizen survey
2. Life-event experiences
3. ICT enablers

## 1.2 How we report the findings

The results can be found in three parts:

- This Insight report. Here we provide context; summary method and factual findings; parallels with observed international leading practices; and draw some insights and conclusions as regards the findings of the survey. This is aimed at Government leadership.
- A full “Background eGov Benchmark Report”; containing the method, detailed pan-EU findings, and country-specific fact sheets. This is aimed at officers that design, lead and implement eGovernment initiatives in EU countries.
- The underpinning validated Data, which is made available on <https://ec.europa.eu/digital-agenda/en/pillar-7-ict-enabled-benefits-eu-society>

PDF version of both written reports can be found on the EC website: <https://ec.europa.eu/digital-agenda/en/pillar-7-ict-enabled-benefits-eu-society>.

The reports and the research data allow countries and other parties to make detailed country level analysis to further drive out learning.

Figure 1.1: Explanation of objectives eGovernment Benchmark





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**28,000 internet-using citizens across all EU-27+ countries have been surveyed, exploring 27 questions, and 19 typical user events. This provides a picture, with 95% confidence (relevancy), of the views of the 600 million European citizens**

”

### 1.3 What has been measured

This report reveals the main insights from the 2012 benchmark, which builds on a new measurement framework, moving with the fast changing times of ICT developments in public service delivery. It mixes proven indicators with substantial innovation. It links directly to the European policy priorities, and has adopted the shift to demand-side measurement. It provides a new start to eGovernment benchmarking.

There are three broad areas of measurement:

- Firstly, a **new and true demand-side picture** of how European Citizens perceive online public services.
- Secondly, an elaborate measure of public service provision through **life-event assessment**.
  - We assess three high-impact life-events: (i) business start-up and early operations (ii) losing and finding a job (iii) studying. Each one assesses 15 to 30 specific services, looking at the user-centricity of provider services. These explore in-country services, as well as cross-border services, and transparency. All these life-events are relevant to fuelling and sustaining a healthy European economy. With 100,000+ data points this provides a very rich and in-depth analysis of the state of play of the services in these life events across Europe.

- These three life-events will be re-assessed again in 2014. In 2013 a further four additional life-events will be measured. The compilation of this basket of citizen and business life-events will then continue to be biennially measured.

- Thirdly, as assessment of the **underpinning and vital information and technical enablers**

- Based on the thorough life-event analysis we take a transversal view of the use in each country of five key enablers, assessing how they are integrated in service delivery.

### 1.4 How it has been designed and measured

European Member States and other participating countries continue to play a vital collaborative role in the measurement process.

Country representatives continue to play an active role in the design of the measurement instrument; in validation of the findings for their country, and through workshops, in the sharing of ideas and experiences in addressing policy and programmes as a result of the findings.

The continued active engagement in this learning process will enhance the value that can be derived from this comprehensive survey.

## 2 Demand-side survey: Citizen Insights

The User Survey exercise provides a **new and true-demand picture** of how European Citizens perceive online public services. As far as known, it is the first time this exercise has been completed on this scale, revealing representative insights at both country and EU level. The survey reached 28,000 internet-using citizens across 32 EU countries, exploring 27 questions, and 19 most common citizen services. This provides a picture with 95% confidence (relevancy) of the views of the 600 million European citizens.

Building on the complete set of data per country, the results allow for **country specific analysis** and will provide useful insights for governments to improve their eGovernment strategy as well as specific public services. The background report and the data sets to be published will enable countries to do so. The 2012 e-Government benchmark is a significant enhancement of the e-Government benchmark of previous years, moving with the fast changing times of ICT developments in public service delivery. This insights report at hand will focus on the **insights at the EU level** regarding:

- **eGovernment use and channel preferences:** explaining how

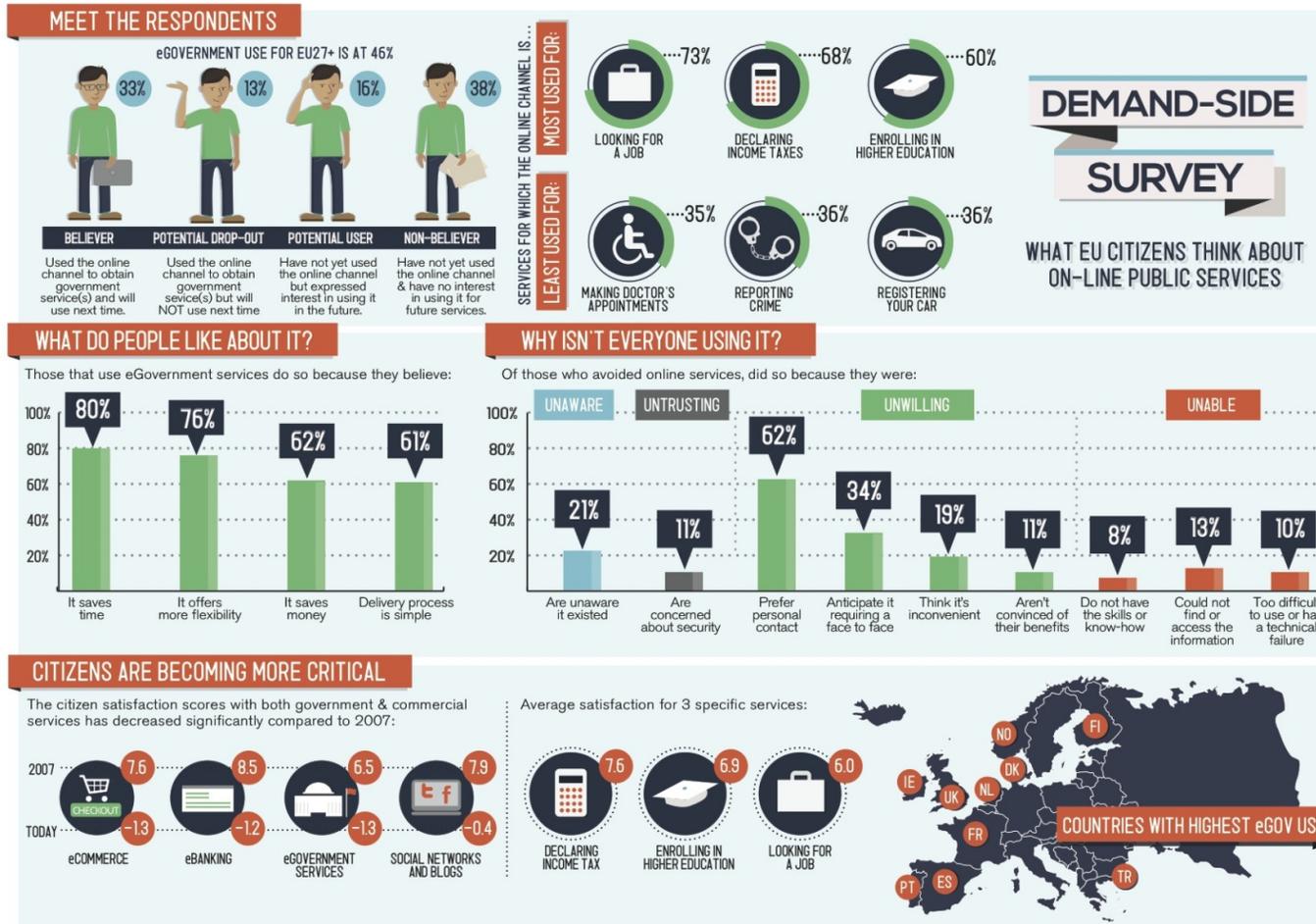
many citizens have used eGovernment services and prefer the online channel

- **Barriers for using online public services:** describing reasons for not using eGovernment services, providing governments with direct recommendations for improving take-up
- **eGovernment satisfaction:** with online public and private services
- **Fulfilment and benefits:** revealing reasons for using eGovernment services and indicating whether governments are able to meet expectations citizens have when using eGovernment services

**Table 2.1: Key Insights User Survey**

eGovernment Use	Barriers that prevent eGovernment use	eGovernment Satisfaction	Fulfilment & Benefits of eGovernment use
<ul style="list-style-type: none"> <li>▪ 46% of users of public services used eGovernment services</li> <li>▪ 54% preferred traditional channels</li> <li>▪ However 50% of all respondents indicated to prefer the eChannel next time when they contact government</li> <li>▪ Most popular eGov service (among the 19 services examined): 'declaring income taxes' (73% of user will use the eChannel for this service next time), 'moving/changing address within country' (57%) and 'enrolling in higher education and/or applying for student grant' (56%)</li> <li>▪ Least popular eGov service: 'reporting a crime' (41%), 'starting a new job' (41%) and 'starting a procedure for disability allowance' (42%)</li> </ul>	<ul style="list-style-type: none"> <li>▪ 21% was <b>not aware</b> of the existence of relevant websites or online services, mainly younger people (especially students), who are more able/skilled and willing to use eGov BUT less aware of relevant services existing online</li> <li>▪ 80% indicates a lack of willingness to use eGov services. This group consists of relatively more women and older people but also 62% of daily Internet users</li> <li>▪ 11% did not use Internet because of concerns about protection and <b>security</b> of personal data</li> <li>▪ 24% was not able to use eGov services. Mainly older people, but also young people who abandoned because the service was too difficult to use</li> </ul>	<ul style="list-style-type: none"> <li>▪ Satisfaction with eGovernment services is significantly (-2,0) lower than the satisfaction with eBanking services (resp. 6,5 &amp; 8,5)</li> <li>▪ Satisfaction with eGovernment services is dropping since 2007, with 1,3 %</li> <li>▪ 'Declaring income tax' shows that eGovernment services can live up to citizens expectations</li> <li>▪ Services around (un)employment receive low satisfaction scores, reflecting today's economic situation</li> </ul>	<ul style="list-style-type: none"> <li>▪ 47% of eGovernment users fully got what he wanted from the public administration</li> <li>▪ 46% only partially receives what was looked for</li> <li>▪ 5% did not get what he wanted at all</li> <li>▪ Time and flexibility gains are most important to users, followed by saving money and simplification of a delivery process. Apparently, quality of a service is less relevant to citizens</li> </ul>

Figure 2.2: key findings Demand-side survey



## 2.1 Introducing the demand-side citizen survey

This survey targeted the Internet population of 32 countries with a total of more than 600 million inhabitants. This Internet population represents 72% of the total population between 16 and 74 years old (based on Eurostat data on Internet use by individuals in the last 12 months). For each country, a representative sample of the Internet population (interlaced age / gender and representative for NUTS 1 regions) was determined<sup>4</sup>. The target population was reached via online survey panels<sup>5</sup>. The results from the user survey on a European scale represent a total of 28,177 respondents. The survey examines through 27 questions:

- User profiles and target groups: categorisation of eGovernment users / non-users (demographics, Internet use, levels of trust in using the Internet, contacts with Government, ...)
- Usage of eGovernment services during the last 12 months, including channel use and preferences, and likelihood of future use

- User satisfaction: satisfaction in comparison to other explanatory factors such as satisfaction with non-governmental eServices (eBanking, social networks, eCommerce), user expectations and achievement of objectives
- Perceived benefits (impact): perceived benefits of using eGovernment channels and services
- Barriers to use for eGovernment services including awareness: explanatory factors that prevent citizens from using the online channel including lack of awareness.

These parameters are key for eGovernment decision makers to position eGovernment services in the online market and ensure the efficiency and effectiveness of Government operations.

An extensive explanation of the method can be found in the Background report.

## 2.2 Four types of attitudes toward eGovernment

To gain insights into how users experienced their contact with government and which types of users can be distinguished, it is first necessary to set two groups of

respondents apart: on the one hand those that did get into contact with government and on the other hand a group with those who did not. On average, 79% of citizens came into contact with government with regard to one or more of the 19 public services listed. Importantly, the eGovernment use indicators are based on the percentage of the population that expressed a “need” to contact public services. This is quite diverse in the different countries (between 62% and 91% of the Internet population).

The respondents that came into contact with government can be divided in two groups: citizens who used the online channel and those that did not. A remaining 54% can be referred to as ‘non-eGovernment users’.

“

**46%** of the Internet population that came into contact with government used the online channel

”

<sup>4</sup> For 27 countries the minimum sample was 1000 respondents (confidence interval = +3,1%/-3,1% with a reliability of 95%); Luxembourg, Iceland, Malta, Cyprus and Croatia were represented with a sample of minimum 200 (confidence interval = +6,93%/-6,93% with a reliability of 95%). Please see background report how panels were constructed.

<sup>5</sup> With the exception of Cyprus where telephone surveys were used. Please see background report how panels were constructed.

We also segmented users by their eChannel preference. This indicates whether people are willing to use the online channel in their next contact with government. This has been asked to both the eGovernment users and non-eGovernment users.

Combining the insights of eGovernment use and channel preferences four groups emerge (see adjoining figure).

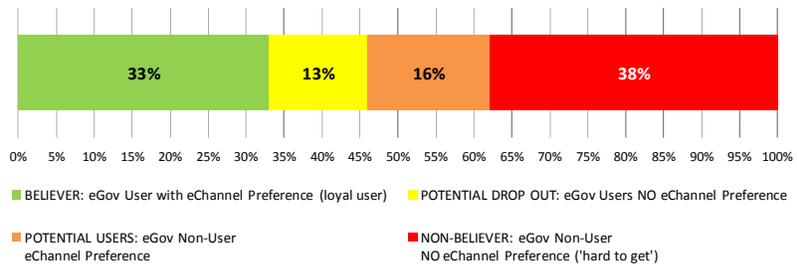
“  
**13%** indicate that they will use another channel next time ('potential drop outs')  
”

Figure 2.3 indicates that 33% of eGovernment users, prefer to keep using online channels in their government contacts. Of all people that came into contact with government ('government users'), 54% did not use the online channel. However, approximately a third of all non-users (16% in total) does prefer the online channel and so need to be convinced to use it in the future. Finally, the 4th group are 'non-believers' that is 'hard to get online'. This group includes 38% of

Figure 2.3: Four types of attitudes toward eGovernment (EU-27+)

Typology of attitude toward eGovernment		eChannel Preference	
		YES	NO
eGovernment Use	YES	BELIEVER	POTENTIAL DROP OUT
	NO	POTENTIAL USER	NON-BELIEVER

- **BELIEVERS** (or loyal users) = % of current eGovernment Users with an eChannel preference (average % across life events)
- **POTENTIAL DROP OUTS** = % of current eGovernment Users with NO eChannel Preference (average % across life events)
- **POTENTIAL USERS** = % of current eGovernment Non Users with an eChannel preference (average % across life events)
- **NON-BELIEVERS** = % of eGovernment Non Users with NO eChannel Preference (average % across life events)



all respondents that came into contact with government over the past 12 months. When considering that the panels for this user survey consist of people that belong to the Internet population – it is likely that the number of people that do not want to use the online channel for government services is even bigger if the total population would be considered.

In this study, a quite strict definition of eGovernment use is applied.

This benchmark builds on the qualitative approach that citizens prefer eChannels for all contact with public administrations and not only for some of the most successful ones. At least the priority services must have a valuable eGovernment solution. Hence, calculating eGovernment USE as the average across all 19 services is more accurate and reveals politically relevant insights.

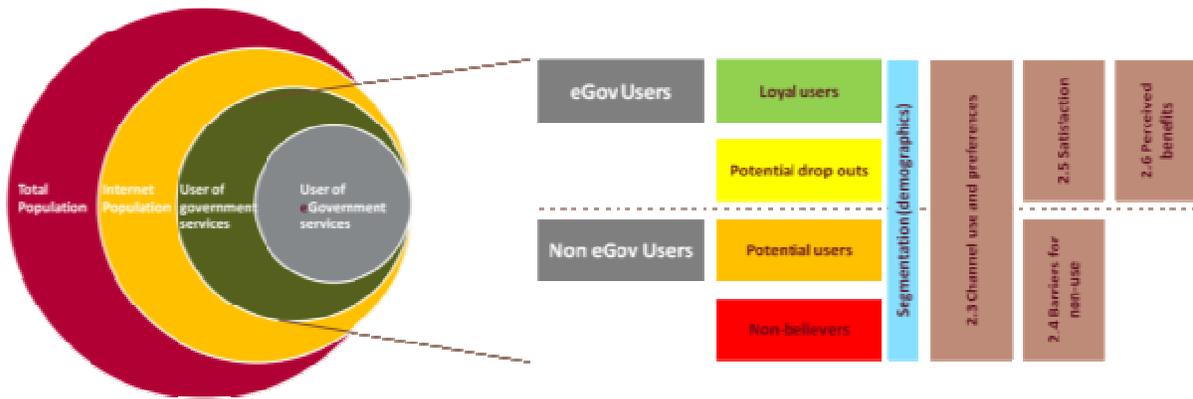
This approach leads to an overall eGovernment use of 46%. Though eGovernment use is defined differently by Eurostat, the overall figure of 46% is very similar to the (slightly lower) Eurostat figures on eGovernment use<sup>6</sup> (53%). Both surveys assess the Internet population, however use of eGovernment is defined by Eurostat as: “obtaining information from public authorities’ web sites, downloading official forms and sending filled in forms”, which is a more general definition of eGovernment use compared to the assessment of eGovernment use across 19 citizen services.

The above typology will serve as the starting point to further analyse the user experience of:

- **eGovernment users:** channel preferences, satisfaction, perceived benefits and fulfilment of expectations
- **non-eGovernment users:** channel preferences, the barriers they perceived and how these could be overcome to increase use

Figure 2.4 illustrates how the total panel of the user survey is composed and it also provides a reading guide for the following paragraphs. It shows that the user survey results represent (e)Government users that are part of the Internet population. The answers to the questionnaire are provided by regular Internet users. This should be kept in mind when interpreting results.

**Figure 2.4: Illustration of user survey sample (to the left), distinguished types of users and sentiments that build the following paragraphs (to the right)**



<sup>6</sup> More information on this EuroStat indicator see Digital Agenda Scoreboard: <http://ec.europa.eu/digital-agenda/en/scoreboard>

### 2.3 Channel use and preferences

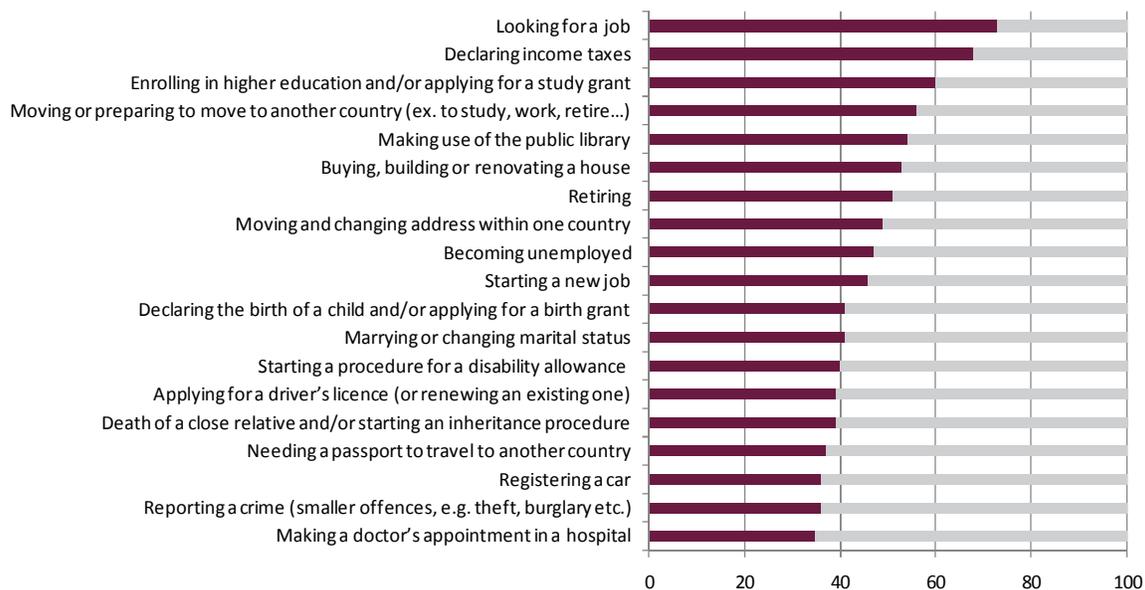
Figure 2.5 shows that *'looking for a job'* is currently the service that respondents have *used most* when coming into contact with government online. It is even higher than *'declaring income taxes'*. The figure also shows that 'enrolling in higher education' and 'moving or

preparing to move to another country' are commonly used online eGovernment services. One can see quite a difference (35%) between the most-used online services (e.g. Looking for a job and Declaring income taxes) and the least used ones.

When looking at the preferences of respondents when coming into

contact with government for one of the 19 services, in general *the eChannel preference has increased from 47% to 50%* after people used a service. In other words: from all the people that came into contact with government through either the traditional or online channel, an increased number will use the online channel next time.

Figure 2.5: Use of eChannel vs traditional channels for 19 citizen services (EU-27+, %)



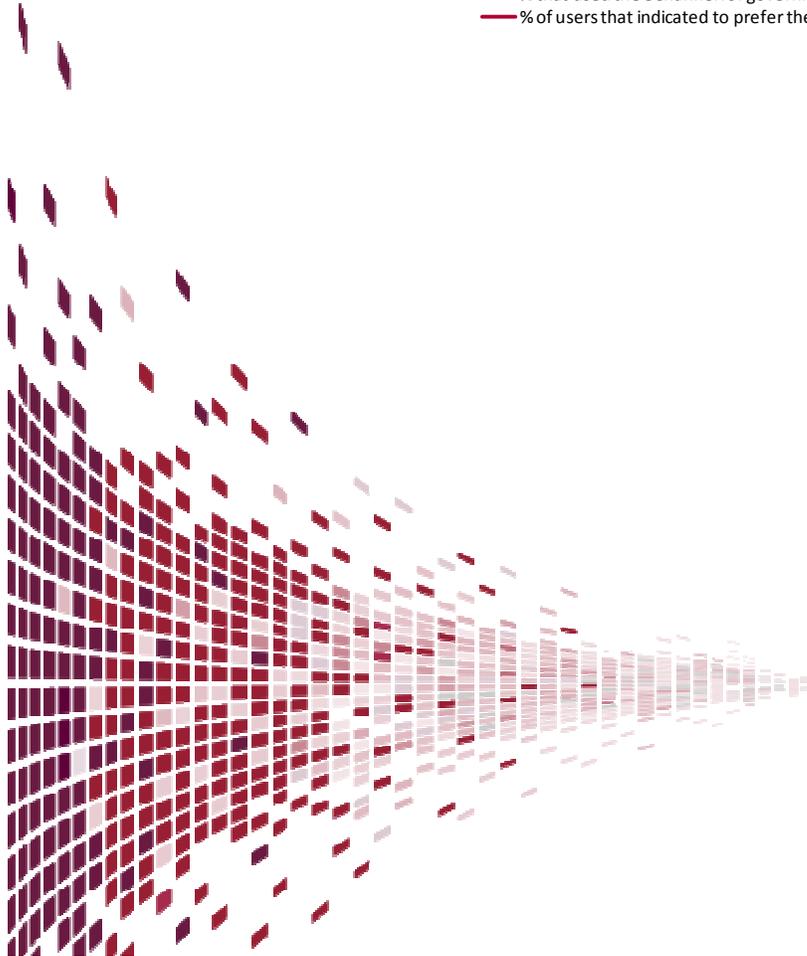
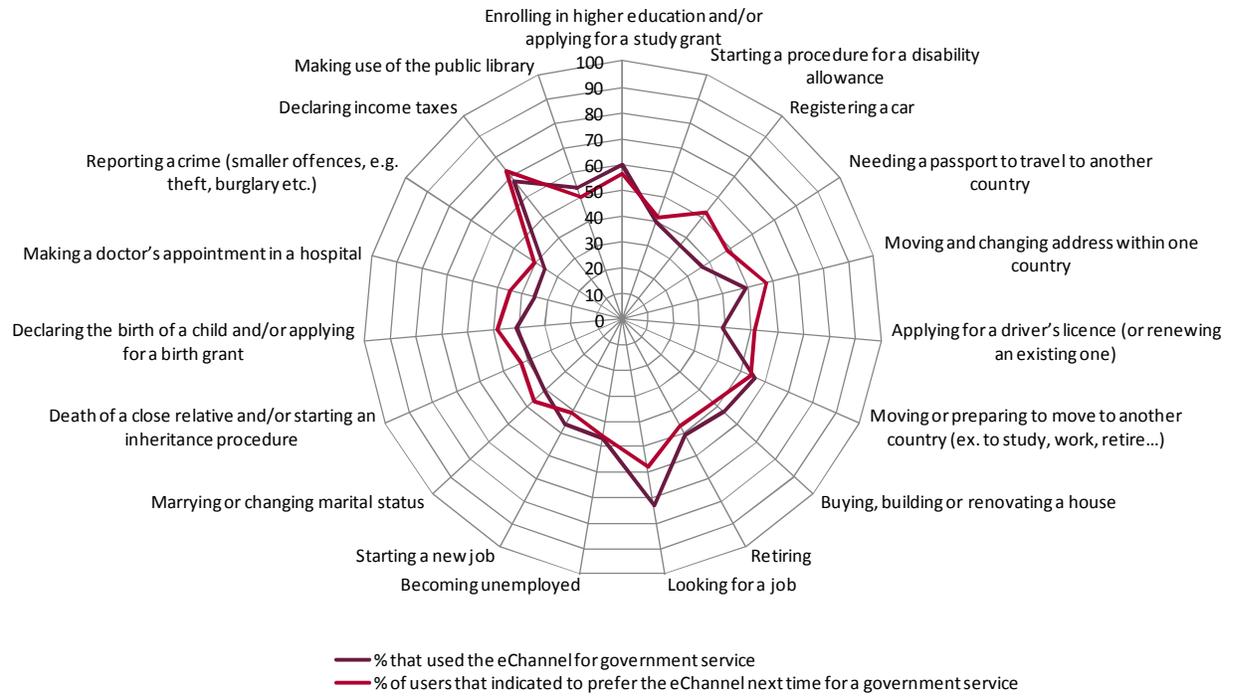
However, looking closely at the services, the general increase does not apply for individual services. There are services that - after use - have increased in the number of citizens preferring the eChannel. These services include: 'registering a car' (+16%), 'applying for a driver's license' (+12%), and 'needing a passport to travel to another country' (+12%). In general 'declaring income taxes' is by far the service with the highest eChannel preference (73% of users will use the eChannel for this service next time),

'moving / changing address within country' (57%) and 'enrolling in higher education and / or applying for student grant' (56%). There are also some services that drop as regards eChannel preference. These services are: 'Looking for a job' (-15%), 'Buying, building or renovating a house' (-5%) and 'Starting a new job' (-5%). The huge decrease as regards eChannel preference for 'looking for a job' is of particular relevance in the current climate of high unemployment

across Europe, where citizens still prefer face-to-face contact. In some cases this is quite understandable, however coaching people to use the online channel could lead to benefits all round.

Users are more critical towards services such as 'reporting a crime' (41%), 'starting a new job' (41%) and 'starting a procedure for disability allowance' (42%). These services also receive lower satisfaction scores than other services, indicating there is room for improvement.

Figure 2.6: Preference eChannel vs. traditional channels for 19 citizen services (EU-27+, %)



## 2.4 Barriers to using eGovernment services

### Why are people not using the online channel?

Four main barriers have been identified, based on the results of the ~5000 individuals who declared they used traditional channels for all of their contact with government. These eGov non-users are significantly in the oldest age group (55+ years old), among lower-educated people, and in groups who do not use the Internet daily and / or via a mobile device.

**1. Lack of awareness:** 21% of the respondents indicated they were unaware of eGovernment services. Awareness can be increased by communication and information campaigns,

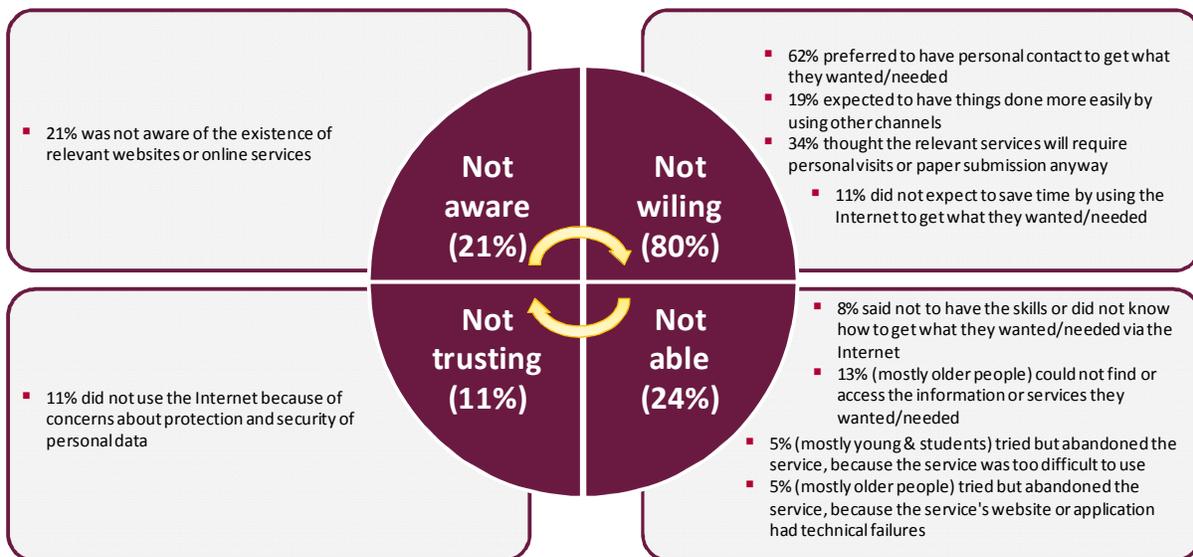
tailored to specific segments. Key segments include those at risk of digital exclusion; younger people (especially students), who are more skilled, able, and willing to use eGovernment *however* are less aware that relevant online services exist.

- 2. Lack of willingness to use:** 80% highlight this as one of the arguments for non-use. This group consists of relatively more women and older people, *however* 62% of them are daily Internet users!
- 3. Lack of trust to use:** 11% are non-users due to concerns about protection and security of personal data. Perhaps lower than one might expect. All user groups are more or less equally represented.

**4. Lack of ability to use:** 24% cite concerns of ability as reason for non-use.

These barriers to use need more than straightforward communication. Consequent argument building is needed here: potential users need proof that eGov services save time and at the end of the day are more efficient. So in some of the cases the services themselves warrant robust inspection. Governments must deliver services that are easy to find and easy to use. This in conjunction with a focus on eSkills to address the ‘ability’ barrier, can increase take-up.

Figure 2.7: Reasons for not having used the eChannel in contact with public agencies or officials (EU-27+, %)



## 2.5 Citizen Satisfaction

### Public eServices lag behind commercial eServices

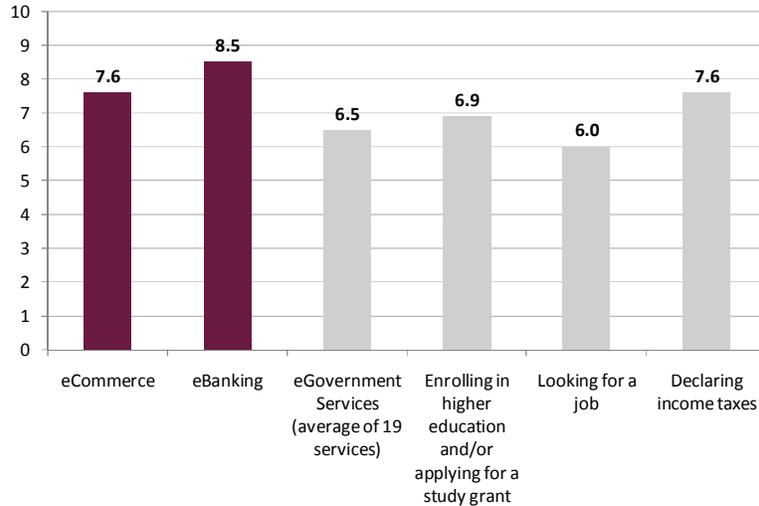
An important indicator to determine whether users will return or continue to use an online service is their user satisfaction. It is interesting to make the comparison with private service providers, such as banks, to see how expectations of users are being satisfied across the various sectors. The below figure reveals that citizens are significantly more satisfied by the services provided by banks (satisfaction 8.5) than for regular public services (satisfaction 6.5).

The table to the right ranks the eGovernment services citizens were most and least satisfied with. The fact that services around unemployment are ranked relatively low is particularly pertinent given current economic times, with high unemployment rates across Europe.

It could also indicate that services around unemployment are relatively complex compared to other government services. Governments should perhaps consider various strategies – further discussed in the ‘losing and finding a job’ life event assessment in section 3.3.

That said, ‘declaring income tax’ leads the way and proves that government services can live up to users’ expectations. It would appear that citizens are satisfied when a service is effectively provided – even when it concerns paying taxes!

Figure 2.8: User Satisfaction with private online services (in red, to the left) and public online services (in grey, to the right)



“Citizens are significantly more satisfied by the services provide by banks (satisfaction 8.5) than for regular public services (satisfaction 6.5).”

Table 2.9: online government services with high and low satisfaction

	Services with high satisfaction	Services with low satisfaction
1	Declaring income taxes	7,6
2	Making use of the public library	7,6
3	Making a doctor’s appointment in a hospital	7,2
4	Enrolling in higher education and/or applying for a study grant	6,9
5	Needing a passport to travel to another country	6,7
	Becoming unemployed	5,5
	Starting a procedure for a disability allowance	5,8
	Looking for a job	6,0
	Retiring	6,0
	Death of a close relative and/or starting an inheritance procedure	6,1

**User satisfaction has dropped since 2007**

The user survey was piloted in 10 Member States during 2007. A comparison for these countries shows that the satisfaction of citizens with both private and public online services is decreasing. The exception is social networks, where satisfaction remains more or less unchanged. ICT is also changing citizen expectations towards (government) services.

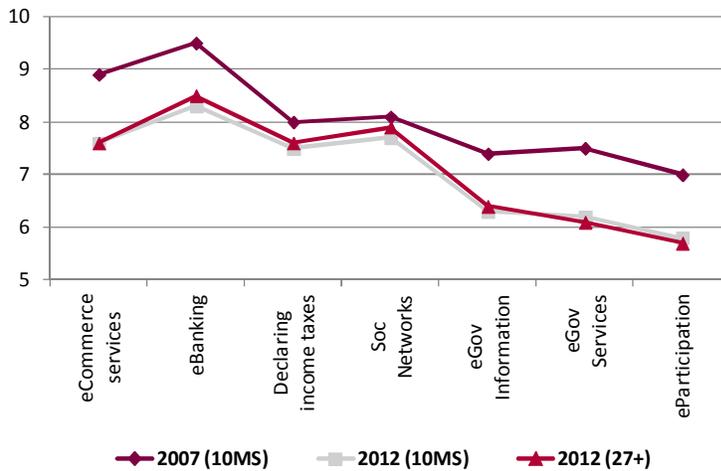
Although availability of digital public services in Europe has risen, user satisfaction is dropping. The only positive exception is ‘Declaring

income taxes’ which as we have seen reaches satisfaction rates comparable to eCommerce services.

In 1985, two renowned salesmen stated “Bad news travels fast. A dissatisfied shopper tells around 10 other people about the shopper’s bad experience.” Today, with widespread communication, this quote could not be any further from truth. As depicted in figure below, results show that satisfaction with interacting through social networks and blogs has only slightly decreased over the past years (-0.4%), whilst satisfaction with other online services (both commercial and public) has significantly dropped

since 2007<sup>7</sup>. Besides Social Media applications, struggling to keep its own level of satisfaction, **satisfaction with government services drops significantly (-1.1 for eGovernment information / -1.3% for eGovernment services) in line with the decrease in satisfaction in the private sector services (-1.3 and -1.2 for resp. eCommerce and eBanking)**. Citizens become more critical when they are more aware and use more public and commercial services.

**Figure 2.10: user satisfaction with private and public online services, comparison 2007-2012<sup>8</sup>**



Note: the comparison is made between results for 10 Member States who participated in the 2007 pilot measurement, and the results for these 10 countries in 2012. The third line represents the EU-27+ in 2012 which is almost similar with results for the 10 countries.

<sup>7</sup> Comparison between user survey pilot in 2007 and 2012, based on 10 pilot countries in 2007/2012.

<sup>8</sup> eGov information is defined as: To obtain information from public administrations' websites (for example: via search engines such as Google, via government portals or via websites of public agencies) eGov services is defined as: To send (upload) completed web forms that are necessary to obtain a public service (for example: to obtain a certificate, permit or subsidy) eGov participation consists of several questions: to contact political representatives, to consult policy documents on websites, to participate in online consultations and/or interactive discussions on policy issues, to participate in collaborative platforms

## 2.6 Perceived Benefits

### *Delivery of the service is not optimal*

The adjacent pie chart reveals that almost all users of an eGovernment service at least partially received what they needed. Albeit, half this group remain only partially satisfied.

### *Perceived benefits of eGovernment use*

All respondents that used online public services were asked what they perceived to be the benefits of using the online channel compared to other traditional channels.

Time and flexibility are seen to be the key benefits.

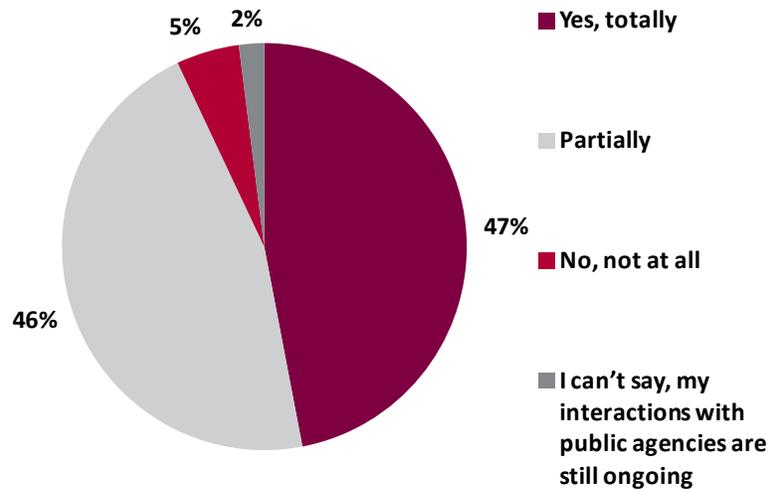
Money saving and simplification are in a second group.

Quality of a service, interestingly, is less relevant to citizens (perhaps not the case for public agencies' business customers?).

There are however interesting differences when comparing at country level.

Youngsters more often (strongly) disagree with the benefit statements; older people more frequently agree (or strongly agree). This suggests younger people set higher expectations with regard to eGovernment services and added value. They are the future, so we cannot be complacent in designing services.

Figure 2.11: eGovernment users that 'in the end, got what was wanted or needed' (%)

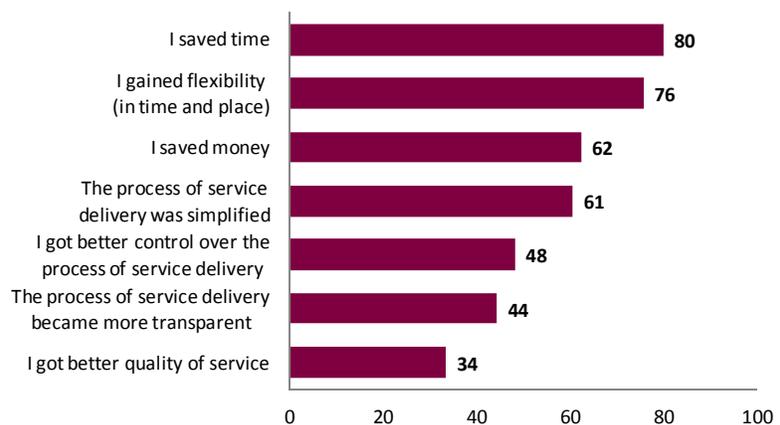


“

*Time and flexibility gains are most important to users, followed by saving money and simplification of delivery processes*

”

Figure 2.12: Perceived benefits for using the eChannel compared to other channels (%)



“

Life events are packaged Government services, which are usually provided by multiple Government agencies, around a subject that makes sense to the citizen. The systems of the participating public agencies then co-operate (interoperate) to provide seamless delivery of the e-services<sup>9</sup>

”



### 3 Life-Event Service provision

#### 3.1 Introduction

Whereas the Demand-Side Survey provided insights into citizen demands, the life-event measurement reveals the supply side of Government services.

This year's benchmark assesses three life events, and their consecutive chains of services: relevant to **entrepreneurs** ('Starting up a Business and Early Trading Operations'), **job seekers** ('Losing and finding a job'), and **students** ('Studying').

A life-event approach changes the way organisations need to collaborate to provide a seamless experience across agencies, and at times across borders.

In each country two mystery shoppers assessed these life events against seven criteria:

##### 1. Online availability of services:

whether a service is fully online or only information about a service is available online, and assessing whether this can be done through dedicated portals.

A distinction is made between:

- **Basic services:** services and procedures needed to fulfil the essential 'compliant'

requirements of a Life Event, i.e. core registration and other transactional services.

- **Extended services:** services and procedures that go beyond the basic requirements of a Life Event, i.e. Government providing data or services for convenience and competitiveness, facilitating and easing the user on his journey.

**2. Online usability of services:** the extent to which support, help and feedback functions are online and a personal assessment by the shoppers of their experience regarding 'ease of use' and 'speed of use'.

**3. Transparency of service delivery:** key aspects of service delivery such as estimates of time, service levels and receipt of notification.

**4. Transparency of public organisation:** the extent to which public organisations publish relevant information and empower users.

**5. Transparency of personal data:** whether it is possible to access and modify the data the Government stores on the user.

**6. Key Enablers:** the integration of key IT enablers (such as eID and authentic sources) in the service delivery.

**7. Cross-border availability & usability of services:** these assessments were made by a foreign mystery shopper; the scope was slightly narrower.

<sup>9</sup> <http://ec.europa.eu/idabc/en/document/1644/5848>

**Table 3.1: Key insights and results for three life event measurements**

(EU27+)	Business Start-up and Early Trading Operations	Losing and Finding a Job	Studying
Key insights	<ul style="list-style-type: none"> <li>▪ Key services concerning registration of business and Tax are fairly mature across Europe</li> <li>▪ 7% of services in business life event is automated</li> <li>▪ Improvement possible when authentic sources are used to take administrative requirements and proofs of qualification out of the hands of the entrepreneur</li> <li>▪ Entrepreneur cannot make an accurate estimation of the time it will take to use/apply for a certain service – whereas these are his strongest perceived benefits of using the online channel</li> </ul>	<ul style="list-style-type: none"> <li>▪ Services related to searching for a job have the highest online availability across Europe</li> <li>▪ Social support mechanisms (housing, debt counselling, health support) are not sufficiently integrated in the life event. In current times, these services are important in preventing people from becoming further alienated from society</li> <li>▪ Some countries prefer face-to-face contact at the start of this life event, while others choose to make online services mandatory</li> <li>▪ The average usability of eGovernment services for losing and finding a job is highest of all three life events, indicating that online support and feedback options are generally provided. However, there are big differences among countries.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Although only few services are automated, most services are to a large extent online. However, the portal function does not work as efficiently as in other life events.</li> <li>▪ Services related to finances ('student grants', 'social benefits', 'financial advise') lag behind compared to 'enrolment' and services provided by universities.</li> <li>▪ Providing transactional study services cross-border remains a challenge for governments.</li> <li>▪ Students are used to participating in social media, but online discussion fora or consultations provided by government are only satisfactory in 25% of the cases.</li> </ul>
Online availability of services	75%	73%	72%
Online usability of services	74%	79%	76%
Ease of use	63%	65%	66%
Speed of use	59%	61%	62%
Transparency of Public Organisations	66%	72%	61%
Transparency of Personal Data	43%	41%	44%
Transparency of Service Delivery	47%	39%	37%
Key Enablers	58%	56%	49%
Cross-border dimension	56% (average for online availability and usability)	n.a.	46% (average for online availability and usability)

The results (with the exception of Ease and Speed of use) have been validated by Member States to ensure quality insights. The table above provides an overview of key insights and the most relevant statistics.

### 3.2 Starting up a business and early trading operations

#### *The importance of stimulating and facilitating entrepreneurship*

Eleven percent of European citizens are entrepreneurs, 45% would like to be their own boss if they could.<sup>11</sup>

Since 2008, Europe has been experiencing heavy economic weather: at the European level and globally. With 17 countries in the euro area, plus 10 additional Member States, Europe is the world's largest economic bloc, ahead of the USA or China. To maintain its competitive positioning, businesses, entrepreneurship, pertaining jobs and growth have to be placed at the heart of the political action. Small and Medium-sized Enterprises (SMEs) are of especially great importance for the European economy in this respect.

SMEs (enterprises with employees between 1-249 employees) account for over 99% of all enterprises in Europe, accounting for around 70% of the total employment<sup>12</sup>. "Every

year start-up firms in the EU create over 4 million jobs," European Commission President, José Manuel Barroso, pointed out in his 2012 State of the Union Address<sup>13</sup>. Thus, it is clear that SME businesses are at the heart of the economy, they are critical for economic growth in the near future. SMEs can be seen as the backbone of the economy, given the added value and employment they create.

“

**Europe lags behind its competitors in entrepreneurial attitudes. Yet at the same time we know that SMEs are the biggest source of new jobs and related growth<sup>10</sup>**

”

<sup>10</sup> European Commission Press Release, Entrepreneurship: consultation on future action at the EU level, Brussels, 17 July 2012. IP/12/797; quotation from Antonio Tajani, EC Vice President of the European Commission, Commissioner for Industry and Entrepreneurship

<sup>11</sup> European Commission Press Release, Entrepreneurship: consultation on future action at the EU level, Brussels, 17 July 2012. IP/12/797

<sup>12</sup> [http://epp.eurostat.ec.europa.eu/portal/page/portal/product\\_details/publication?p\\_product\\_code=KS-SF-08-031](http://epp.eurostat.ec.europa.eu/portal/page/portal/product_details/publication?p_product_code=KS-SF-08-031)

<sup>13</sup> State of the Union 2012 Address President Barroso, <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/12/596>

“

*According to European Commission President Barroso, the Small Business Act for Europe is “a step towards a Europe of entrepreneurs, with less red tape and more red carpet for Europe’s 23 million SMEs”*

”

The EU has understood the need to further promote entrepreneurship and is taking action. In March 2012, the European Council<sup>14</sup> concluded that “Europe must focus on creating the best possible environment for entrepreneurs to commercialise their ideas and create jobs.” Additional initiatives include DG Enterprise and Industry’s focus on ‘digital entrepreneurship’, increasing the digital possibilities for entrepreneurs. Another example is the ‘promoting entrepreneurship’ campaign<sup>15</sup>. Member States have committed to further leverage the Small Business Act (SBA) for Europe, adopted by the European Council in December 2008 as part of the European Economic Recovery Plan which calls for additional reductions in the procedures for starting up a company<sup>16</sup>. The Act focuses on access to finance, on ways of preserving SMEs from bankruptcy, on promoting entrepreneurship among ethnic minorities and women, on attracting and recruiting the first employee, and on helping start-ups by setting up one-stop

shops for SME support.

To achieve the goals stipulated in the Small Business Act and to further support entrepreneurship, seamless Government can be of great help in reducing the complexity for businesses of all kinds of questions and formalities related to starting up a business. **Online services not only reduce travel costs by making procedures and forms available remotely, they are in principle simpler, faster and more flexible.** The Services Directive 2006/123/EC, constituted a first a stepping stone in simplifying business start-up procedures and bringing them online for service providers via Points of Single Contact. Such points of single contact or one-stop shops for business start-ups can provide all the requisite procedures going beyond the requirements of the Directive (e.g. registration, tax, VAT and social security) and thus make way for an enhanced competitive landscape. This chapter will seek to understand how progress is being made in Europe thanks to the ‘Business start-up life event.’

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<sup>14</sup> European Council, Council Conclusions, 2 March 2012

<sup>15</sup> [http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/index_en.htm)

<sup>16</sup> Small Business Act for Europe, European Commission, 25 June 2008, COM(2008) 394 final. [http://ec.europa.eu/enterprise/policies/sme/small-business-act/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/small-business-act/index_en.htm)

**Figure 3.2: Generic process model for ‘Starting up a business and early trading activities’**



**What has been measured in this benchmark?**

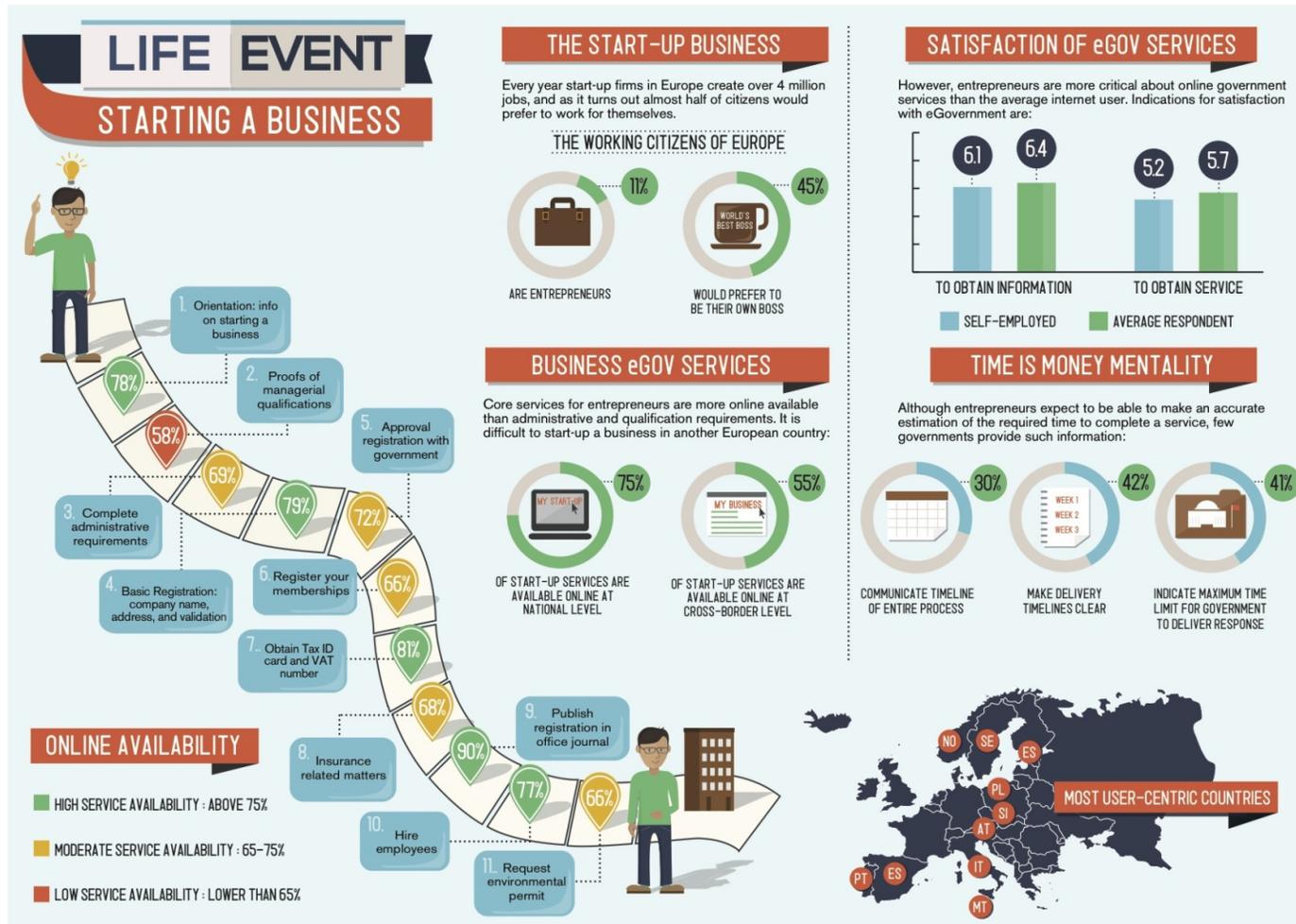
There is a broad range of factors in the business / economic environment factors that are considered to determine a country’s entrepreneurial performance. These indicators can cover aspects as diverse as labour-market regulation, the dissemination rate of technology, the patent regime, the availability and ease of access to debt finance, or bankruptcy and other administrative regulations. On the other hand, the regulatory framework can hinder or impede entrepreneurship if the opportunity cost of start-up outweighs the benefits. Such costs can be the result of the administrative burden – e.g. over-regulated professions, complexity of obligation schemes, health and safety, and labour regulation, and social security and tax regimes. One means of easing the burden is through the use of eGovernment ‘by simplifying procedures and putting them online. Thus, benchmarking is a valuable tool to monitor the provision of eGovernment services for businesses and raise Governments’ awareness in order to further stimulate the provision of eGovernment services.

The life event ‘Business Start-up and early trading activities’ measures how eGovernment services are delivered and showcases practices around Europe. Comparisons can also be made in assessing the progress made since the previous measurement in 2010. Furthermore, this year’s benchmark provides insights from a user perspective, showing entrepreneur’s preferences and how they perceive eGovernment services.

The process model used for this life event is shown in the Figure on this page. Three main stages have been defined (pre-registration, registration and early trading activities) to measure the different underlying activities, referred to as services during the measurement of this life event. To depict the journey of a possible entrepreneur a ‘persona’ has been described for this life event. The most important aspect to take into account is that the persona operates as a sole proprietor<sup>17</sup>.

<sup>17</sup> For a more detailed description, please look at the process models and persona description in the Method Paper.

Figure 3.3: Key findings Business Life Event ‘Starting up a business and early trading activities’



**Insights into the user profile of an entrepreneur**

Entrepreneurs compared to average:

- Make more use of public Internet applications (5% above average), mostly to obtain information from websites (91%), download forms (80%) and contact public administrations by e-mail (72%).
- Have more face-to-face contact with government (11% above average) themselves or through intermediaries (5% above average).
- Are less satisfied than the average respondent (-0.2) with both eCommerce, eBanking and public services. These are valued at 7.5 and 5.8 respectively. At 5.2 on average, their satisfaction with the quality of services provided by public administrations is not sufficient.
- Entrepreneurs perceive the following benefits when using online Government services: flexibility gains (79%), time savings (77%), money savings (66%).
- The main reasons for not using the online channel are: preference for personal contact (64%), personal visits are mandatory (39%), absence of awareness of the existence of relevant websites or online services (23%)
- At the same time eChannel preference for interaction with

public administrations is at 42% slightly higher than the average of 39%

From these user insights we can conclude that entrepreneurs are used to going online to search for information as such and prefer the eChannel in their contacts with Governments, but that the online channel is not always a satisfactory answer and entrepreneurs will choose to have personal contact instead to get things done.

It might also be that in certain cases service delivery via a specific civil servant is efficient and the least time-consuming way for the entrepreneur.

**Insights into online service provision**

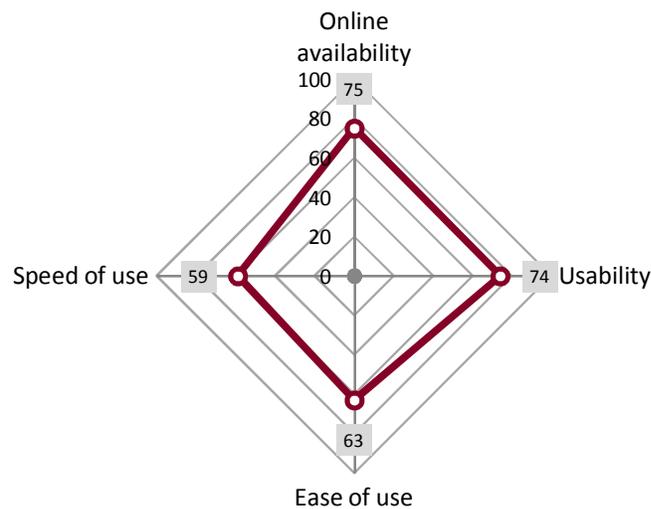
The previous paragraph depicted the demand side of Internet applications from an entrepreneurial point of

view. The reverse side of this coin is whether eGovernment services are available online and user friendly.

The spider chart in figure 3.4 represents the scores for Europe with regard to four elements of user-centricity within the business life event:

- **Online availability of basic and extended services:** the EU-27+ average is 75%, indicating that service provision in Europe is halfway between providing online information (50%) and providing a service online (100%).
- **Online usability of basic and extended services:** the EU-27+ average is 74%, which means that for the majority of services in this life event, support, help and feedback functionalities are available online.

**Figure 3.4: Indicators for User-Centric Government in life event of ‘starting up a business and early trading activities’ (%)**



- **Ease of use:** this reflects the personal experience of the mystery shoppers who performed the journey through the life event services. 'Ease of use' captures whether the user was able to complete the required process steps smoothly (logical succession of process steps, clear instructions) and achieve his goal. This indicator averages 63% for EU-27+ which equals a rating of 6.3.

**Speed of use:** similar to ease of use, this indicator reflects whether mystery shoppers were able to complete the required process steps within a reasonable amount of time. A score of 59% as depicted below equals a rating of 5.9. Mystery shoppers were not so positive about the time aspect. They made observations about whether one could prepare properly in order to go through the services as quickly as possible, about expectations of the amount of time it would take to complete the service and whether the life event was designed to facilitate the user in completing the required services in the shortest amount of time.

***Time is an issue!***

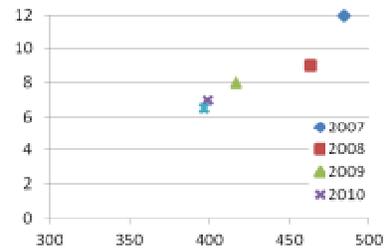
Following the publication of the Small Business Act in December 2008<sup>18</sup>, the Competitiveness Council issued its "Conclusions on Think Small First – A Small Business Act for Europe"<sup>19</sup>. This document included the Council's Action Plan for a Small Business Act for Europe underlining inter alia the ambition of reducing the time taken to register a new business to three days. This would be a tremendous achievement throughout Europe, if we take the figures below into account<sup>20</sup>.

Entrepreneurs expect that they can make an accurate estimation of the time it will take them to complete a certain activity. In most countries this is not the case.

They need to plan carefully. The low scores regarding 'speed of use' (5.9 on average) indicate **Governments are not living up to this expectation.** This conclusion is further supported when we look at the following questions which were assessed and validated in the mystery shopping exercise:

“  
***The time to start up a business has been halved over the past five years. However, what is needed is to cut it in half again***  
 ”

**Figure 3.5: Average time (in days, vertically) and costs (in euros, horizontally) to start up a business (EU-27)**



<sup>18</sup> Council of the European Union, Conclusions on "Think Small First – A Small Business Act for Europe" 2891st Competitiveness, Internal Market, Industry and Research Council Meeting, Brussels, 1 and 2 December 2008 [http://ec.europa.eu/enterprise/policies/sme/files/docs/sba/council\\_conclusions\\_dec08\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/files/docs/sba/council_conclusions_dec08_en.pdf)

<sup>19</sup> The Council's Action Plan for a Small Business Act for Europe, Annex to the Council Conclusions of 1-2 December 2008 [http://ec.europa.eu/enterprise/policies/sme/files/docs/sba/sba\\_action\\_plan\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/files/docs/sba/sba_action_plan_en.pdf)

<sup>20</sup> [http://ec.europa.eu/enterprise/policies/sme/business-environment/start-up-procedures/progress-2011/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/business-environment/start-up-procedures/progress-2011/index_en.htm)

“

*Entrepreneurs expect that they can make an accurate estimation of the time it will take them to complete a certain activity. In most countries this is not the case.*

- **30%** of Government websites communicate expectations on how long the entire process is estimated to take
- **42%** of Government websites make clear what the delivery timelines of the service are
- **41%** of Government websites indicate the maximum time limit within which the administration has to deliver

**Maturity of the life event chain**

”

Life event measurement makes it possible to assess the adequacy and coherence of service provision. The figure below depicts per service for the EU-27+ how it is being delivered:

automatically (without the user having to do anything), fully online (and possibly through a portal), online but limited to information about the service (and possibly through a portal) or offline.

**Core services are the most mature**

Two categories score particularly well on online availability: ‘basic registration services’ and ‘tax-related matters’. For these key categories of service, there are no offline services, i.e. at least information about the service can be found online. Moreover, it is available almost everywhere through a business portal. More important, these services achieve the highest scores for online

Figure 3.6: Maturity of the Life Event of ‘Starting up a business and early trading operations’ (EU-27+)



availability. In particular it seems that the organisations responsible for company registration and the tax authorities are cooperating well, because in quite a few countries the tax identification and / or VAT numbers are provided automatically – without the entrepreneur having to do anything. The most automated service across Europe is ‘the publication in Official Journal or equivalent’. Many Governments now link this publication to the registration process, again without the entrepreneurs having to do anything.

The picture is diverse for services related to ‘hiring a first employee’: on the one hand, most of the services in this cluster achieve more than 50% online availability; on the other, in those cases where information is only available online, the portal function in some countries is not functioning as well as in other parts of the life event.

The table 3.7 below indicates the top five services delivered automatically (without the entrepreneur having to do anything) and the top five services available online.

**Use of authentic sources will increase automated service provision**

The most room for improvement can be found in services related to ‘proofs of qualification’ and ‘administrative requirements’. These clusters consist of services related to the certificates required, such as a ‘character reference’, ‘certificate of

no outstanding taxes’ or ‘confirmation of general management qualifications’. Most of these services are only required once and not on a regular nor recurrent basis, so these in particular are services that can be automated in the back office.

The same is true for the services in the cluster ‘insurance related matters’: compulsory registration with social security, healthcare, or pension insurance is something the Government could take off the entrepreneur’s hands by providing these registrations as a follow-up of the initial registration.

**The Portuguese business portal provides an excellent example of how to enable full online service provision.** The background report includes another example: Malta’s one stop shop for businesses.

“  
**Following the principle of ‘once-only registration’, by using authentic sources to re-use information from the person starting up a business, the burden can easily be decreased and the process of service delivery accelerated**  
 ”

**Table 3.7: Top five a) services delivered automatically and b) fully available online (EU-27+)**

	Automated services	Services online available (through portal)
1	9.1 Publish registration in Official Journal or equivalent	1.1 Obtaining information about starting a business
2	7.2 Obtain VAT collector number	4.1 Fill in standard form for registration deed
3	7.1 Obtain tax identification card/number	4.3 Register domicile of business
4	8.1 Register with Social Security Office	11.2 Submit application environmental permit
5	8.2 Register with mandatory pension insurance	10.3 Tax related obligations

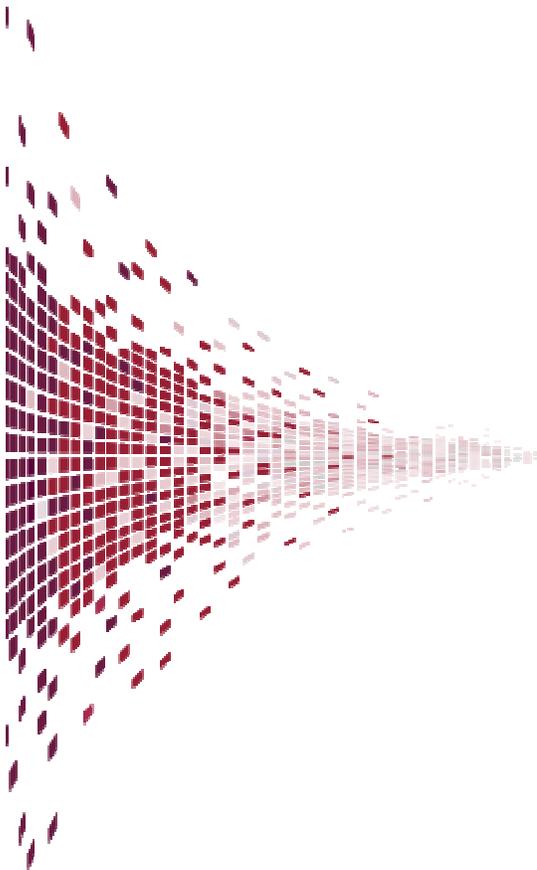
***Example of good practice: the Portuguese business portal.***

The Portuguese approach to the process of business creation combines integration of key enablers that allow for full online service provision with focus on the requirements and demands of entrepreneurs

The process of business creation is totally integrated and dematerialised. It allows the entrepreneur to create a new company, register the trademark and name through a centralised monitoring of the entire process.

The formal validation of signature is provided through eID (the Portuguese Citizen's Card) and a set of effective and secure features support the whole process, namely a national online payment platform system, SMS services between the State and the citizen, registration of contracts automatically in the Back Office and streamlined communication between national entities for validation of information.

The process uses the Public Administration Interoperability Platform (iAP), in line with the concept of "government as a platform". iAP is a technological platform of reference which provides transversal electronic services to national entities, allowing public information systems to respond better to current requirements in the provision of services to civil society. Based on open standards, with high safety, reliability and availability parameters, this platform aims to increase the efficiency of public services through the reuse of the installed capacity in public administration, providing a variety of services via a single point of access.



### 3.3 Losing and finding a job

As a result of the financial and economic crisis, the overall unemployment rate in the EU-27 has risen year-by-year from 6.7% of the EU population in 2008<sup>21</sup> to 10.5% in 2012<sup>22</sup>. The youth unemployment rate (15-24 years old) was 22.7% in 2012 compared to 16% in 2008<sup>23</sup>.

High unemployment rates negatively affect the financial and social situation of individuals and have led, at the macro-level, to stagnating economic growth, lower tax revenues in tax revenue and increased Government spending on social benefits. The EU Macroeconomic Report for the Annual Growth Survey<sup>24</sup> warns that ‘unemployment may become increasingly structural with a negative effect on long-term growth potential’ and calls for structural reforms to tackle this emerging risk, strengthen confidence and gain renewed trust. European policies such as the European Employment Strategy

(EES)<sup>25</sup>, the Europe 2020 strategy and the Agenda for new skills and jobs<sup>26</sup> have also stressed the importance of stimulating labour market participation. National Governments invest in Government services to create more flexible labour markets, facilitate job mobility and lifelong learning, promote job creation and entrepreneurship and improve support to those seeking a job.

#### ***What has been measured in this benchmark?***

The eGovernment Benchmark measures the engagement, facilitation and support of the unemployed by Governments, by looking at the availability, usability and transparency of digital services Member States are providing in the field of losing and finding a job. The services are approached from the perspective of an unemployed citizen: what steps does the unemployed person have to take when losing their and trying to find a new one. These steps can be summarised in a customer journey map as depicted in figure 3.9.

“

***Twenty-three million European citizens currently do not have a job***

”

<sup>21</sup> Eurostat yearbook 2011, [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-CD-11-001/EN/KS-CD-11-001-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-CD-11-001/EN/KS-CD-11-001-EN.PDF)

<sup>22</sup> Eurostat, code teilm020

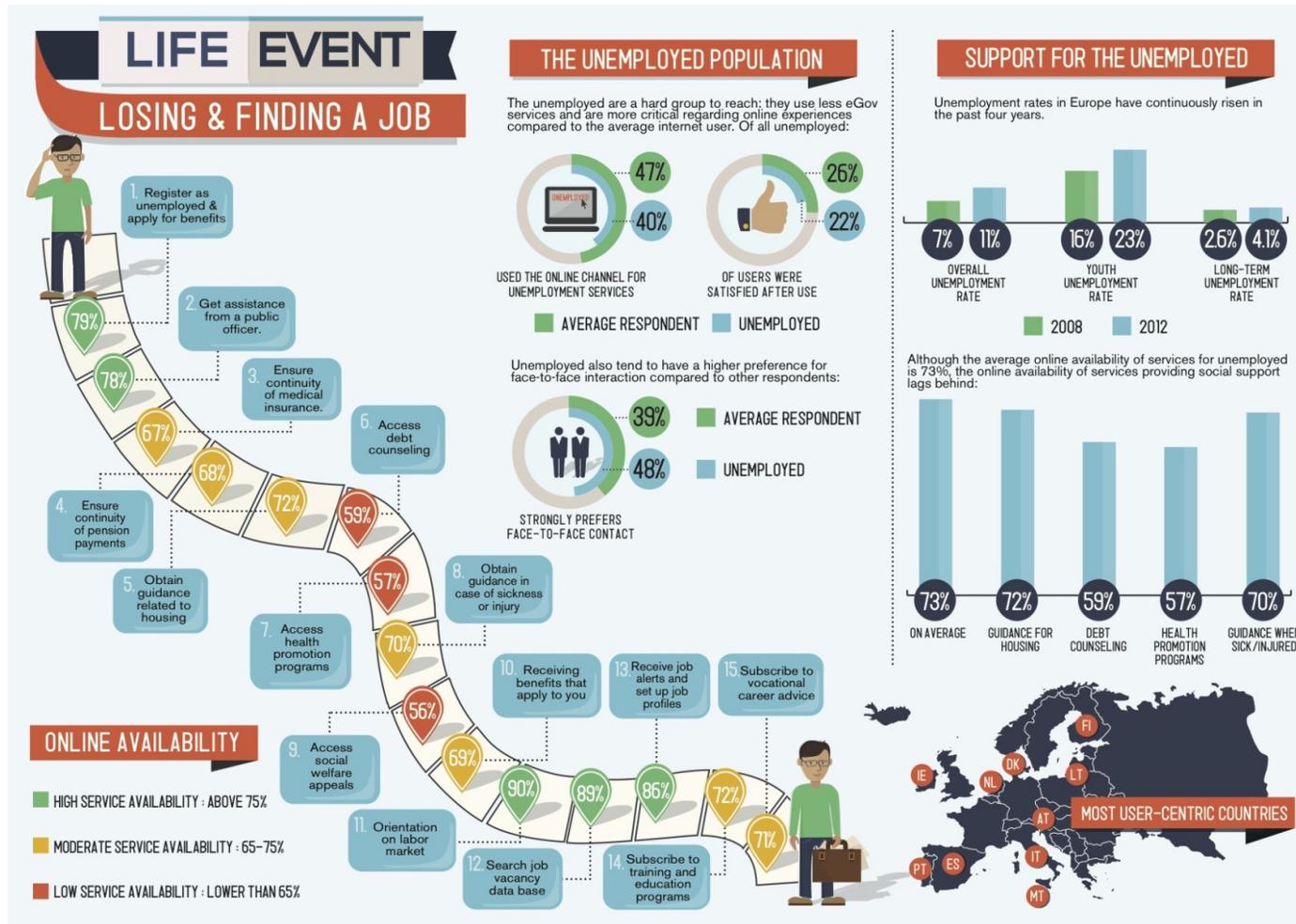
<sup>23</sup> Eurostat, code teilm021

<sup>24</sup> [http://ec.europa.eu/europe2020/pdf/ags2013\\_mer\\_en.pdf](http://ec.europa.eu/europe2020/pdf/ags2013_mer_en.pdf)

<sup>25</sup> Also see: <http://ec.europa.eu/social/main.jsp?catId=101&langId=en>

<sup>26</sup> Also see: <http://ec.europa.eu/social/main.jsp?langId=en&catId=958>

Figure 3.8: Key Findings Citizen Life Event ‘Losing and Finding a Job’



**Figure 3.9: Generic process model for the life event of 'Losing and Finding a Job'**



“

***Social support mechanisms (housing, debt counselling, health support) are not sufficiently integrated in the life event. These services are important for preventing people from becoming further alienated from society***

”

### **Insights into the user profile of an unemployed person**

When segmenting the unemployed target group in the user survey, it was possible to distinguish the following characteristics of unemployed citizens:

- They are less likely to use online channels for public, as well as for private services;
- They are more likely to participate in online social networking and entertainment-related activities such as online gaming;
- Their level of satisfaction with all public Internet applications and services is below average;
- Only 28% achieved their objectives when using public services;
- They have a higher preference for personal contact than average (48%);
- A large number would use the eChannel again for public services in the future (79%).

### **Availability of eGovernment Services**

Unemployed citizens are often a hard-to-reach group for Governments, especially through the traditional digital channel. Results from this benchmark's user survey show that unemployed citizens use eGovernment services less than average.

The majority prefer face-to-face contact. Citizens who do use eGovernment services are less satisfied with the services. On the other hand, when looking for a job, most unemployed do prefer to use the Internet.

This could be explained by looking at the online availability of Government services for losing and finding a job. Figure 3.10 shows that services related to searching for a job have the highest online availability across Europe. Citizens can search for jobs, find information on the labour market and set up a personal space to administer their work experience or save applications both on websites of specific service providers and via online portals. Applying for social benefits is generally not possible online, but often limited to provision of information.

Some countries deliberately require personal visits by law or policy. **Germany**, for example, requires the citizen to register as unemployed in person at one of the offices of the Federal Employment Agency (Bundesagentur für Arbeit - BA). This enables them to have a full understanding of the specific job profile of the applicant, and thus to provide the best possible tailoring of the Job Centre offer to individual skills and requirements. All further contact once registered can be electronic. This policy is deemed highly effective in Germany.

In the **Netherlands**, a different approach is used. In order to cut costs and because the Dutch Government’s policy is that the first responsibility always lies with job seekers and employers, they have made the use of digital services for job seekers mandatory in the first three months of unemployment. Citizens who prove to be struggling to use the online services after three months of unemployment (10%) are provided with face-to-face services from then onwards.

“

*This approach has saved the Dutch Government more than 100 million euro in job mediation / reintegration budgets and more than 200 million euro of operational budget.*

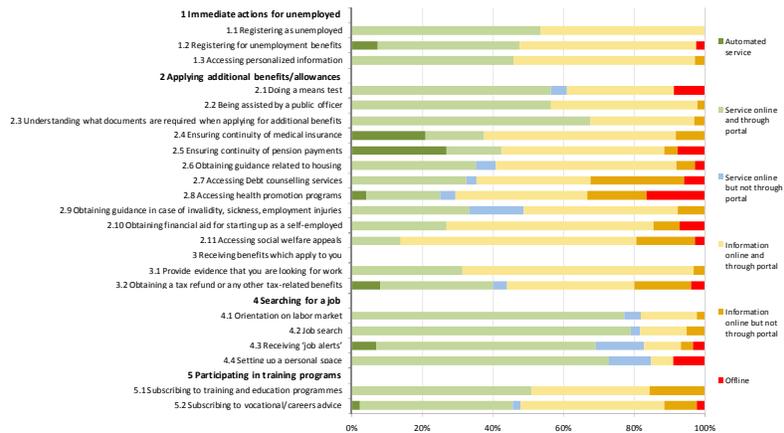
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### Usability of eGovernment services for losing and finding a job

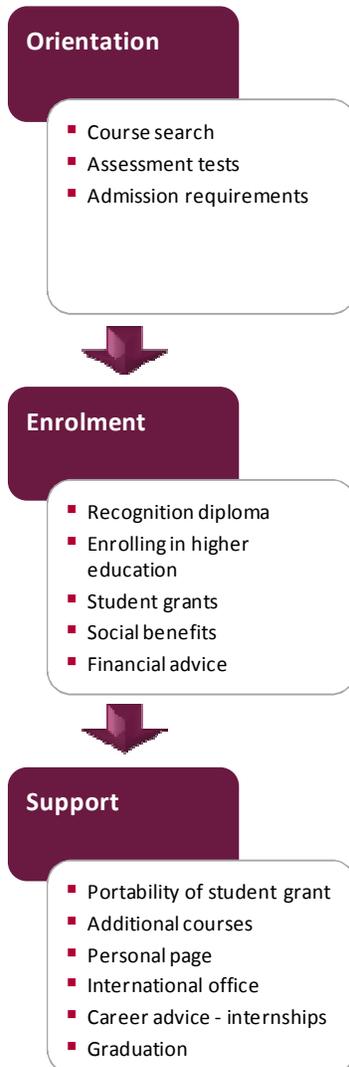
To support hard-to-reach groups such as unemployed citizens through eGovernment services, services should not only be available online, but should also be truly user-friendly. They should be easy to use and quick, and should support the citizen in their journey of losing and finding a job. The average usability of eGovernment services for losing and finding a job is highest of all three life events. However, there are big differences between countries. Room for improvement lies within the indication of the speed of use, i.e. the amount of time it took the

user to obtain the service and the extent to which the user can estimate the time obtaining a service will take. Although most Governments do enable citizens to obtain a service quite quickly by listing what information is needed from them and by structuring the services efficiently, they could establish more clearly expectations of the amount of time it takes to complete the required steps and to receive feedback from Governments. The **French** job portal pole-emploi.fr, for example, provides a clear ‘demo’ of the process of obtaining the service and communicates a time period within which the public administration will confirm the service has been obtained.

Figure 3.10: Maturity of the Life Event of ‘Losing and Finding a Job’ (EU-27+)



**Figure 3.11: Generic process model for the life event of ‘Studying’**



### 3.4 Studying

In economically challenging times, high quality education becomes increasingly important. Having an education enables people to get, keep or change their jobs more easily. OECD studies have shown that in 2010, for people without an upper secondary education, the unemployment rate was 12.5%, which for those with upper secondary education the unemployment rate was 7.6%. For those with tertiary education the average unemployment rate was even lower, at 4.7%. For all OECD countries together, the unemployment rate for men with higher education was roughly one-third less than for men with upper secondary education<sup>27</sup>. Moreover, those with high educational attainments find their first job position faster than people with only secondary education. Education thus both increases employability and decreases the length of transition from education to work.

In general, one could say that education pays for itself. The OECD has estimated that on average the long-term personal economic gain from having a tertiary degree is over USD 160 000 for men and USD 110 000 for women. The Government gain in terms of tax income and other savings has been estimated to increase by USD 100 000 for each man in higher education.<sup>28</sup>

It is thus not surprising that education is one of the key priorities of the European Union. The Europe 2020 flagships **Agenda for new skills and jobs<sup>29</sup>** and **Youth on the Move<sup>30</sup>** both stimulate Governments to invest in education and set targets to increase the completion of tertiary education, decrease the number of early leavers, increase student mobility, develop more flexible learning pathways, provide comprehensive lifelong learning, improve information provision about education, and develop quality career guidance services.

<sup>27</sup> European Commission, Eurostat, Eurostudent.eu, Eurydice, (2012), The European Higher Education Area in 2012: Bologna process implementation, also see: [http://www.ehea.info/Uploads/\(1\)/Bologna%20Process%20Implementation%20Report.pdf](http://www.ehea.info/Uploads/(1)/Bologna%20Process%20Implementation%20Report.pdf)

<sup>28</sup> [http://www.eua.be/News/11-01-07/Impact of the economic crisis on European higher education EUA publishes latest update ahead of major new report.aspx](http://www.eua.be/News/11-01-07/Impact%20of%20the%20economic%20crisis%20on%20European%20higher%20education%20EUA%20publishes%20latest%20update%20ahead%20of%20major%20new%20report.aspx)

<sup>29</sup> <http://ec.europa.eu/social/main.jsp?langId=en&catId=958>

<sup>30</sup> <http://ec.europa.eu/youthonthemove/>

Figure 3.12: Key Findings Citizen Life Event ‘Studying’



### ***What has been measured in this benchmark?***

The eGovernment Benchmark aims to measure to what extent Governments provide online services that engage, facilitate and support students, in order to reach the EU policy targets and create a future-proof, skilled workforce for the European knowledge economy. The Government services should support the student throughout the study journey.

### ***Insights into the user profile of a student***

When segmenting the student target group in the user survey, it was possible to distinguish the following characteristics:

- 80% of students use mobile Internet daily, compared to 62% of all respondents;
- Most students use the Internet if they are looking for information from Public Administrations;
- Student use the Internet for professional purposes more often than the average respondent;
- The percentage of students indicating they achieved their objectives when using public services was 41%;
- when enrolling in higher education, 60% of European citizens use the eChannel;
- The average satisfaction rate for enrolling in higher education online is 6.9;
- Of students using the eChannel for public services, 82% said they would use it again in the future.

### ***Availability of eGovernment services for studying: taking the centralised or de-centralised approach***

Students are intensive Internet users, using the Internet daily from multiple devices. They use public and private Internet applications more than the average population. This also means that their expectations of eGovernment services are higher. The user survey results show that only 39% of students experienced the eGovernment services to be better than they expected. Fifty-three percent of the students found the eGovernment services met their expectations.

Given students' high Internet usage rate, it might be expected that Governments would mainly provide their study services via the Internet. The Figure below shows that the online availability of Government services for study is indeed reasonable. Although only a few services are automated, most services are to a large extent available online. The service that is provided online most is that of a personal space to access personal data and information on courses and grades. Almost all Governments provide this service.

Services related to finances ('student grants', 'social benefits', 'financial advice') lag behind compared to 'enrolment' and services provided by universities.

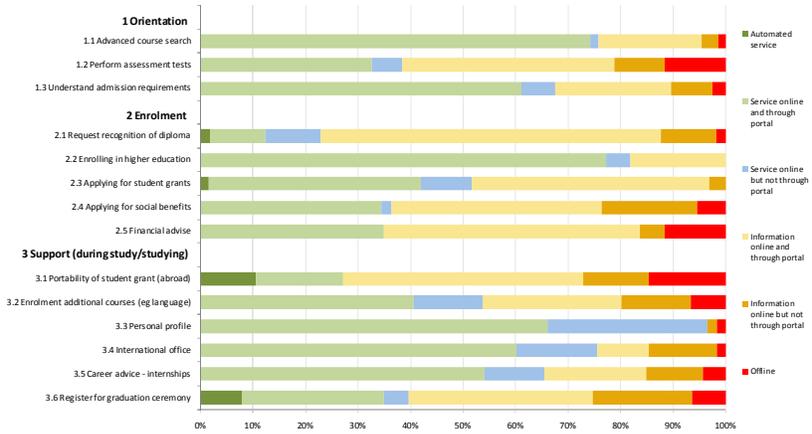
The services that are least online are 'requesting recognition of a

“  
**95%**  
 of students use the  
 Internet daily and  
**80%**  
 use mobile Internet daily  
 ”

Diploma’ and ‘portability of student grants’. As these services both have a cross-border dimension, the results indicate that providing transactional services cross-border remains a challenge for Governments.

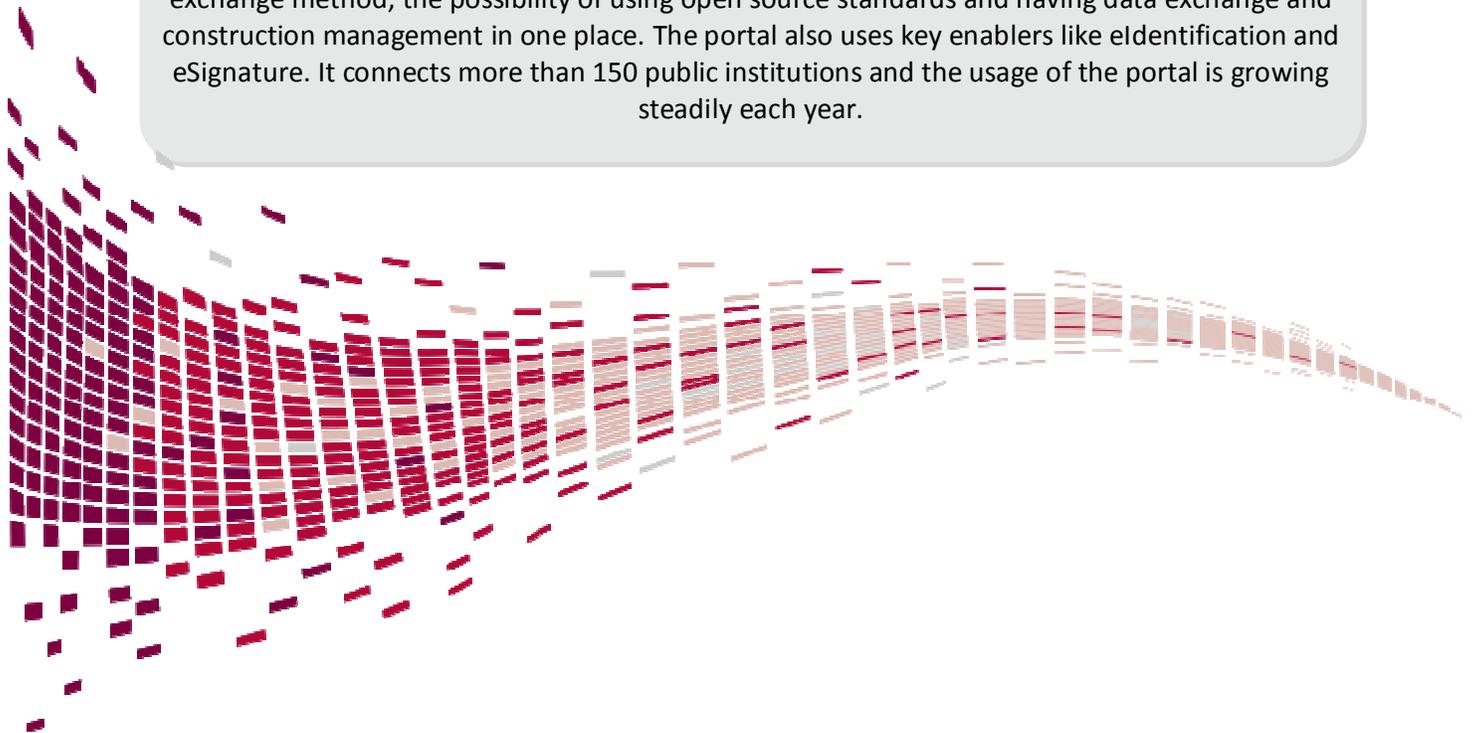
Compared to other life events, the portal function does not work as efficiently. The reason could be that study services are mainly provided by universities. The decentralised nature of study services might also explain the higher usage of specific authentication identifiers, as opposed to national identifiers, and the lower usage of other key enablers compared to other life events.

Figure 3.13: Maturity of the Life Event of ‘Studying’ (EU-27+)



Example of good practice: Lithuania’s approach to providing online ‘Studying’ services

**Lithuania** has chosen to provide all study services, from applying for student grants to career counselling, for 45 universities and colleges through one national portal. Their reasons for choosing this option are flexibility in service provision, small maintenance costs, a unified data exchange method, the possibility of using open source standards and having data exchange and construction management in one place. The portal also uses key enablers like eidentification and eSignature. It connects more than 150 public institutions and the usage of the portal is growing steadily each year.



### ***Keeping up with the new generation: Social Media and Online discussion fora***

The results of the user survey show that 95% of students use social media. This is considerably more than other groups of citizens. Students are used to getting their information online, networking online and expressing their opinion online. To engage students, Governments should use the channels they use and provide them with the opportunity to express their opinion and to network online.

Seventy-eight percent of European Governments provide online discussion fora and social media pages on studying. This is the highest availability rate for social media of all life events investigated. More than half of Governments provide online feedback mechanisms. However, ***only 25% of students were truly satisfied when participating in online consultations on policy issues*** organised by local, regional, national or European Government (for example: via polls or panels) ***or in interactive discussions about local, regional, national or European policy issues*** (for example: via online discussion fora). Clearly, public social media pages do not yet live up to

students' expectations – especially when the expectations are as high as they are with students who are intensive users of social media. The user survey reveals that 'enrolling in university and / or applying for a student grant' is with 60% average use one of the most used services online. Though satisfaction is above average (6.9), the eChannel preference dropped slightly after using the online service (to 56%). This could be interpreted as a warning for Governments. Banks know that people are very likely to stay loyal for life to the bank with which they open their first account and hence put effort into gaining new prospects among students by sponsoring student events and university life activities. Similar thinking should make Governments aware that if they want to increase take up in the future, and keep students online in their future capacities as employee, entrepreneur or carer, Governments should start convincing them in their first encounter with Government to use the online channel in doing so. Countries should analyse the insights of the user survey in-depth and use a mystery shopping approach to define for each relevant target group a strategic, custom-made approach.

“

78%

**of European Governments provide online discussion fora and social media pages on studying**

25%

**of students were satisfied when participating in online consultation or interactive discussions about policy issues**

”

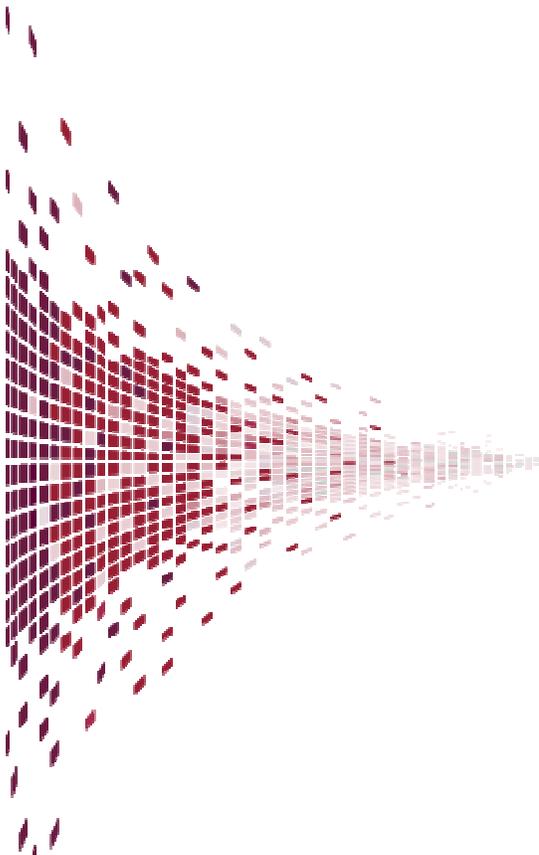
*Example of good practice: Germany's approach to enrolling in higher education (at the University of Applied Sciences Harz)*

**Applying (enrolling) for specific services at the University of Applied Sciences Harz (Hochschule Harz) in Germany**

The standard procedure for enrolling students in a university or another institution of higher education in Germany requires personal authentication that is to a large extent paper-based. To provide a procedure that is fully available online, the University of Applied Sciences Harz is installing an application with the new German electronic Identity Card. The application with the new German electronic Identity Card offers students the possibility of applying or registering for specific services offered by the University such as registration for working in a laboratory. Further applications with the new German electronic Identity Card are already planned by the University in the fields of administration, mobility, geographic services and tourism.

The University of Applied Sciences Harz is the first German university to use the online function of the new German electronic Identity Card for contact with its students. Previously, lecturers handled registration and administration of the students using paper-based lists with personal data and signatures; the data was saved electronically conducted later based on the matriculation numbers. This was very time- and effort-consuming especially in terms of satisfying data protection recommendations.

Thanks to this new procedure, which was developed in the Innovation Laboratory SecInfPro-Geo at the University of Applied Sciences Harz, students use the new German electronic Identity Card and register directly by means of an ID application. The subsequent data transfer to the examination authority is carried out online on this basis – and is fully electronic and compliant with the data protection laws and secured with pseudonyms, encryptions and signatures in accordance with eGovernment standards.



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**“The EU aims to fast-track the roll out of digital services (especially their cross border interoperability)” and underlines that eGovernment can reduce the costs of administration by 15-20 %<sup>31</sup>**

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### 3.5 Cross-border mobility

#### *Why mobility is important*

For several years now, cross-border mobility has been a leitmotiv in opening up services of general interest. The Commission’s Annual Growth Survey 2013 Communication<sup>32</sup> aims to lay “the foundation for return to growth and job creation.” Among a series of initiatives, the document refers to “cross-border labour mobility” and more particularly to “cross-border interoperability of online services.” which are described as “particularly important.”

In December 2010, mobility in the Single Market was defined as one of the four focus areas of the European eGovernment Action Plan 2011-2015<sup>33</sup>. This priority has been reiterated in the ‘Digital ‘to-do’ list: new digital priorities for 2013-2014’ as part of the “seven new priorities for the digital economy and society.<sup>34</sup>

The business case for moving forward with cross-border services was demonstrated by the study on the needs and demands for cross-border services, costs benefits and barriers analysis<sup>35</sup>. The study estimated that there were approximately 1,790,000 immigrants and commuters between EU Member States in 2009. It predicted that this figure would be more than 22% by 2020. In terms of business mobility, 140,000 branches and immigrant business start-ups were recorded between EU Member States.

Where does the EU-27+ stand when it comes to setting up cross-border services? As more and more references are made to mobility, a better understanding of the state of the art seems urgent in defining a baseline for comparison and growth.

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<sup>31</sup> Op.Cit

<sup>32</sup> European Commission. Annual Growth Survey 2013, COM(2012) 750 final Brussels, 28.11.2012,

<sup>33</sup> European Commission (2010). The European eGovernment Action Plan 2011-2015 - Harnessing ICT to promote smart, sustainable & innovative Government. COM(2010) 743

<sup>34</sup> European Commission. Digital "to-do" list: new digital priorities for 2013-2014, IP/12/1389 Brussels, 18 December 2012

<sup>35</sup> Inventory of cross-border eGovernment services & Existing and future needs and demand for cross-border eGovernment services (SMART2011/0074) [http://ec.europa.eu/information\\_society/newsroom/cf/dae/itemdetail.cfm?item\\_id=9369](http://ec.europa.eu/information_society/newsroom/cf/dae/itemdetail.cfm?item_id=9369)

### ***Student and Business Mobility across Europe: is the glass half full or half empty?***

The results of this year's measurement clearly show that the EU-27+ are not there yet when it comes to cross-border transactional online services. The results show that initial steps have been taken in terms of online availability of cross-border services, i.e. figures of 42% on average for studying in the EU-27+ and 55% for starting up a business. Despite the promising nature of these figures, EU countries are still far behind when comparing averages for national service provision and cross-border availability of services.

Even provision of information is seen as a challenge. The citizen mobility availability score falls far below the full informational phase marked by the threshold of 50%. Only 9 countries complete the informational phase related to the life event "Studying" and 17 countries when it comes to business mobility.

Consequently, the cross-border transactional stages of the services also experience drawbacks. For the life event 'Studying', only nine EU-27+ countries have reached the transactional phase, five of which have barely passed the toll-gate of 50% online availability. Looking more closely at the assessment of the

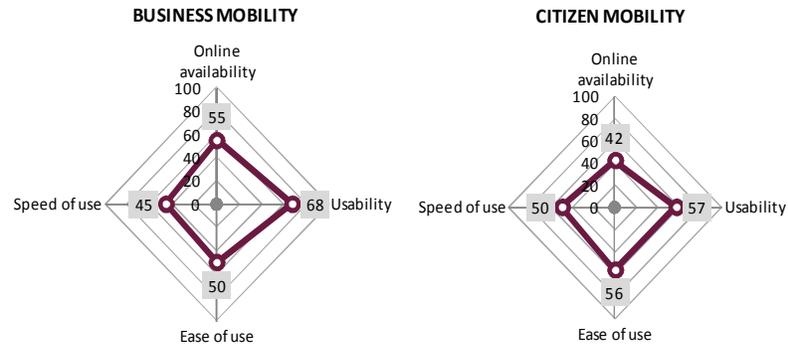
countries scoring above 50%, three of these are ranked below average when it comes to the EU-27+ average for usability, ease of use and speed. Broadening the picture and taking into consideration the 16 countries ranking above the EU-27+ availability average, almost half of the countries score below average on at least one indicator.

However, business services enjoy greater maturity levels than citizen services. Thanks to a total of 17 countries scoring above average in terms of availability as well as having reached the transactional stage of bringing the service online, business services could be seen as paving the way for cross-border services in general. Twelve countries have a usability indicator of 100%, 20 are above the EU-27+ average of 63%; 16 countries rank above the ease of use average of 50% and finally 13 countries have a speed of use above the average of 46%.

What does this mean? The relative nature of the performance of countries in business mobility indicates that similar usability challenges are being faced by citizen services. Countries scoring higher in citizen mobility are not necessarily those scoring higher in business mobility. Whereas the EU-27+ average scores indicate a clear prioritisation of business services, again, there is a nuance, as 9 countries have followed the opposite

approach in favouring citizen services. Of the 16 countries scoring above average in either category, only eight score above average in both categories. The discrepancy is further underlined when understanding that only four countries' scores for both business and citizen mobility remain within +/- 5 percentage points of each other. When it comes to the challenges faced by both categories of service, business services are less easy to use (50% compared to 56% for citizens) and less swift (46% compared to 50% for citizens). This finding is similar to that for national service provision, where the citizen life events achieve higher rates for 'ease of use' and 'speed of use' than the business life event.

**Figure 3.14: Indicators for cross-border assessment of ‘business start-up’ and ‘studying’ (%)**



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**Moving forward with cross-border services implies moving toward more mature and usable services on the one hand and raising awareness around the existence of these services**

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As indicated in the report from DG Employment and Social Affairs, there is an overall lack of awareness in terms of rights and practicalities when choosing mobility<sup>36</sup>. The Final Report of the study on needs and demands for cross-border services makes recommendations in terms of the set-up of portals combining different services, which could simplify both access to information and use of services. Building on these recommendations, bringing together basic and extended services could drive usage and more importantly usability.

**3.6 Transparency as an indicator for new attitudes towards change?**

The European Commission and Member States have jointly described the future Government they aim for as ‘open, flexible and collaborative in their relations with citizens and businesses’. Transparency is one element that contributes to these characteristics. Transparency builds trust and improves accountability. It reflects the attitude of a public administration more than other elements in the Action Plan do. If the Commission and Member States are working towards a ‘new generation of eGovernment services’, this can only be achieved when Governments open up as well and operate in ways that are fully transparent to the outside world. Changes in attitude do not come overnight, but need time, patience and continuous monitoring.

<sup>36</sup> Association of European Border Regions for DG Employment and Social Affairs. Information services for cross-border workers in European border regions, October 2012 “Accordingly, the number of cross-border workers could most probably be higher, if potential cross-border workers could receive better information about possible risks and particularities of working in another country”

“

**ICT can play an important role in improving transparency, not only by enabling information provision but also opening up new ways of interaction (participation, collaboration) and enabling citizens and business to take control of their personal data)**

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### ***What has been measured in this benchmark?***

The eGovernment Action Plan set three goals:

- Establish common voluntary transparency targets and exchange of available experiences
- Online access to information on Government laws and regulations, policies and finance
- Information and electronic access on personal data held by Member States.

Building on these goals, the eGovernment benchmark has measured three indicators through life event mystery shopping:

**Transparency of public organisations** means that Governments provide citizens with insight into finance, regulations, laws, organisational structure and responsibilities, and decision-making processes. That enables citizens to anticipate and respond to Government decisions that affect them and they are able to hold policy makers responsible for their decisions and performance. It increases policy makers' accountability and fiscal responsibility, and decreases the risk of fraud and corruption.

Transparency of public organisations requires policymakers to have a true 'transparent' mindset and to inform citizens proactively of their activities and to encourage them to provide feedback, make complaints or suggestions with regard to their organisation and policy actions. It can be driven by specific laws or acts

that grant citizens the right to access information and / or by 'transparent-by default' policies.

**Transparency of service delivery** specifically focuses on how public administrations give citizens insight in administrative processes, i.e. from the citizen's request for a service until service provision. Providing citizens with transparency on how the service will be delivered means they can set expectations on time, process and delivery. By providing them with insight into service performance, they are given a voice to make suggestions to improve existing or implement new Government services.

**Transparency of personal data** means that Governments proactively inform citizens on how their personal data is being processed, when and by whom and provide citizens with easy, electronic access to their personal data. It increases the legitimacy and security of data processing and it improves the quality and accuracy of the personal data kept. This in turn increases citizens' trust in Government. The transparency of personal data is largely driven by legislation. Most national Governments have legislation on how to deal with personal data in place and there has been an EU Directive since 1995 (the *European Data Protection Directive* 95/46/EC<sup>37</sup>).

<sup>37</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31995L0046:en:HTML>

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**Only 25% of respondents in the user survey indicated they were satisfied when consulting policy documents or decisions on local, regional, national or European Government websites**

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### ***Building trust?***

Although most Governments in Europe have transparency targets, legislation and / or policies in place, the level of transparency is perceived to be insufficient by European citizens. According to Transparency International's Global Corruption Barometer for 2010-2011, a very large majority of European citizens argued that transparency had decreased in their country over the past three years<sup>38</sup>.

The User Survey in this benchmark also provides an idea of user satisfaction with transparency. Only 25% of respondents in the user survey indicated that they were satisfied when consulting policy documents or decisions on local, regional, national or European Government websites.

Another example is the use of discussion fora or social media on Government websites. These features are available in 78% of websites measured in the mystery shopping life events. However, only 26% of respondents were **satisfied** with participating in interactive discussions about policy issues via channels such as **online discussion fora**.

These examples indicate that Governments have taken the first

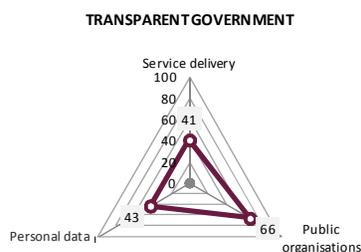
steps to be more transparent and open, but need to make further progress in meeting citizen's expectations and trusting citizens when involving them in the process.

### ***Stronger governance is needed to grow towards mature transparency standards***

Results from the measurement performed in the three domains (business start-up, losing and finding a job and studying) show a wide variety between and within countries. There is a range between the top performers and those who are lagging behind of 83 percentage points (with the EU average at 50%). The European averages for the three components are shown in graph 3.13. Transparency of public organisations averages 66%, whereas transparency of service delivery (41%) and transparency of personal data (43%) are less developed. Looking at individual countries, there are variations in scores across the three components assessed. Thus, although many initiatives are being deployed in relation to various aspects of transparency, overall maturity is not yet sufficient. Central governance, and at European level, could help in making progress towards mature transparency standards across all aspects and contribute to the changing mindsets.

<sup>38</sup> Transparency International (2011), Global Corruption Barometer 2010-2011, retrieved from: [http://archive.transparency.org/policy\\_research/surveys\\_indices/gcb](http://archive.transparency.org/policy_research/surveys_indices/gcb)

**Figure 3.15: Indicators for Transparent Government (EU-27+)**



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**Only a quarter to a third of countries share the insights from performance measurements online – if countries are monitoring their performance / achieved satisfaction at all.**

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### ***From passively informing to proactively collaborating***

What is most striking is that aspects of transparency of public organisations that involve the provision of information about public organisations and their missions, structures and finances, are in general pretty available online:

- 98% of Governments provide information on their mission and responsibilities
- 64% of Governments provide financial information (annual accounts, budgets, investments)
- 93% of Government websites provides information on how the user can ask for additional information.

However, when looking at aspects that empower or motivate citizens to act, European Governments seem to be more cautious. For instance, only 31% of public administrations provide information for citizens on how to participate in the policy making process. The figures are similar scores for access to complaints procedures: in only 30% of the countries, citizens and businesses can find clear information about procedures for complaining online about their personal data.

Another area where public administrations could improve is the online publication of performance measurements (such as external reviews, user satisfaction surveys).

### ***ICT holds the potential to further improve***

ICT enables transparency and

provides the means for Governments to further open up, involve citizens in policymaking, and provide access to and control over their own data. From the measurement it appears that special facilities online, where citizens can access and/or modify their data are rare. In only 40% of countries are European citizens able to modify personal data the Government registers or notify their Governments of required changes through a special online facility. Some countries have developed ‘MyPages’ (‘MyGov’) where, after secure authentication, citizens can view personal data the Government holds. The Dutch ‘MijnOverheid.nl’ allows citizens to view data on their address, social security, tax, property (land register) and is connecting other registers to further inform citizens about the information Governments store.

Thus, European countries have taken the first steps towards ‘open, flexible and collaborative’ government, but further improvement is required to achieve these goals, especially in terms of involving citizens and increasing their satisfaction. Transparency is more than just providing general information about government, it should really reach out to citizens and provide them with the means to control their own data as well as collaborating with and holding Governments accountable for their performances. Transparency can build trust, which is of eminent importance and will also help increase the use of eGovernment services as such.

## 4 Key Enablers

### 4.1 Context

Without competent underpinning technical foundations there is a limit to the ability of any public agency, or more importantly group of agencies, to provide quality public services.

Looking ‘behind the web front end’ at what technical building blocks are in place, and what strategy is taken to deliver ICT enabled services, provides clarity on how well a country (and how well Europe on a trans / pan-EU basis) delivers a joined up seamless customer experience.

Key enablers can (i) address challenges of interoperability and standardisation to improve services, (ii) decrease overall IT development and maintenance costs and (iii) break down barriers between organisations as well as between countries.

As service provisioning increasingly transcends organisation as well as country boundaries, concerns such as trust and security also must be addressed at these levels. So this agenda fully warrants a real collaboration between business and ICT owners, across agency and across Europe.

Member States and the European Commission have recognised the importance of key enablers as a crucial element to realise and improve online public services.

The eGovernment Action Plan 2011-15<sup>39</sup>, identified actions to stimulate implementation and use of key enablers. It focuses on enablers for the provisioning of cross-border public services (priority 4.2 contains three actions related to e-Signatures and e-ID).

Several of the EU initiatives around key enablers, including Large Scale Pilots (LSPs), focus on realising the necessary interoperability for cross-border public services. This focus does not however preclude them having benefits for purely national services. Quite the contrary, European initiatives have shown to have stimulating effects on the development and deployment of national key enablers, for example in the case of eIdentity.

The Connecting Europe Facility (CEF) could become a new investment instrument proposed by the European Commission, which also creates a digital infrastructure for public services. Public service digital networks are key to ensuring social and economic cohesion. This will pave the way for the deployment of

interoperable, digital public services across Europe, and support innovation and competitiveness – thus increasing chances to reach the 2020 targets.

### 4.2 Introduction to the measurement

In this benchmark, we will look specifically at the five key back office enablers (depicted in the following graphic):

- Electronic identification
- Electronic documents
- Authentic sources
- Electronic Safe
- Single Sign On

The measurement assesses the availability of these enablers within the services that compose each life event process model. The measurement will be continued in 2013, when four new life events will be the objective of the research.

<sup>39</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0743:FIN:EN:pdf>



### 4.3 Findings: A gap to fulfil intentions

#### Aggregated results

The 2012 benchmark looked at the actual *usage* of the five key enablers across three life events. The results show that on average, for all key enablers and all three life events combined, in only a little more than half of the cases (54%) all enablers were used.

Looking at the results per life event does however show an increased usage of the enablers in favour of the business life event: 58%, whereas for the studying life event this was 49%. The employment life event was average of 55%.

The 2010 Benchmark included an overview of key horizontal enablers, based on the results of a self-assessment survey filled in by all the countries measured. This assessment looked at nine key enablers, and focused on whether they were available (not necessarily used).

The current benchmark looks at five key enablers, focusing on those that can be *used* by a mystery shopper, taking an ‘outside-in’ perspective.

In 2010, three-quarters of countries reported at least six out of the nine enablers in place, with some countries having the entire set of enablers available – at a generic level (i.e. not related to a specific service or life event).

There is a gap between the cases where a particular key enabler could be used versus where it actually is used, as demonstrated by the graph below.

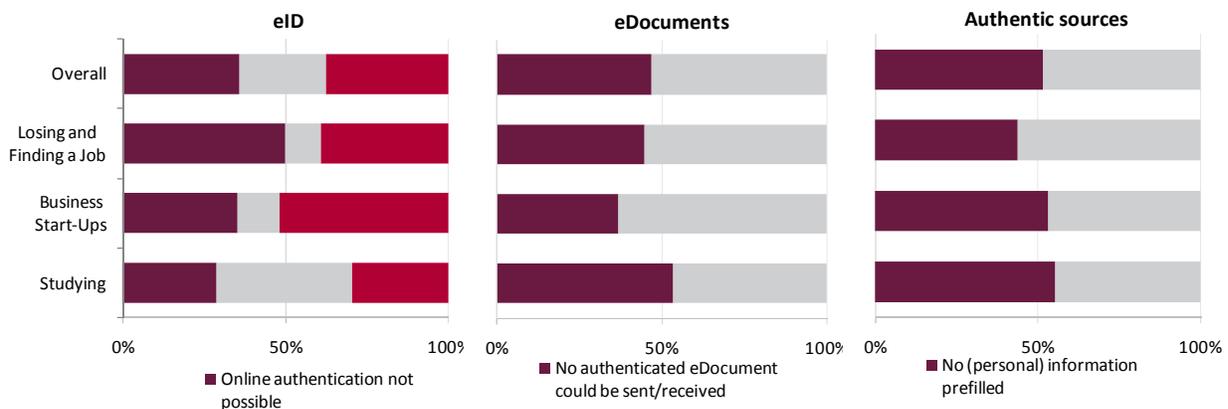
What is shown here for three key enablers is that given an existing requirement, there is a gap of on average 24% of lost opportunity to use a specific key enabler for the life events studied.

For most cases (58%) where authentication was required and an eID functionality was available, it was also possible to authenticate

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In just over half the three life-event cases were all five key enablers actually in use

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Figure 4.2: Integration of Key Enablers (eID, eDocuments, Authentic Sources) in life events (EU-27+)



using a national eID. For the business life event this rises to 80%. STORK, the Large Scale Pilot on eID, may well have gone some way to help in this regard.

The least available key enabler was eSAFE.

The enabler with the highest availability was Single Sign On (SSO).

### **Life-Event specific results**

Looking in depth into the results per life event, at a service level, the following observations can be made:

- **Business life event:** two clusters of services ('administrative requirements' and 'proofs of qualification') show a relatively low online services availability. However, as the services in these clusters involve requirements that are well known to government (and the various public agencies involved), such as 'certificates of no outstanding taxes' or 'proof of good conduct', there is considerable scope for rapid improvement to be made by opening up registers within government and delivering these requirements automatically – without having to burden the entrepreneur on this. Authentic sources are key to improve the value chain for the entrepreneur. Belgium is a good example of a country that has automated many services in the back office and in doing so reducing the burden on businesses.
  - **Losing and finding a job:** although countries choose different strategies to reduce unemployment, services around 'losing a job' are less online than services related to 'finding a job'. The extent to which key enablers are integrated show a similar development. Interestingly, most countries re-use known data about unemployed to online enable services such as 'ensuring continuity of medical insurance' and 'ensuring continuity of pension payments'. Pursuing a digital approach to this life event in the Netherlands has shown that significant cost reductions can be achieved (€300+ million).
  - **Studying:** compared to the other two life events, the integration of key enablers in the service delivery chain is lower. This is because services in this life event are either delivered by central government or by universities themselves. Universities generally provide personal pages to students, accessible online but through *specific* identifiers. The most important aspect of this life event however concerns the use of eDocuments, also from a cross-border perspective. In most cases students still have to provide certified copies of diplomas, or need recognition of their diploma when enrolling abroad. eDocuments could help to reduce the burden for students, and also lighten the workload in back offices.
- The eSafe functionality is also least present in the Studying life event. As students are only just starting their relation with governments and public services, it could be considered a perfect target group to make acquainted with an eSafe functionality and – as early adapters – re-use it for other purposes during their next (post study) life phases as employee, entrepreneur, family (wo)men and so on.
- When comparing the data about key enabler availability as assessed through mystery shopping on the one hand and looking at the results from the user survey on the other hand, some interesting observations can be made regarding an apparent (lack of) consistency between the two. As an example, 11% of the users indicated a lack of trust as a barrier for usage in the user survey. Nevertheless, the use of authentication enablers such as eID and SSO are relatively high, which should stimulate the perception of security and trust. On the other hand, regarding the perceived benefits of online public services, 80% of the user survey respondents indicated they considered time savings as most important when using eGovernment services, which can be enabled through the use of authentic sources and information public authorities already hold automatically.

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**When looking at the integration of key enablers across the different life events, there appears to be untapped potential to improve matters, both in terms of quality of service as well as efficiency of service delivery**

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### ***Does integration & automation lead to Satisfaction?***

Figure 4.3 below maps countries on three dimensions to assess the relationship between integration of key enablers in the chain, and automation of services.

The horizontal axis shows the percentage of automated services in a country. This indicates the extent to which countries succeed to share and re-use data and align services to one another across government domains. The vertical axis shows the integration of key enablers in the three life event service chains.

Both data combined demonstrates how countries are on the journey from working in government silo's towards achieving a form of 'joined up government', whereby various public administrations in one country collaborate to deliver services as smooth as possible to the citizen or business involved. This can be done through taking care

of some requirements in the back office and hence diminishing burdens, aligning regulations, and / or through providing services as much online as possible and consequently reducing burdens.

The third dimension shown concerns the general user satisfaction with eGovernment services in a country (this is represented by the size of the balls). Although countries with higher integration of key enablers generally speaking show higher user satisfaction, this is not always the case, which could mean that governments need to improve either the user friendliness of these enablers or a lack of trust to use IT enablers withholds reaching the full potential.

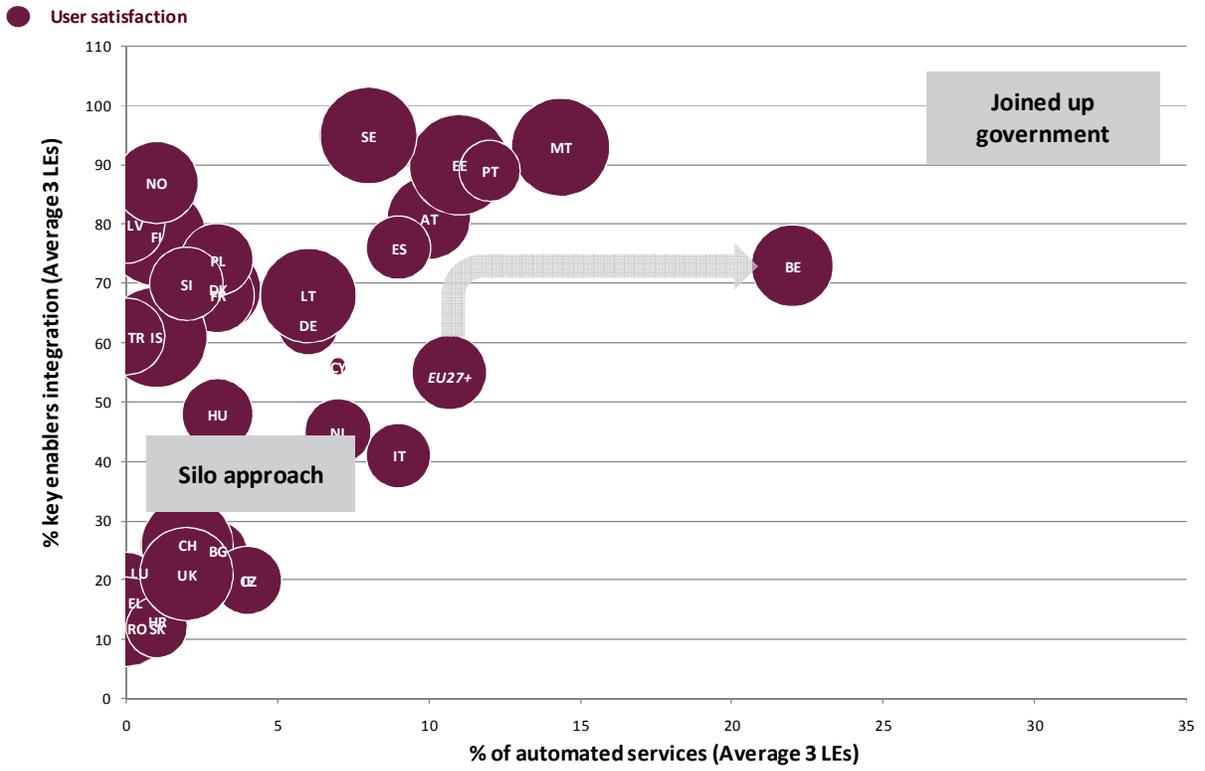
Concluding, when looking at the integration of key enablers across the different life events, there appears to be untapped potential to improve matters, both in terms of quality of service as well as efficiency of service delivery.

#### ***Example of good practice: Estonia's portal gateway***

**Estonia** has developed a portal gateway that integrates various key enablers and improves customer experience. The Estonian state portal [www.eesti.ee](http://www.eesti.ee) is a secure Internet environment through which Estonian residents can easily access the state's (more than 100) e-services and information. Users can log in using ID-cards and enter a personal, user-based environment. It allows to create documents, digitally sign these and send to other for signature. The services provided through the portal withdraw information from various databases and registries, enabling pre-filling of information and consequently reducing the burden for its users.

The aim of the portal is to have citizens, business, public administrations and society benefit.

Figure 4.3: Assessment of integration of key enablers, automated services and user satisfaction



## 5 Towards a new generation of eGovernment services

This section provides: (i) a consolidated summary of the eGovernment benchmark (ii) the key findings (iii) implications for eGovernment policy, strategy, and programmes (iv) recommendations for Member States, and (v) considerations for the European Commission.

### 5.1 Objective of the eGovernment survey

**The context is changing fast. To enable European citizens, businesses and governments to fully benefit from the digital revolution and to address current societal and economic challenges, governments have to actively anticipate and exploit technological developments.**

ICT impacts the way organisations work and offers enormous potential for Government and its users. In current times of austerity and budget deficits, public organisations can use ICT to realise innovative services for citizens and businesses, whilst also increasing efficiency and minimising costs. An efficient Single Market can also stimulate growth.

The EU Macroeconomic report for the Annual Growth Survey<sup>40</sup> urges countries to improve the business environment by seeking ways to increase public sector efficiency. eGovernment is mentioned as a solution for both fiscal consolidation and for improving competitiveness and growth prospects. Although structural improvements are required, the Commission estimates, for example, that the current implementation of the Services Directive can add 0.8% to EU GDP which can be increased by a further 0.4% - 1.8% depending on the ambitions countries display when implementing.

Users expect simple, easily accessible and swift services, especially in a society where the sense of immediacy has become a common place habit thanks to the use of ICT. Technological developments have opened up new opportunities, and have raised expectations. We expect public services to: help unemployed get back into work quickly, facilitate and stimulate entrepreneurs, enable students to grow through foreign experiences and so on. For such services, the emphasis on user needs is a significant shift in *eGovernment* thinking.

This assessment set out to measure the extent to which governments use modern technology to

improve public service provision and realising cheaper, better and faster services. We did so through (i) a demand-side citizen survey (ii) assessing services through three life-events (iii) assessing use of common cross-cutting key IT enablers.

### 5.2 Key Findings

***Three principal messages emerge:***

1. **The shift in eGovernment thinking towards designing services around user needs is not yet fully embraced in Europe.** A clear gap in satisfaction scores reveals that citizens remain critical about public services when comparing their experience to commercial sector services. Results also show that satisfaction has dropped over the years, highlighting the increasing challenge to meet ever-growing expectations, particularly of what modern technologies can do. An in-depth review of three life events shows that, on average in Europe, basic service provision at the heart of these events is fairly mature; however improvements are still possible in terms of optimising the overall customer journey.

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<sup>40</sup> [http://ec.europa.eu/europe2020/pdf/ags2013\\_mer\\_en.pdf](http://ec.europa.eu/europe2020/pdf/ags2013_mer_en.pdf)

For instance by using key enablers to increase number of automatically delivered services and / or improve online availability of services. This is particularly true for establishing online service provision across borders to realise a digital single market. Legislation and regulation needs to be aligned to technological developments.

2. **Governments are not fully reaping the possible benefits of eGovernment.** Currently, eGovernment use is at 46% and although more citizens have indicated to prefer the eChannel next time they come into contact with government (50%), we see slow progress in *usage* in contrast with the number of services that are *made available* fully online. This causes the required investments in ICT for public service provision to be inefficient. The Danish government recently calculated the transaction costs for the various channels they provided, which shows that the telephone channel is twice as expensive as the online channel and face-to-face service provision even three-and-a-half times more expensive. These figures give an indication of potential cost savings for governments. Several other studies indicate an even wider cost ratio.

**Figure 5.1: Potential for cost savings in Denmark<sup>41</sup>**

Channel	eServices/ self-services	Telephone calls	E-mails	Received letters (paper)	Personal services (face2face)
Cost per transaction (EUR)	4.2	7.8	11.0	11.7	14.0

The Study on the Needs and Demands for Cross-border services quoted previously has assessed the cost of not bringing services online and estimated the potential for administrative burden reduction for the end users worth €180 million per annum for the six services assessed in depth. This begs the question of how effectively European countries are at getting citizens to use online services.

3. **Transformation is needed to realise a new generation of eGovernment services** Public services are still designed too much through the eyes of the provider (governments); not through the eyes of the user (citizens and businesses). This is *'inside-out'* thinking. Motives to adopt new ways of designing and delivery services are evident: economic recovery, severe budget constraints, customer expectations. This implies new ways of working for public administrations – fundamental change, not incremental – an *'outside-in'*

approach. A new perspective; a new paradigm; likely therefore, a transformational shift. Public administrations must continuously adapt to a fast changing world and adopt a proactive form of service delivery. So, agile and fully interoperable organisations and systems are needed.

### 5.3 Implications for eGovernment Policies, Strategies, & Programmes

Results show that there is considerable potential for countries to increase take-up of eGovernment services and reduce costs. The online channel is cheaper and often the most suitable. The question is how. When do investments in ICT become worthwhile? What are the minimum technical foundations to enable progress? How can legislation and regulation accelerate (or hinder) progress? We have made a number of observations that may have implications on eGovernment policy, strategies, or programmes.

<sup>41</sup> Source: Agency for Digitisation, Ministry of Finance, Denmark, 2012

**Observation 1: Countries take different routes to increase take-up of eGovernment services**

Countries develop their strategies on specific cultural / geographical / historical differences. Digitally advanced countries are more tempted to make eServices mandatory, and or seek to understand how to change behaviours through economic or other incentives. Others seek to provide very mature services to convince citizens and businesses to use eGovernment services. Some countries focus on the back office to increase the automation of services. A few operate in specific cultural or historical contexts and focus on building trust, thus tend to take one step at the time. 'All roads lead to Rome' however; some just quicker than others. It is important to bear in mind the targets that EU Member States have agreed upon. For some, the agreed targets may require countries to structurally change their efforts (policy, strategy, and programmes) to deliver 'cheaper, better, faster' services.

**Observation 2: There are mixed results regarding return on investments**

Data on ICT expenditure (as presented in below graph) includes private and public expenditure. At the moment, there is no source for public expenditure data, which is also recognised by other institutions.

However, addressing return on investments and using suitable data to build business cases would be an important step forward and is worth being addressed. We recognize that private sector and citizens will be spending money on technology for connection with public institutions. It could be a fair indication, as perhaps overall spending for private and public expenditure could provide a proxy for public expenditure.

When looking at the correlation provided, taking into account mentioned caveats, countries with the largest ICT investment tend to achieve the highest number of eGovernment users. However for countries with small to medium ICT expenditure the results are diffuse. Figure 5.2 shows the correlation between ICT expenditure and online availability of services for the three life events assessed.

The figure clearly shows that the percentage of eGovernment users (size of the balls, indicated by the citizen survey) is larger towards the right hand side of the picture, which represents high online availability. Thus higher availability does correlate to more users.

It also reveals that some countries can achieve higher take-up and / or online availability with similar budgets. Austria, Portugal and Italy for example have both achieved

high online availability (for the three life-events) with modest budgets.

(These observations will be validated further after the next measurement when four additional life events will be assessed and usage and availability can be evaluated with more certainty).

Discounting those countries with large ICT budgets and high eService take-up (UK, Finland, Sweden, Denmark); the remaining countries present a mixed view. Some countries with smaller budgets, such as the Baltic States (Estonia, Lithuania and Latvia), Norway and Luxembourg, can still achieve good usage levels. It also reveals those countries that have invested more heavily and have not yet seen sound return on investment.

**Observation 3: The importance of sound technical foundations for improvement**

Different approaches to increase take-up first depend on the IT baseline of countries. Countries should first develop a common IT infrastructure from where online service provision can be developed. Specific enablers such as national eID's can accelerate online service provision.

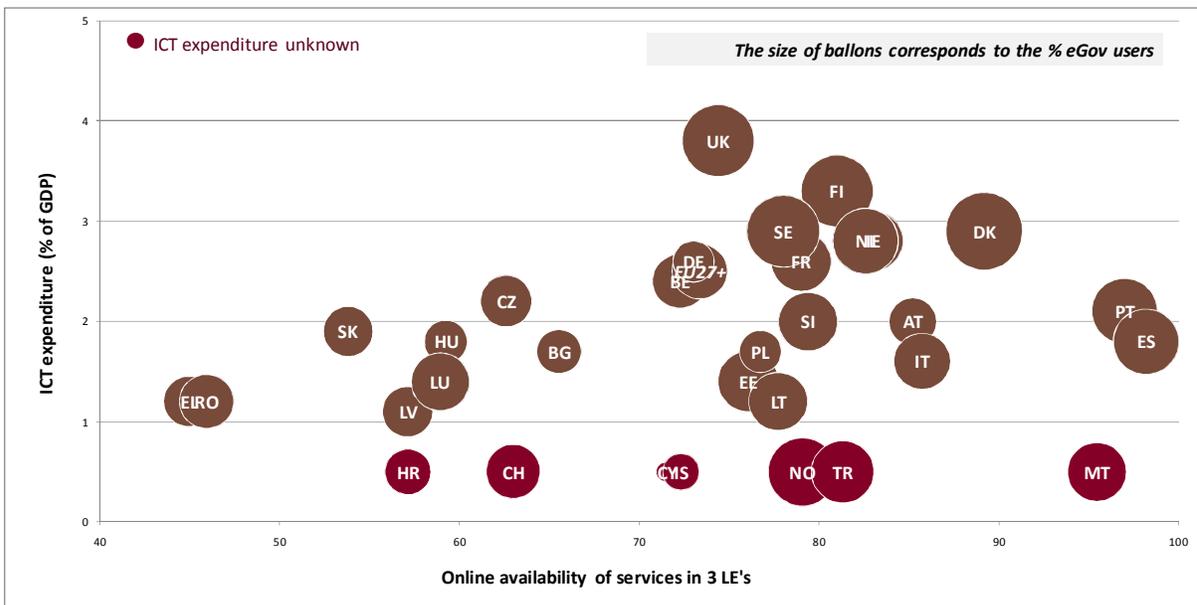
**Lithuania** for instance has shown that by realising an interoperability platform for state information resources, that ensures data exchange between the major public citizens. This has increased take-up of eGovernment services significantly<sup>42</sup>. This approach focuses on both the back and front office. data registers and information systems, many e-services could be streamlined and made available in a user friendly one-stop-shop portal

to citizens.

**Estonia** has shown similar progress in recent years and shows to be able to manage progress with relatively small budgets.

The internet penetration, broadband coverage and the extent to which citizens are accustomed to use the internet of course plays a very important role as is made explicit in the Digital Agenda targets.

**Figure 5.2: Online availability of services (average 3 life events) vs. ICT expenditure as percentage of GDP<sup>43</sup>, with the size of countries represented by percentage of eGovernment users<sup>44</sup>**



<sup>42</sup> Increase of 16% in 3 years according to Lithuanian statistics.

<sup>43</sup> Eurostat 2010 - [http://epp.eurostat.ec.europa.eu/portal/page/portal/information\\_society/data/database](http://epp.eurostat.ec.europa.eu/portal/page/portal/information_society/data/database). Numbers unknown for countries depicted at the bottom: Croatia (HR), Switzerland (CH), Cyprus (CY), Iceland (IS), Norway (NO), Turkey (TR) and Malta (MT).

<sup>44</sup> ICT expenditure for Malta is 6.24% (2009) as provided by their statistical office. It concerns value added at factor cost in the ICT sector (source: SBS, variable V12150), Definition of the ICT sector is based on NACE Rev. 2 classification as follows: ICT total, ICT manufacturing, ICT Services

**Observation 4: Dealing with decentralisation is a challenge, but also offers opportunity**

Countries in Europe are characterised by different constitutional settings. The 2009 survey indicated that size and construct were not a determinant of eGov performance; however they are central to strategy and approach.

The Baltic States manage to overcome boundaries between public administrations and hence realise quick progress. Germany and Switzerland are federal states, and depend largely on democratic mechanisms to convince the Bundesländer and Cantons to take particular steps. Growth is then by definition more incremental as it lacks stronger governance. Diligent coordination of eGovernment activities can still achieve progress. In Germany, the implementation of the new article 91c of the German Constitution (Grundgesetz) established a new IT Planning Council in 2010. The new body consists of representatives of federal, state and local level to govern important cross-cutting IT issues such as secure IT infrastructure and standardisation. For Germany, trust is the context in which citizens are approached and stimulated to use eGovernment services, which implies a thorough approach when developing online public services, possibly causing desired effects to come to fruition on the longer term.

**Belgium** is an interesting example. It is a federal state, with a lot of competencies being decentralised, and has achieved agreement

between the federal, regional, community and local authorities to stimulate eGovernment, and provide integrated services across organisational boundaries and administrative layers. Belgium has prioritised back office integration and protection of personal data. Belgium ranks first based on the three life events, seen in terms of number of services that are delivered to a user without the user having to do anything ('automatic').

Decentralisation can be a challenge, but can be turned to achieve positive effects. **Estonia** has proved this true. The e-Estonia digital society is made possible largely due to its infrastructure. Instead of developing a single, all-encompassing central system, Estonia created an open, decentralized system that links together various services and databases. The flexibility provided by this open set-up has allowed new components of the digital society to be developed and added through the years. It's that power to expand that has allowed Estonia to grow into one of Europe's success stories of the last decade.

**Observation 5: Digital by default, or by detour? Using legislation as game changer?**

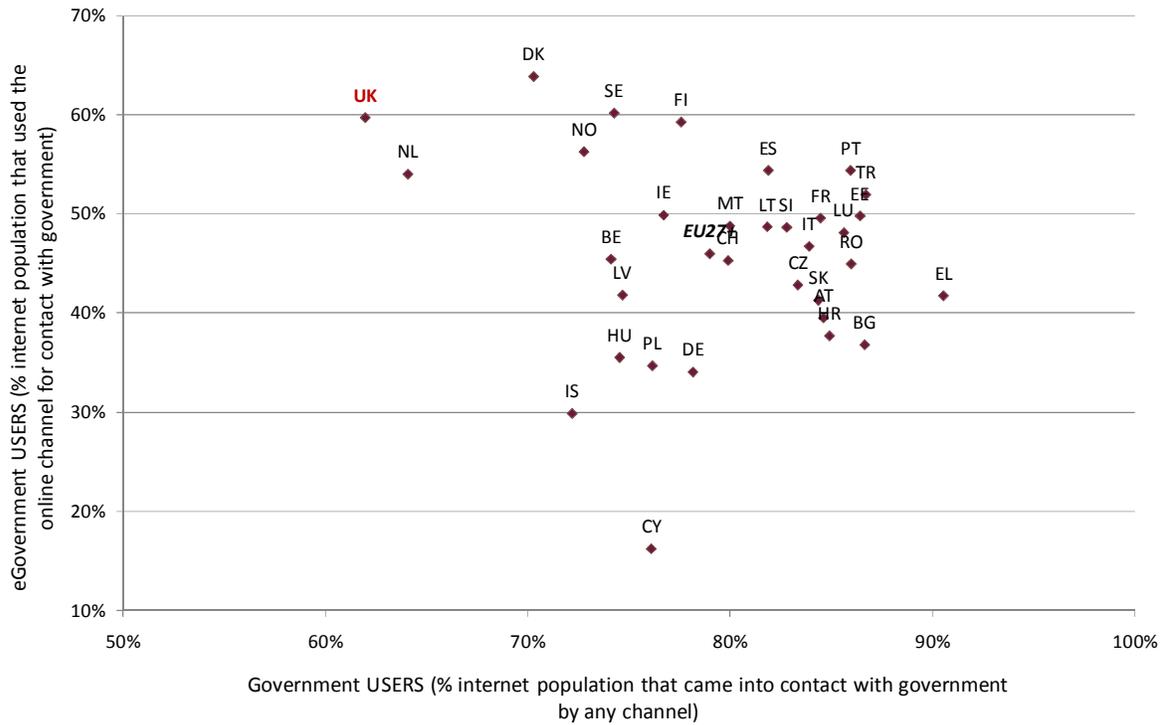
Denmark has already achieved most of the Digital Agenda targets and has set ambitious goals, whereby a majority of services will be made mandatory online in 2015. The specific context in Denmark allows government to do so: internet penetration rates are high, 89% of the population uses internet at least once a week, 91% of companies

have interacted online with public authorities. The Danish government uses legislation as a 'game changer' to support a transition toward better solutions and higher volumes through digital channels. By making the online channel mandatory, the higher volumes justify investment in better user friendly solutions. Online self-service becomes the norm, thus reducing questions, errors, and complaints and really fulfilling the potential of the online channel – with better return of investment.

This can only be achieved with a deep knowledge of the target group, and after thorough assessment and user tests of solutions. Digital exclusion cannot be neglected: a safety net must remain for the 10% that really don't manage or are not able to use the online channel. Typically, this can be accommodated by the savings realised in cutting unnecessary face-to-face contact. The **Netherlands** and the **United Kingdom** are also developing approaches to tighten requirements for online services, and using behavioural economics to incentivise take-up. It might not be a coincidence that these countries stand out in below figure 5.3. In any case, this figure shows the correlation between the number of people that came into contact with government during the past year and the people using the online channel for that contact. It shows that in the **United Kingdom**, the **Netherlands**, **Denmark** and directly behind these three, the other Scandinavian countries (**Sweden**, **Norway**, **Finland**), less citizens need to contact Government – but when citizens do, they prefer the online channel.

An elaborate explanation of the Danish approach can be found in the Background report<sup>45</sup>. Mandatory online services are not (at least in the short term) a solution for many countries and incentives are being deployed to increase take-up through different routes. In **Spain** for instance public administrations are obliged to provide new services online. We have seen the successful mixing of channels by the **German** unemployment agency being very effective in reducing unemployment. **Malta** sees similar high maturity of online services, mostly centralised in one-stop-shop portals. **Portugal** has an advanced e-Government infrastructure, providing many services completely online. With **Belgium and Ireland**, these countries appear to follow the set example.

**Figure 5.3: revealing percentage of citizens that came into contact with government (horizontal) and percentage of citizens that used the online channel when they came into contact with government (vertical)**



<sup>45</sup> Background report, par. 3.5. Source for statistics used her: Statistics Denmark, 2012, and: Digital Agenda for Europe Scoreboard, 2011 data. European Commission

## 5.4 Considerations for Member States to further stimulate progress

Europe is diverse. Many different approaches, building from different cultural and political settings, though aiming to achieve similar goals and (EU) targets: better services in a more efficient way. Respecting these differences, this final section offers four considerations to drive innovation towards a new generation of eGovernment services and increase take-up of eGovernment services.

### 5.4.1 Consideration 1: Implement strategies to increase customer centricity, improve the design of public services, and thus increase online take-up.

Government data, for example from Denmark, the Netherlands and the UK, have shown the significant cost savings that can accrue by moving as many users as possible to the digital channel. The user survey reveals that there is great potential amongst a large number of users for increasing their usage of eGovernment services. The combination of these two facts provides a solid business case for adopting strategies to significantly increase take-up. Each government needs to tailor such service design strategies to its specific needs however there are common elements to consider. **A core service design tenet should**

**be ‘customer-centric by default’;** in particular a focus on simplifying life event services which, from the users’ perspective, seamlessly combine service building blocks from different government entities. High levels of accessibility and usability must be prioritised, including easy navigation and search, which reduce the number of steps and makes as many of these as possible automatic through the re-use of user data via the ‘once-only’ principle. Conscious effort should be placed on saving users time and, where appropriate, money, and this can be measured and the results published. Much can also be achieved through offering simple user support, such as short ‘how-to’ videos, online chat, links to additional information like ‘what to expect’ information and FAQs, and offer the possibility to provide instant feedback.

Customer-centric service design should start with gaining **deep insights into strategic customer segments**, for example for students or older people, and also **prioritise service personalisation** as much as possible. This can be done either by governments deploying user data to offer individual and, where relevant, automatic services, as well as permitting users to adjust or design their own service portfolio through ‘MyPage’ type approaches (eg Denmark and the Netherlands). Currently, only 11% of services are being delivered automatically across Europe, ie without the user having to do anything. Belgium is leading

the way in the Business life event, by providing almost half (48%) of the services ‘automatically’.

The deployment of ‘big data’ to achieve these goals is increasingly possible, and governments should also be aware of the potential of incorporating the users’ own data, crowdsourced data, and relevant data from legitimate third parties. In the near future much of this data will be accessible in the cloud and available for use by many stakeholders, not just governments, to develop and co-create their own services.

**Improved eGovernment services at local and city levels attract both greater use and increased trust**, not least because of their greater relevance and closeness to daily life. Most current eGovernment services are the so-called basic services which enable governments to achieve their national statutory obligations, and most of these are already widely available to a high standard. There is significant potential, already recognised in many localities, for a large number of ‘extended’ value-adding services in areas like health, social care, education, employment, transport, environment, etc., which many users can benefit from quite frequently. Such ‘everyday’ services are often location-driven and may involve mobile devices (62% of respondents to this year’s user survey indicate to use mobile devices, for young people / students this is 80%). They can be tailored depending on where users are, who they are, and what they are doing.

A good example of a co-created service is the 'Love Clean Streets' smart phone service developed by the London Borough of Lewisham, for citizens to report problems in their local areas by uploading geo-coded images and data to engage with civil servants in solving environmental problems. Many other local services are also starting to be developed by opening up government data sets for use by non-government actors whether or not in cooperation with local authorities. The potential here is huge, and could even attract eGovernment 'potential drop-outs' and 'non-believers'. The 2013 edition of the eGovernment benchmark will have an increased focus on local service delivery.

Many governments could also be more systematic and targeted in **raising awareness of online services, and communication through online channels**. For example, when other channels are used the user could be reminded about the online service, and where appropriate shown hands-on how to use it. This could also include outreach activities, online and offline training and competitions, promoting the value proposition and incentives of eGovernment like jumping the queue, lower costs, quicker delivery, as well as faster, cheaper, better, services. In the online environment

itself, greater promotion might include clear government policy statements, publishing data on usage, encouraging feedback, publicising responses to feedback and public consultation, as well as analyses of feedback, user satisfaction and of archived material.

Particular targets could, of course, include the '*potential drop-outs*' and '*non-believers*', as mentioned above. These are typically quite hard-to-reach groups but this can be done, for example, by focused out-reach efforts such as road-shows at universities or at old-people's homes. The importance of 'intermediaries' linking to hard-to-reach groups should also be explored, for example via community centres, old-people's organisations, housing associations, unemployed clubs, etc. The data also show, however, that such groups are increasingly using mobile and social media and these channels might be prioritised even more in this case. The 'everyday location-driven' services mentioned above are a good example, and there is also much potential to employ both the social media and mobile channels more effectively, as the following paragraph will point out.

#### **5.4.2 Consideration 2: Increase use of social media to involve hard-to-reach groups ('non believers')**

The measurement shows that in the three measured life events social media forums are available on public services websites (78%), though satisfaction when using these forums to discuss policy issues across tiers of government is rather low (25%) – especially amongst younger users and students. **Whilst the use of both social media and mobile becomes increasingly ubiquitous for personal or commercial activities, governments have tended to be slow in exploiting these new channels.** Although there are good reasons for this because of additional cost and the uncertainties in legal and operational terms as to how this can be done, experience from a number of European countries and elsewhere is starting to provide interesting evidence of successful adoption by governments. Social media and mobile have potential beyond their traditional deployment in eParticipation, but can be effective in improving the business case of services and reaching otherwise hard-to-reach groups.

The evidence to date tends to fall into two main types across the public sector and across the spectrum of service delivery.

- **First, shorter-term quick win examples where business cases were formulated and which have demonstrated or claimed concrete efficiency savings through encouraging users to shift to cheaper channels, with increased staff productivity.** The example of 'Love Clean Streets' in Lewisham above is indicative. The initiative's objectives are to become a social-networking hub by empowering residents, council staff, partners and politicians to engage in their local environment by uploading images and other information via smart phones or other devices and to participate in debates with peers and civil servants. This has provided a robust way for the local authority to process the information and deal with it, while easily keeping the public informed of progress through linking with and sharing data through a public API. The impact has been significant including financial savings well beyond costs, including a 70% reduction in report handling costs, 21% reduction in environmental casework, 30% increase in resident satisfaction and 73% reduction in graffiti.

*Example of good practice: '311 service' San Francisco*

In an effort to improve the '311 service' (i.e. non-emergency telephone information and complaint service) and simultaneously lower costs, the City of San Francisco launched 'SF 311' on Twitter in June 2009. This allows residents to access 311 services online in addition to by telephone, and is now the dominant channel for this service. Twitter 311 offers a number of quick win advantages over the phone service which benefit both City officials and residents. For example, fewer 311 staff members are able to respond to more requests than they previously could by phone alone. When residents submit requests through Twitter, they can also attach pictures of problems they need addressed, clarifying why the issue requires resolution. After a Twitter request has been made, 311 staff can easily provide follow-up, allowing residents to track resolution of the problem. Twitter and Twitter 311 have together now become an important tool for interaction between the City and residents. Much more than simply registering complaints, Twitter is now used for receiving and commenting on suggestions and helping to build a vibrant citizen community. A new phase benefiting the longer-term started in early in 2012 by using the data generated as empirical evidence for service and policy development across all City functions. Indeed, since 2008 the data collected with local information covers 855,906 cases, derived from both Twitter 311 and telephone 311 services. This data is now being used in the broader resource-deployment and decision-making process to improve service planning and outreach.

- **The second type of impact is on government's longer-term, preventative and development requirements which, in particular address 'hard-to-reach' groups as well as enable such groups to change their behaviour and to participate in shaping their own futures.** In 2009 research showed that whilst the number of young people drinking alcohol in the UK had previously fallen, this was no longer happening, and the amount being consumed by those who were still drinking had risen. As part of the UK's Department for Children, Schools and Families Youth Alcohol Action Plan (launched in June 2008) and the Department of Transport's Moment of Doubt Action Plan (launched in 2007), a communications campaign was launched aimed at parents, and particularly young people themselves, focusing on drink driving. The traditional campaign tactics that build public outrage and admonishment were found to become meaningless and ineffective, as were the traditional channels of mainstream media. The new campaign instead focused on persuading the target audience that drink driving could have immediate negative consequences for them personally and used a mixed social media strategy.

This consisted of 4 main portals (parents, teens, children and stakeholders), 1 Facebook App, 1 Bluetooth game, 4 children's games, 5 videos with the respected expert / media medic, and 6 display adverts. The total cost was £205,000, but the main outcome of the campaign for young people was a measurable rise in perception from

58% to 75% that drink driving was dangerous and that they would be caught by the police. The number of people breathalysed rose by 6.4%, while the number testing positive fell by 19.5%. The number of deaths and serious injuries caused by drink driving fell for the first time in six years, from 560 to 410 over just one year.

*Example of good practice: 'Text4Baby' USA*

A second example from the USA is the 'Text4Baby' mobile service which provides information to expectant and new mothers about how to take care of themselves and the baby while pregnant and during the first year of the baby's life. On the basis that women most at risk usually came from a disadvantaged background and have limited access to the internet, while at the same time usually have access to a mobile phone, relevant information is sent once a week to women who sign up. A recent study showed "very high satisfaction with the service, increase in users' health knowledge, improved interaction with healthcare providers, improved adherence to appointments and immunizations, and increased access to health resources." The study also showed that 81% of users have an annual household income well below the average and that 65% are either uninsured or enrolled in Medicaid programs. Most said the service helped them remember an appointment or immunization that they or their child needed, they learned a medical warning sign they didn't know previously, consulted their doctor or other found other support as a direct result.

Although service strategies using social and mobile media are still in their early days, some tentative conclusions can be drawn from the evidence to date. **Most examples demonstrating or claiming short-term quick wins do so for both the public sector and for users.** These include the following:

- **Shifting channels, i.e. reducing the use of, or closing, more expensive traditional channels and replacing these with the use of social and mobile media.** There is some concern by public authorities that needing to run both new media channels and traditional channels at the same time, where the latter are not closed down, will increase costs, and this danger is real. However, successful examples have solved this problem by shifting customers sufficiently rapidly to cheaper new media and in large enough numbers so that overall costs are lower.
- **Increasing staff productivity, for example the number of cases successfully handled in a given time or for a given resource.** This is both due to the lower transaction costs of social and mobile media, but also to reductions in customer contact time because the quality of service delivered in a given time unit is improved as staff know customers and their (often individual and specific) needs much better through social media engagement.

Back-office processes are improved as this customer knowledge increases, leading to improved segmentation and targeting using social media. The challenge, which many governments have not yet solved, is that social media engagement might lead to more extensive (i.e. time consuming) and expensive contact. Successful examples, however, show that the goal of the majority of customers is to save time rather than use the service more. Customer satisfaction in these examples is derived from a convenient, quick, efficient as well as highly effective, service.

**Experience in terms of longer-term developmental benefits shows that:**

- **The main focus is typically described as preventive, preemptive or early intervention,** i.e. removing, or circumscribing problems highly likely to arise in the medium to longer-term which would otherwise impose large costs on the public sector, apart from depriving customers of personal benefits. Initiatives are thus seen mainly as long-term programmes, or as contributions to such programmes. They do impose some (but typically not large) up-front costs, but the confident expectation, which is already being achieved in some cases, is that they will later achieve much larger savings.

- **Although many savings are made through back-office organisational and process changes, the main focus is on changing user behaviour.** Social and mobile media are, by nature, interactive tools in which the user's inputs, activity and behaviour are just as important – perhaps more important – than those of the public sector. The public sector has less control over user behaviour than over its own, so this can increase the risk. Another issue is that savings and other business benefits might not directly accrue to the public sector department or agency which made the initial investment, but instead could benefit other entities. Silo thinking and working in the public sector might resist such initiatives, so a more holistic, whole-of-government approach is required.

**5.4.3 Consideration 3:  
Open up data to unlock economic gains and drive innovation**

Where governments are searching for ways to come out of the crisis and to develop more sustainable business models, adapting new technologies in their daily routines, the need for reliable and solid data is increasing. This is also linked to capacity building around the interpretation of data and disseminate clear messages and insights for policy makers.

Again, the government may seek solutions outside of its own organisation. An example in the UK demonstrates the power of opening up data and new ways of collecting better evidence for policy making, while reducing costs.

Public administration officials are now beginning to realise the value that opening up data can have. For instance, the direct impact of Open Data on the EU-27 economy was estimated at €32 Billion in 2010, with an estimated annual growth rate of 7%<sup>46</sup>. However, very few governments are taking the right measures in realising the economic benefits out of Open Data. Political support, breadth and refresh rate of data released, the ease in sourcing data and participation from user community determine the degree of maturity of an Open Data program.

Opening up data holds the key to unlocking economic gains from multiple perspectives. Governments and public authorities need to view Open Data not just as an opportunity to bring in transparency and accountability in their functioning, but also as an enabler of economic growth and a driver of innovation. In the near future much of this data will be accessible in the cloud and available for use by many stakeholders, not just governments, to develop and co-create their own services.

*Example of good practice: Open Data, NHS, England*

**Open Data identifies possible prescription savings worth millions**

In 2011-12, the NHS in England spent more than £400m on statins, a class of drugs used to prevent cardiovascular problems, out of a total drug budget of £12.7 billion. Some of these drugs are more expensive than others: patented ones can cost 20 times more than generic versions.

The current evidence shows that all drugs from this class are equally safe and effective, so doctors are usually advised to use the generic versions initially. With the aim of analyzing the prescription pattern of these drugs - Mastodon C, a big data start-up company incubated at the Open Data Institute and Open Health care UK (a consortium of NHS doctors and technologists dedicated to improving patient care by opening up health data), worked with publicly available NHS prescription data. They looked at the entire prescriptions dataset (over 37 million rows of data) and analyzed how much money was spent in each area on more expensive drugs. It was found that on an average £27m a month of potentially unnecessary expenditure on the two proprietary statins took place in 2011 in the NHS in England. And savings of over £200m could have been achieved for the NHS, had every doctor prescribed cheap statins. Encouraged by the findings, the team intends to go further ahead and identify similar potential savings in different prescription categories as well.

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<sup>46</sup>“Review of recent studies on PSI re-use and related market developments”; Final Version, Graham Vickery

In these challenging times, it offers the opportunity to drive tangible economic value and stimulate growth and innovation. Governments wishing to establish their position in tomorrow's digital world should leverage the potential that Open Data holds. Data analytics tools enable new ways to extract value not just for data that is released externally, it also enables public agencies tools to improve customer insight and service delivery through applying such tools to internal operational data – often termed 'big data'.

#### **5.4.4 Consideration 4: Address collaboration, commonality, and consistent service foundations**

Our third finding stated that transformation is required to a new 'outside-in' model. Embracing the three recommendations above: (i) to focus on customer-centricity (ii) increase use of social media (iii) open data, is good. It is not however good enough!

Service transformation requires, digital transformation, which requires establishing some common building blocks that all public service providers can use consistently to collaborate between providers and through service delivery chains to genuinely transform outcomes. **Without these key enablers there is a limit to how good the customer experience will be – in country, and cross-EU!**

## **5.5 Considerations for the European Commission to stimulate progress**

The eGovernment benchmark has made clear where and how countries can improve. However there is also an important role for the European Commission to play. Two points of consideration are tabled.

### **5.5.1 Consideration 1: Align and draw insight from International Benchmarks**

There are various global eGovernment benchmarks and responsible institutions to consider. Global assessments of eGovernment developments, such as initiated by the United Nations, the OECD and Waseda University, provide insights into good practice from around the world and comparisons between European countries and international front runners.

These provide interesting and fresh ideas that stimulate countries across the globe to improve online public services; and also ensure that we deal with how Europe is progressing against other major regions of the world. Examples include the revolutionary uptake of m-Pesa in **Kenya** where 15 million citizens are now using their mobile to pay for their daily groceries and make small payments between business partners; or the adoption of social networking platforms in **Queensland, Australia**, to ensure

provision of vitally important information to citizens and to listening and answering to questions from citizens, to inform media, and monitor public opinion during a flood crisis where all traditional channels failed. International developments can stimulate progress in Europe.

### **5.5.2 Consideration 2: Stimulate structured learning and collaboration between Member States**

The exchange of good practice and sharing of insights from international benchmarks and benchmarking institutions is an aspect of this role, however exchange of ideas originated within the European context are just as relevant.

The European Commission can stimulate the collaboration and exchange of ideas at European level, through structured knowledge management activities – and could also play a role to drive 'active' learning through a virtual community, 'bench learning', initiating peer reviews, and / or provide countries with instruments for self assessment.

European Commission

**Public Services Online**

***'Digital by default, or by Detour?'***

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