

## **Pillar 7:**

### **ICT enabled benefits for EU society: eGovernment**

1.	Introduction .....	2
2.	eGovernment for businesses .....	4
3.	eGovernment for citizens .....	5
4.	Local dimension of eGovernment .....	8
5.	Electronic procurement .....	9
6.	Usage of eGovernment by different socio-economic groups.....	11
7.	Conclusions .....	11

## 1. Introduction

The annual “EU eGovernment Benchmark Report”<sup>1</sup> has historically provided a measurement of progress in the deployment of eGovernment solutions across Europe through the indicator of **full online availability** of a basket of 20 basic services<sup>2</sup>. The indicator measures what percentage of these basic services can be processed entirely online<sup>3</sup> (i.e. without any need of further offline interactions). Although this indicator gives an incomplete picture of the development of eGovernment across the EU, it provides a general idea of its progress over time: in 2010 82% of services were fully available online compared with 69% in 2009 in the EU27+<sup>4</sup> (84% in 2010 and 73% in 2009 for the EU27). Growth has quite kept the pace of previous years slowing just a bit since the approaching of business services toward a situation of full saturation, where half of the countries considered (i.e. 16 over the 32 composing the aggregate EU27+) have already reached 100 % availability. On the contrary, citizens’ services have displayed a growth larger than in the past years reaching 78% availability closer to the 89% availability shown by business services in EU27+ (81% and 89% respectively in EU27).

Currently, all the 20 basic services are fully available online in six countries (IE, IT, MT, AT, PT, SE) compared to three in 2009, and at least four fifths of the basic services are fully available online in 18 countries out of 32 countries considered.

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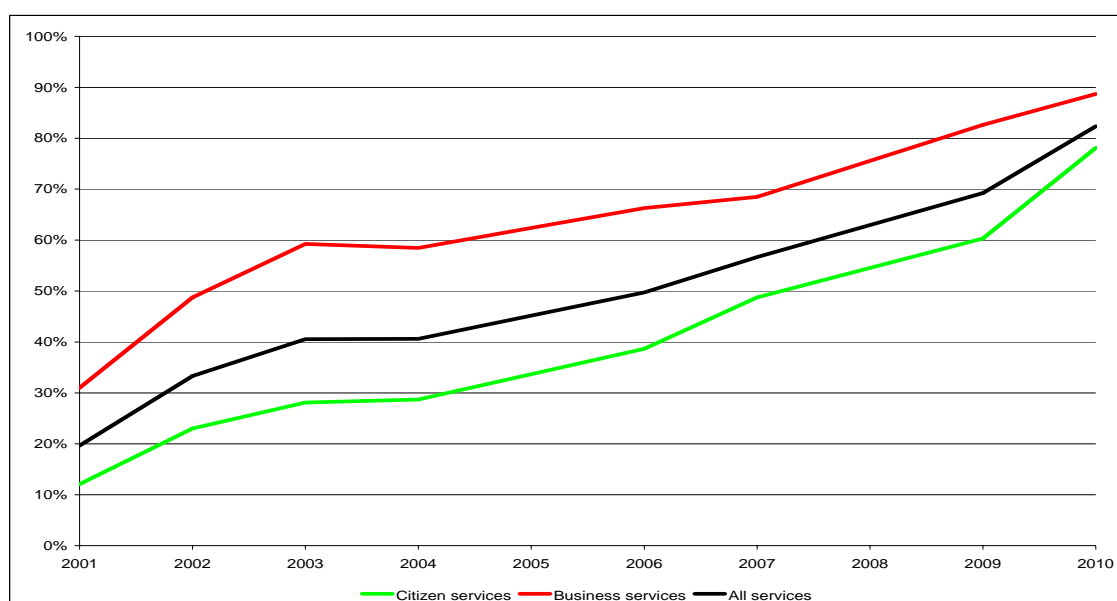
<sup>1</sup> See footnote 5

<sup>2</sup> ‘Basic’ refers to the 20 services (12 for citizens, 8 for businesses) used to benchmark the online availability of public services (full definition in the 9<sup>th</sup> eGovernment Benchmark Report, see previous footnote 1). These are: income taxes, job search, social security benefits, personal documents, car registration, building permissions, declaration to police, public libraries, certificates, enrolment in higher education, announcement of moving, health-related services (citizens), social contributions, corporate tax, VAT, company registration, statistical data, customs declaration, environment-related permits, public procurement (businesses).

<sup>3</sup> It corresponds to level 4 and above on the sophistication indicator explained below (see footnote 6).

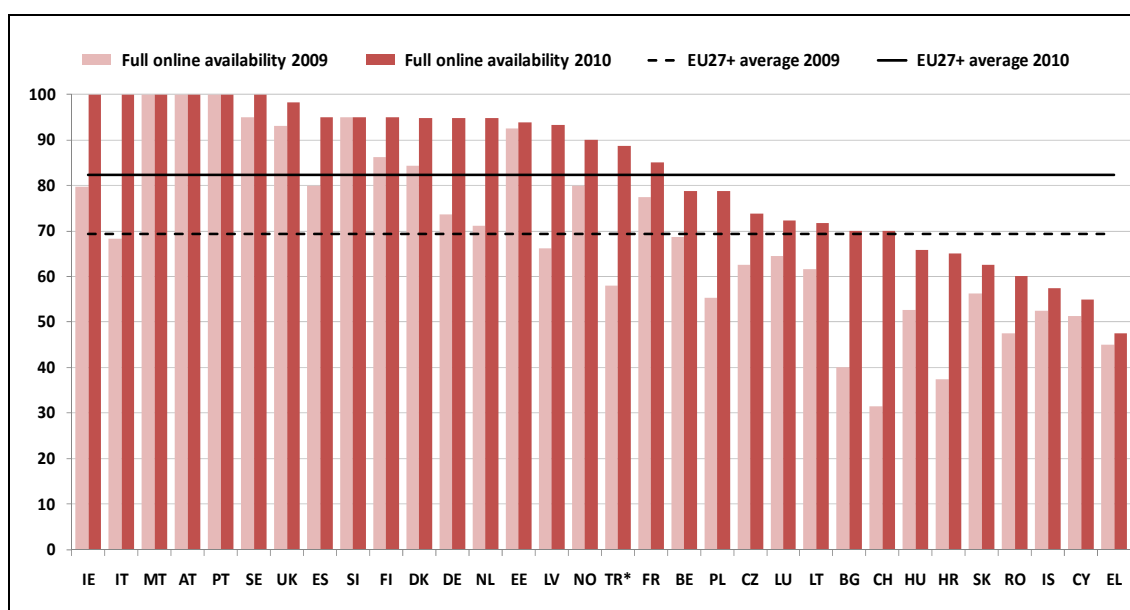
<sup>4</sup> The EU27+ aggregate includes the EU27 Member States plus Iceland, Norway, Switzerland, Croatia and Turkey

Figure 1: Full online availability trend 2001-2010 timeline for EU27+



Source: CapGemini 'Digitizing Public Services in Europe: Putting ambition into action - 9th Benchmark Measurement', 2010<sup>5</sup>

Figure 2: Full Online availability ranking, 2009-2010 (in %)



Source: CapGemini 'Digitizing Public Services in Europe: Putting ambition into action - 9th Benchmark Measurement', 2010. \* Turkey past data refer to 2007 instead of 2009

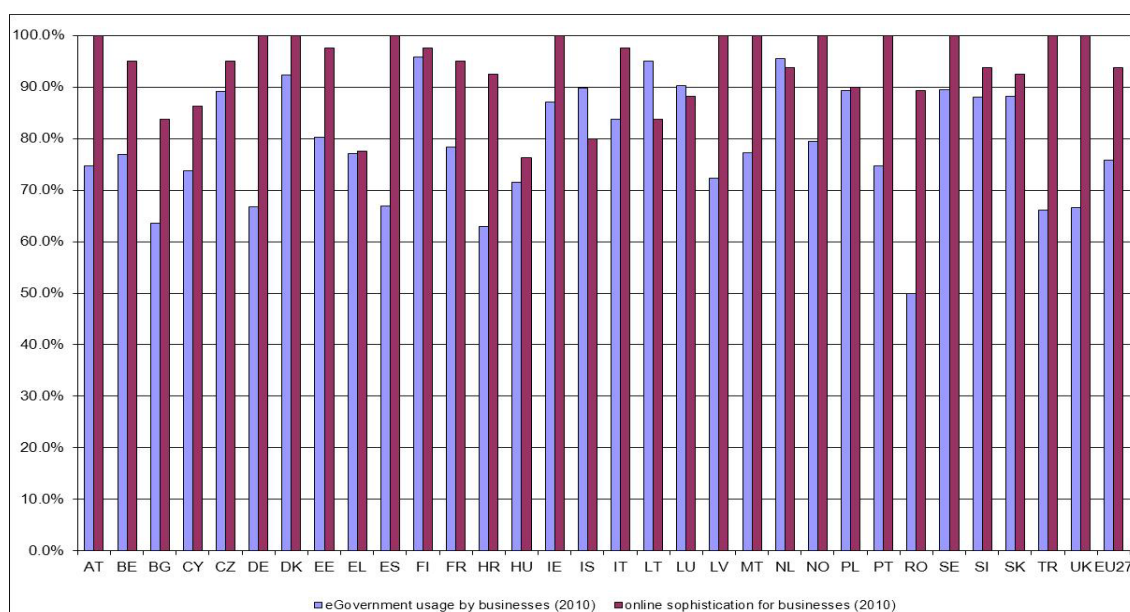
<sup>5</sup> This publication constitutes the 9<sup>th</sup> edition of the European Commission's eGovernment Benchmark Report prepared by CapGemini and available at the following link:  
[http://ec.europa.eu/information\\_society/newsroom/cf/item\\_detail\\_dae.cfm?item\\_id=6537](http://ec.europa.eu/information_society/newsroom/cf/item_detail_dae.cfm?item_id=6537)

## 2. eGovernment for businesses

The provision of eGovernment for businesses reached a very high level of sophistication<sup>6</sup> in 2010 (94% in EU27+). One major driver for eGovernment for businesses is the Services Directive (2006/123/EC) that requires Member States to allow businesses to complete, through so-called "Points of Single Contact", all procedures and formalities relating to access to a service activity and to the exercise thereof. The implications of this in policy, collaboration, procedural, operational and technical terms are profound and have impact on all tiers of administration.

Some basic services like social contributions for employees, submission of data to statistical offices, custom declaration, VAT declaration and corporate tax declaration are available in all or nearly all the EU27+ countries. Reaching efficiency in these services often means reaching a higher compliance on declarations and payments which is in the interest of public administrations. Therefore, it is no surprise that these services are more developed than others. On the contrary, some services like company registration and the obtention of environment-related permits lag behind, notwithstanding their importance for a healthy business environment.

Figure 3: Supply vs. take-up -- businesses



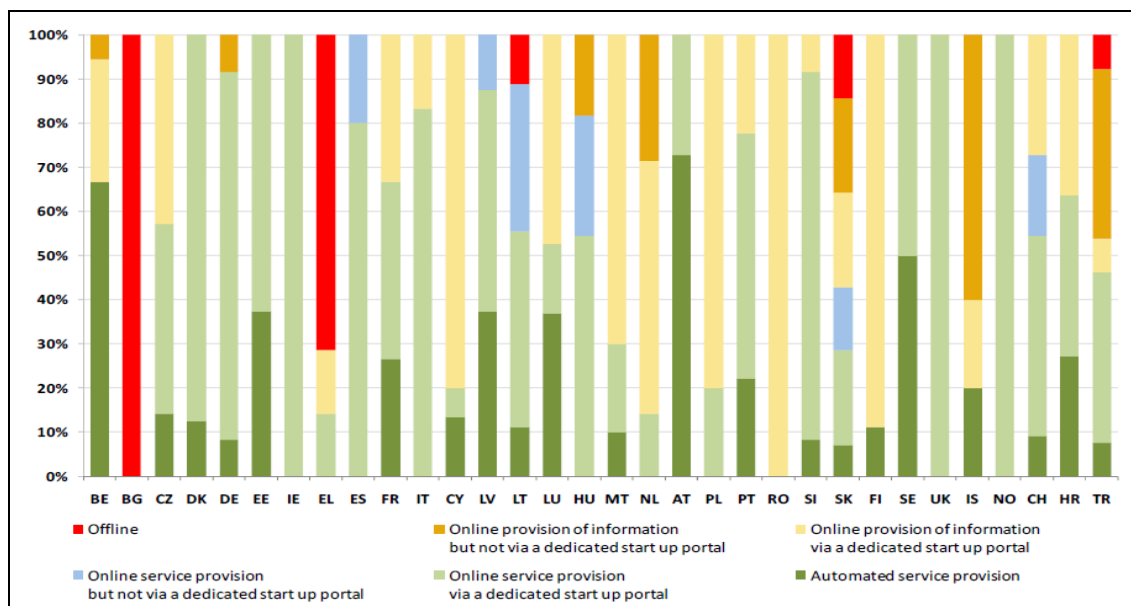
Source: CapGemini 'Digitizing Public Services in Europe: Putting ambition into action - 9th Benchmark Measurement', 2010 and Eurostat, Community Survey on ICT Usage and eCommerce in Enterprises, 2010.

The different degree of online availability (at the information stage or at the delivery stage) either through different websites or through a centralised portal of bureaucratic procedures necessary for starting up a company is shown in Figure 4. Most of the EU27+ countries are still distant from providing a centralized online access to all the services/procedures needed to start up a company, with only seven of them (AT, SE, EE, DK, UK, NO, IE) guaranteeing

<sup>6</sup> Sophistication is an indicator that measures the degree of interaction possible between the citizen and the PA on the delivery of a given service. It consists of 5 possible levels: information about the service: one-way interaction (downloadable forms), two-way interaction (electronic forms), transaction (full-electronic case-handling), personalisation (pro-active, automated).

online provision of all the procedures through a single portal. However, many countries have shown good progress and 22 out of 32 provide the majority of procedures through a single web portal.

Figure 4: **Starting up a company: percentage of procedures available online and/or through a web portal**

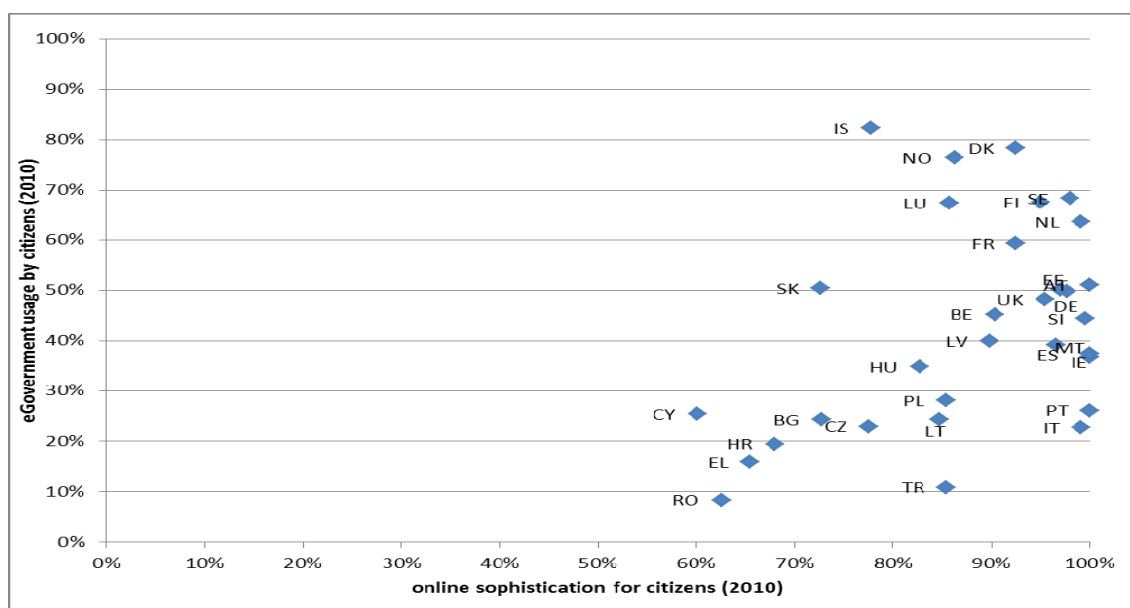


Source: CapGemini 'Digitizing Public Services in Europe: Putting ambition into action - 9th Benchmark Measurement', 2010

### 3. eGovernment for citizens

As previously mentioned, the supply of online public services for citizens has shown great progress in 2010, and this is reflected in a sophistication score of 87% compared to 78% in the previous year for the EU27+ (89% and 80% respectively for the EU27). However, take-up by citizens remains quite lower than that of businesses, and this reflects in great part the lower usage of Internet by citizens. In 2010 on average 41% of EU27 citizens have used the Internet for interaction with the public authorities, which meant an increase of 3 percentage points over the previous year, which, if current trends persist, could be quite on track for the European Digital Agenda target of 50% of eGovernment users by 2015. However, there is still a great dispersion in usage rates with the gap between the best performer (Iceland) and the worst performer being as large as 74 percentage points (Figure 5).

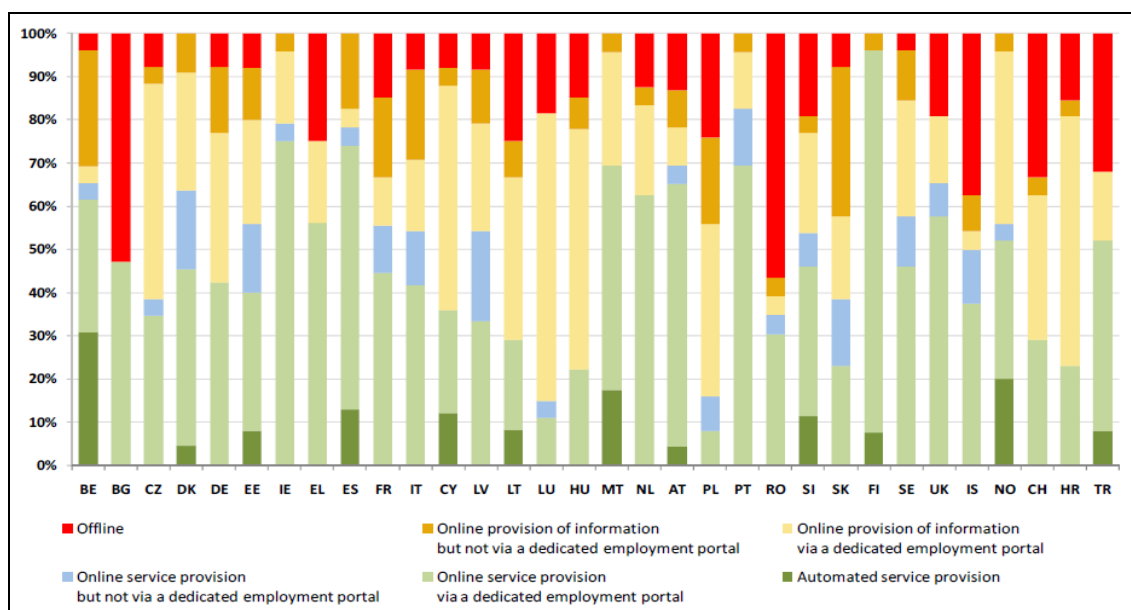
Figure 5: Supply vs. take-up – citizens



Source: CapGemini 'Digitizing Public Services in Europe: Putting ambition into action - 9th Benchmark Measurement', 2010 and Eurostat, Community Survey on ICT use in Households and by Individuals, 2010.

The usage is influenced not only by availability but also by usability of a service or of a set of services for a given purpose. In the current economic situation it could prove extremely helpful to the unemployed having easy online access to a series of services to sustain him/her during the unemployment period (e.g. registering for unemployment benefits or additional benefits) and getting him/her back to work (e.g. assistance in creating a CV, job search) without having to lose time and resources travelling from one public administration to the other. On average, EU public administrations still display a fragmented offer for the unemployed (Figure 6), with only one country (FI) providing almost all needed services through a centralized portal and other five countries providing more than two-thirds of them (IE, ES, MT, PT, AT).

Figure 6: Loosing and finding a job – percentage of procedures available online and/or through a web portal



Source: CapGemini 'Digitizing Public Services in Europe: Putting ambition into action - 9th Benchmark Measurement', 2010.

eGovernment is an online service that has a low frequency of use for citizens compared to other services accessible via Internet like eBanking and eCommerce: some citizens for example use it in an interactive way only once a year for their tax declaration, while other events that justify its use are even rarer (e.g. renewal of a passport). For that reason in the last three years Eurostat collected statistics on eGovernment usage both in the last 3 months (historical series) and in the last 12 months. In Table 1 these two statistics are shown for the EU27 aggregate as percentage of Internet users over the same period. The enlargement of the temporal window allows a better measure of the actual use of eGovernment by capturing a higher proportion of infrequent users. Indeed, while in the last 3 months only 46% of Internet users used eGovernment services, over the last full year its usage rose to 58% of Internet users. Contrary to the 3 month figure, the 12 months usage figures show a marked improvement over the years in the use of eGovernment, both in terms of basic activities like information search and in terms of more interactive uses like sending filled forms. A likely explanation is that the 3 months chosen for the survey probably do not fall in a period of bureaucratic obligations in many countries and therefore improvement in use goes mostly unperceived by that statistics. For these reasons, the 12 months statistics has a better performance measuring the actual usage of eGovernment than the 3 months statistics, and therefore it will be the only one maintained in the coming years.

Table 1: Use of Internet for various kinds of interaction with public authorities in the last 3/12 months as a % of Internet users

Values as % of people which used the Internet in the last 3 months	2008	2009	2010
I have used Internet, in the last 3 months, for obtaining information from public authorities web sites	41.3%	42.2%	40.7%
I have used Internet, in the last 3 months, for downloading official forms	25.8%	26.8%	25.9%
I have used Internet, in the last 3 months, for sending filled forms	19.0%	19.5%	19.3%
I have used Internet, in the last 3 months, for interaction with public authorities <sup>7</sup>	45.8%	46.2%	45.8%
Values as % of people which used the Internet in the last 12 months	2008	2009	2010
I have used Internet, in the last 12 months, for obtaining information from public authorities web sites	49.9%	51.2%	52.5%
I have used Internet, in the last 12 months, for downloading official forms	34.4%	36.1%	37.4%
I have used Internet, in the last 12 months, for sending filled forms	25.3%	26.3%	29.4%
I have used Internet, in the last 12 months, for interaction with public authorities <sup>8</sup>	54.0%	55.8%	57.9%

Source: Eurostat, Community Surveys on ICT use in Households and by Individuals.

#### 4. Local dimension of eGovernment

Some eGovernment services are provided predominantly at local level i.e. on the websites of local authorities (municipalities and the like), as a reflection, in the vast majority of cases, of a country administrative structure. The level of sophistication of the services most frequently provided at the local level across the EU, is clearly correlated with the size of the administrative entity (i.e. the resident population) providing the service (Figure 7).

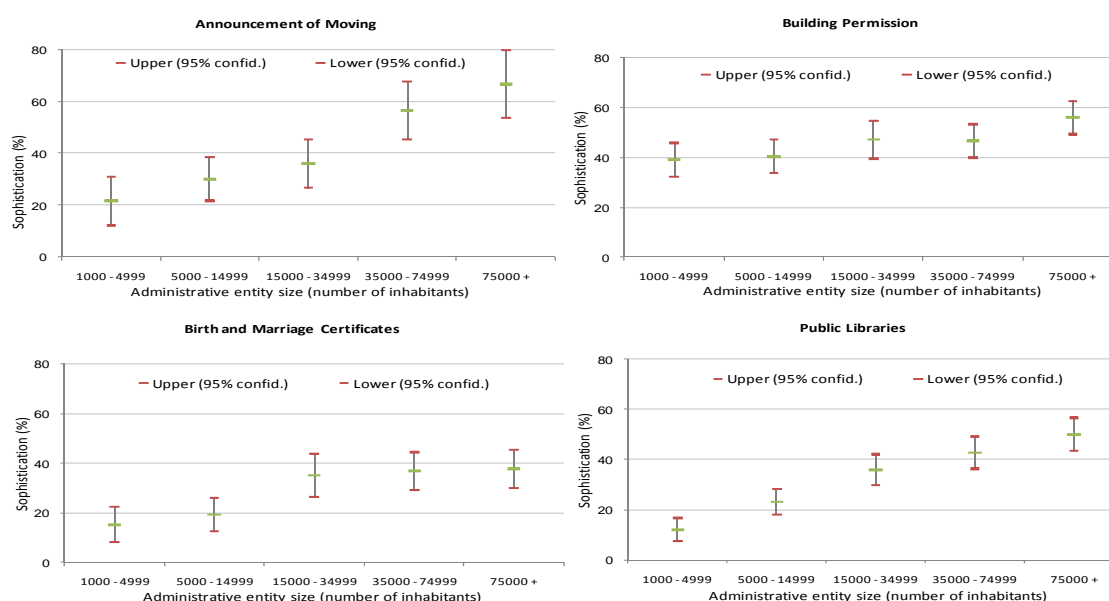
A similar pattern of correlation can be observed on the usage side (Table 2): thinly populated areas display a substantially lower amount of eGovernment use with respect to central areas (8 pp. lower), even accounting for the lower Internet use (since the figure is in % of Internet users). These similar patterns in the supply and demand of eGovernment services according to population density do not necessarily mean causation in one sense rather than the other (if there were causation at all): they could signal a higher propensity, for people living in small communities, for face-to-face interaction with civil servants, with the administrations adjusting investment to the reduced demand. This way, however, there is a failure of public administrations to act in a pro-active way, amplifying the range of possible eServices available to the citizen and making a stronger case for Internet use.

<sup>7</sup> This variable is a derived variable of the previous three variables: it scores positively when at least one of the former three scores positively. For that reason its value is not the sum of former three values.

<sup>8</sup> See previous note



Figure 7: Mean score at NUTS level 4 and 5b by administrative entity size-category



Source: CapGemini 'Digitizing Public Services in Europe: Putting ambition into action - 9th Benchmark Measurement', 2010.

Table 2: Use of Internet for interaction with public authorities in the last 12 months as a % of Internet users

	2009	2010
living in densely populated areas	58.6%	60.7%
living in intermediate populated areas	54.2%	57.6%
living in thinly populated areas	51.3%	52.4%

Source: Eurostat, Community Survey on ICT use in Households and by Individuals.

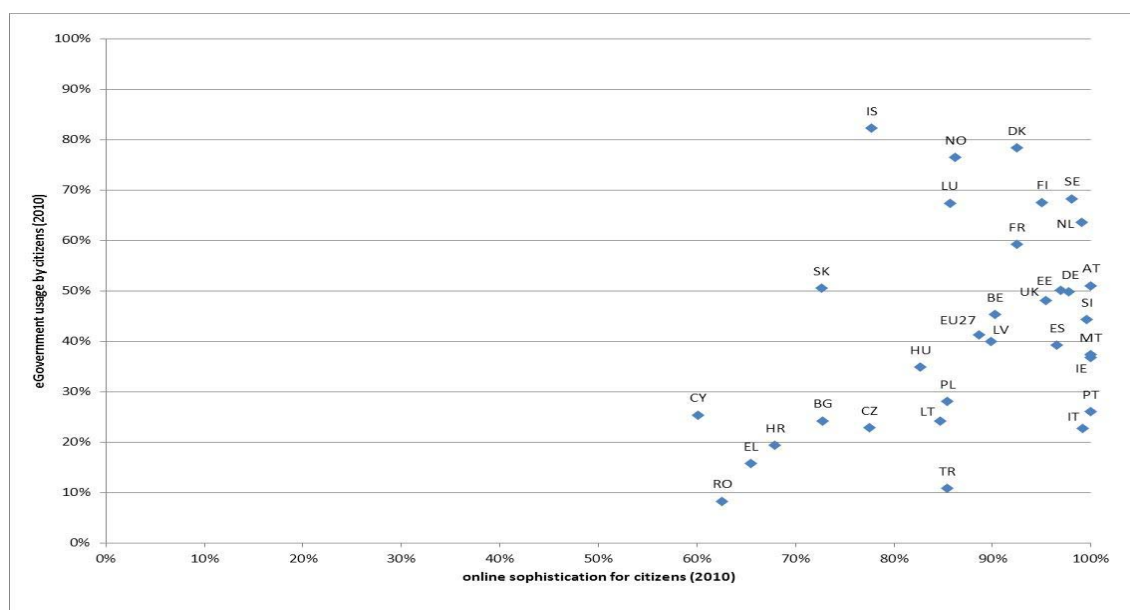
## 5. Electronic procurement

Public procurement provides an important economic opportunity for many European firms, with some of them obtaining the majority of their revenues from public tenders. A well-functioning public procurement system is therefore vital for the competitiveness of the ecosystem of many European firms and for the efficiency of public administrations. Accessing procurement notices or submitting tenders by electronic means could widely increase the number of potential participants to a tender and improve transparency across the market. This could favour the most competitive enterprises and, at the same time, be a source of cost savings for the public administration. Figure 8 gives a summary view of the status of eProcurement deployment in EU27+ countries in 2010. Two indicators are shown: the Visibility Benchmark that monitors the use of eProcurement solutions in a sample of 791 contracting authorities; and the Availability (pre-award) Benchmark, which monitors the degree of sophistication in terms of available services (i.e. eNotification, eSubmission,

eAward) and their sub-components over 67 eProcurement platforms. The top right corner of the chart could well represent the first target set in Manchester declaration in 2005: “by 2010 all public administrations across Europe will have the capability of carrying 100% of their procurement electronically”. The results show that the two indicators are generally quite correlated, and that there are mainly two clusters of countries: one with already some advanced eProcurement deployment and the other lagging somewhat behind. The first Manchester target has not been reached but a few countries are very close indeed. Similar conclusions were drawn by the ex-post evaluation of the 2004 EU Action Plan for e-procurement<sup>9</sup>.

However, progress towards the second Manchester target, relating to the effective use of electronic procurement<sup>10</sup>, is slower. The evaluation found that whilst technology is mature and successful e-procurement platforms are being established in many regions and Member States, use remains lower than expected. In 2010, high use was noted in countries such as Portugal and Lithuania who have introduced certain mandatory requirements for the use of electronic means; otherwise it was estimated that less than 5% of total procurement budget in the first mover Member States was being awarded electronically.

Figure 8: eProcurement Availability and Visibility Benchmark 2010



Source: CapGemini ‘Digitizing Public Services in Europe: Putting ambition into action - 9th Benchmark Measurement’, 2010.

<sup>9</sup> Evaluation of the 2004 Action Plan for electronic procurement available at:

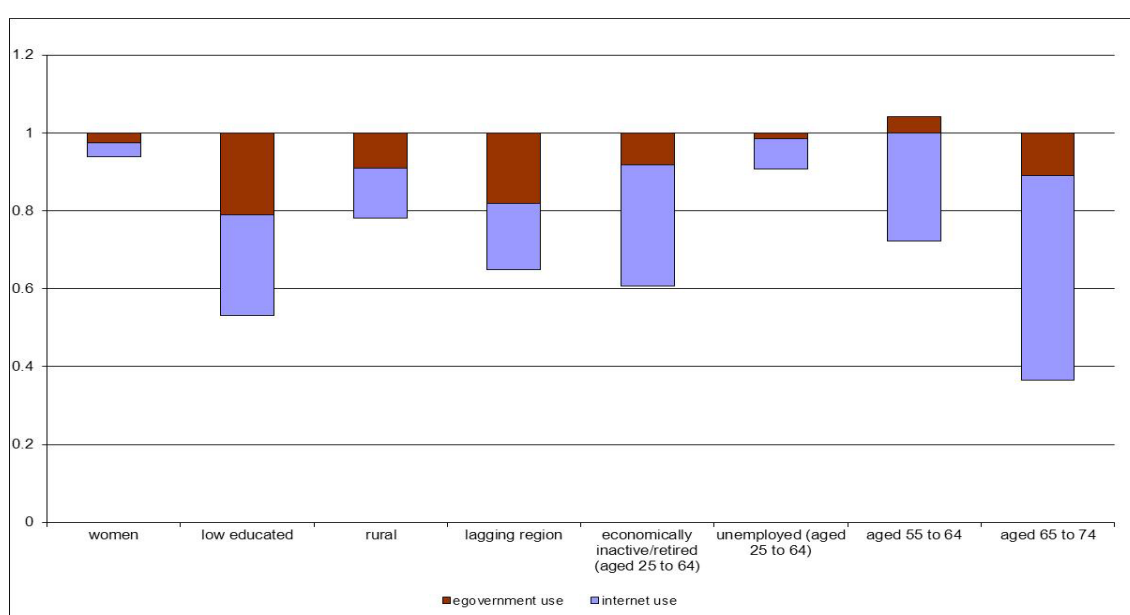
[http://ec.europa.eu/internal\\_market/consultations/docs/2010/e-procurement/evaluation-report\\_en.pdf](http://ec.europa.eu/internal_market/consultations/docs/2010/e-procurement/evaluation-report_en.pdf)

<sup>10</sup> The second Manchester target states that “By 2010 at least 50% of public procurement above the EU public procurement threshold will be carried out electronically”

## 6. Usage of eGovernment by different socio-economic groups

A disparity indicator for eGovernment use<sup>11</sup> (Figure 9) shows that once the different patterns of Internet use have been factored in, there is no clearly discernable ‘digital divide’ in eGovernment use among Internet users belonging to traditional groups at risk of exclusion. Indeed, the various groups have a usage only slightly below the population average, while the 55-64 age group shows even greater usage of eGovernment services than the average population. The main category at risk of exclusion from eGovernment usage (as well as from Internet use) is the low-educated. This could signal that people with a low education may lack the skills for the use of ‘advanced services’. The low usage of eGovernment for people in lagging regions could be explained by both a larger share of low educated people in these regions and by the lower availability of eGovernment solutions in these regions.

Figure 9: Disparity indicator for use of the Internet for eGovernment services in the last 12 months. Decomposition of Internet use effect and eGovernment use effect (2010, EU-27).



Source: Commission services on the basis of Eurostat, Community Survey on ICT use in Households and by Individuals, 2010.

## 7. Conclusions

The take-up of eGovernment in 2010 has reached 41 % of the EU population and, given the current trends, could be quite in accord with the target of the Digital Agenda of 50% of population using it by 2015. Furthermore, interactive use is on the rise with a rate of 21% (the Digital Agenda target is a 25% interactive usage rate by 2015)<sup>12</sup>. Although a basic set of

<sup>11</sup> This eGovernment disparity indicator is calculated as the proportion of eGovernment users in various groups over the proportion of eGovernment users in the population. Therefore, a value of 1 would indicate that the group concerned had a usage pattern equal to that of the population at large, while values closer to zero would indicate significant disparities in use. The groups not using eGovernment are further split into two subgroups: people who do not use the Internet (and therefore do not use eGovernment services either) and Internet users who do not use eGovernment services.

<sup>12</sup> This interactive use mentioned in the text refers to the percentage of citizens returning filled in forms through the Internet. The Digital Agenda target requires that, at least more than half of eGovernment users should be returning filled in forms. Combining the target for eGovernment use (50% of the population) with that requirement makes for 25% of interactive use.

online public services is now widely available across the vast majority of EU countries, when looking at more advanced modes of service provision, like the combined provision of different services for a specific need (like starting a company or getting unemployed), the situation is less rosy, with many Member States still reasoning in terms of closed silos. The new eGovernment Action Plan includes as one of its pillars ‘User Empowerment’, which stresses the development of services built around user needs, with a high degree of personalisation and monitoring from the users, and seeking users’ collaboration and advice for their improvement. Therefore, public administrations should not be too complacent for the progress made so far and improve their organisational processes in order to meet these ambitious objectives. This way they will contribute to a much more interactive and conscious use of eGovernment services by EU citizens toward and possibly well over Digital Agenda targets, greatly reducing also current disparities based on education and location.