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Global Government Summit 2014

A Global Government Forum event Singapore, November 2014

The Global Government Summit brings together senior public servants from around the world to discuss common challenges and appropriate solutions, providing a unique, informal and discreet space for the sharing of experiences, concerns and opportunities.

Hosted in Singapore by the head of its civil service in November 2014, the event was attended by senior officials from eight countries, plus representatives of knowledge partner McKinsey & Company.

"No country or leader has a monopoly on wisdom, or all the answers to the governance challenges facing us. That is why this forum is so valuable and timely. It brings us together in one room to interact, to learn from each other, to have intimate conversations, and to exchange our views openly and candidly."

Peter Ong, Head of Civil Service, Singapore



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Introduction: emerging challenges and requirements

“No country or leader has a monopoly on wisdom, or all the answers to the governance challenges facing us,” said Peter Ong, Singapore’s Head of Civil Service, at the event’s introductory session. “That is why this forum is so valuable and timely. It brings us together in one room to interact, to learn from each other, to have intimate conversations, and to exchange our views openly and candidly.” To permit those candid discussions, the event was held under the Chatham House Rule – but some speakers have permitted us to attribute quotes, enabling us to share the main discussion points with a wider audience.

Setting out the greatest governance challenges arising around the world, Ong named three “deficits” that must be addressed. The first is that of jobs or growth deficit: “There is a sense that globalisation is not working for everyone, and we have what we call a ‘winner-takes-all’ outcome,” he said, pointing to the global youth unemployment rate of 13%. “With incomes stagnating, labour market instability and job deficits, this has given rise to middle class discontent.”

The second is the fiscal deficits created, in part, by “years of uncontrolled spending, coupled with rising expectations from our citizens of what government should and can be providing”: these deficits lead to high levels of debt, and can constrain growth and affect financial stability. And the third is in the area of public trust, he said: “Accustomed to the transparent and participatory nature of the internet, people are demanding not just to judge results, but also to participate in the processes by which governments produce outcomes.”

The head of McKinsey’s global Public Sector Practice, Andrew Grant, later added two further challenges. First, thanks to technological and cultural changes and the ever-faster movement of money, goods and people, the challenges facing

government are becoming more complex. And second, governments are encountering greater constraints on their actions due to “the declining effectiveness of standard policy levers; increased fiscal constraints; difficulty attracting and retaining the best talent, and in forming trust in government; and, in many respects, the weakening of the traditional powers of the state.” As a result, Grant argued, “the public sector has had a metabolic rate of complexity increase that is materially more significant than that in the private sector.”

These evolving challenges, said Ong, place a new set of requirements on governments. The state must “build public trust by fulfilling citizens’ desire to be co-creators of policy” – and this work can help address a second requirement: that for more innovative service delivery. As an example, Ong cited efforts to reduce the pressure on Singapore’s hospitals: by deploying community nurses to support and advise elderly people in their homes, the government has reduced the number of patients requiring repeated hospital stays by two thirds. Governments must, he said, also achieve ‘more for less’ by using technology to make services more accessible, effective and efficient. And to realise these three main aims, states must attract and retain talented staff and develop their specialist skills: every Singaporean civil servant is accorded at least 100 hours of training per year, Ong noted.

While addressing the deficits, Ong added, governments must “ensure our civil services are fit for purpose: fit for the future, fit for the citizenry.” To this end, the Singapore government has created in-house think tanks and work programmes designed to ensure that public leaders can “co-create a future, rather than just being shaped by future circumstances.” Scoping out possible future threats and requirements, reshaping services around citizens rather than public organisations, the aim is to create “a future where we are One Trusted Public Service with Citizens at the Centre.”

Around the table

Peter Ong, Head of Civil Service, Singapore

Hans Bäck, Director, Prime Minister's Office, Sweden

Dr Peter Bartodziej, Head of Directorate 13, Central Services, Federal Chancellery, Germany

Lord O'Donnell, former Cabinet Secretary and Head of the Civil Service, UK Government

Tatiana Janečková, Secretary General, Government Office of the Slovak Republic

Özer Kuntoğlu, Deputy Undersecretary of the Prime Ministry, Republic of Turkey

Heiki Loot, State Secretary, Government of Estonia

Coleen Volk, Deputy Secretary to the Cabinet, Privy Council Office, Canada

Andrew Grant, Head of Public Sector Practice, McKinsey & Company

Diaan-Yi Lin, Leader in Public Sector, Private Equity and Infrastructure Practices, Asia, McKinsey & Company

Chan Cheow Hoe, Government Chief Information Officer, Singapore

Sir Paul Jenkins, consultant and former Treasury Solicitor, UK Government

Observers

Bilal Özden, Head of Department, Department of Foreign Relations, Prime Ministry, Republic of Turkey

Ladislav Šimko, Director of Cross-cutting Priorities Department, Government Office of the Slovak Republic

Oľga Algayerová, Ambassador, Permanent Representative of the Slovak Republic to the International Organisations in Vienna

Organisers

Kevin Sorkin, Director, *Global Government Forum*

Chris Punch, Global Research Director, *Global Government Forum*

Godwin Joseph, Business Development Director, *Global Government Forum*



Top (L-R): Bilal Özden; Ladislav Šimko; Oľga Algayerová; Kevin Sorkin; Lord O'Donnell; Chris Punch; Godwin Joseph.

Bottom (L-R): Andrew Grant; Hans Bäck; Coleen Volk; Peter Ong; Tatiana Janečková; Heiki Loot; Özer Kuntoğlu; Sir Paul Jenkins.

Changing landscapes in politics and service delivery

Entitled 'Government in Context', the second session was led by Sir Paul Jenkins: the recently-retired UK Treasury Solicitor and Head of the Government Legal Service, who until February was the UK's chief legal adviser and the manager of 2000 lawyers working in most of the departments of state. The session's aim, Jenkins explained, was to step back from the strategic challenges facing national governments and examine "how the complexities for government impact directly on top officials".

Part of the challenge for civil servants involves adapting to new models of service delivery better suited to today's technologies, cultures and policy agendas. These delivery models include partnerships with the private sector, contracting-out and delivery through arm's length bodies, plus 'mutualisation' – spinning out civil service teams as employee-owned contractors – and building shared services that provide back office functions to a number of departments.

Evolving accountabilities

For Jenkins, there's a common thread in these approaches: they all raise difficult questions about

accountability – even when delivery remains in the hands of civil servants. Jenkins' own lawyers used to advise departmental ministers and top officials, he recalled – and "whose fault was it when they got it wrong? Was it mine? Or if they were advising a permanent secretary, was he responsible?" Such ambiguities, he explained, mean that many departmental chiefs are reluctant to hand over control of functions for which they may be held to account. And when mutuals, private firms or arm's length bodies delivering services get it badly wrong, he asked, "who is accountable? And I don't just mean in the narrow legalistic sense. Who's actually going to get the blame?" The answer, he suggested, is usually the departmental secretary of state.

In recent years, Jenkins said, we've seen in the UK a "perfectly realistic recognition" that holding political leaders solely responsible for every action undertaken by their civil service staff "is an untenable model, and that officials do play a huge part in delivery – and therefore, there needs to be a degree of accountability to Parliament." The officials managing big projects can now be summoned by parliamentary committees, sharpening their accountability. But Lord O'Donnell, the former UK cabinet secretary, raised a concern: if officials are to be held more directly accountable, they need more direct control over projects and spending – and the confidence that ministers won't intervene to amend specifications, tighten timetables or chip away at budgets.



Strengthening accountability is made more difficult by what some participants view as an unnecessarily negative and blame-seeking political discourse on government operations. O'Donnell used to appear before select committees every month or so, he recalled, and "there were no questions about successes – ever. It was all about failure." Politicians' praise for intelligent risk-taking in the pursuit of innovation is, participants suggested, paper-thin. "We talk about giving people permission to fail, but actually whenever somebody fails – even if they're trying something really good, and goes into it fully aware that it might not work – then the political part of the system comes crashing down," commented Jenkins.

To strengthen officials' accountability to ministers, a handful of countries have introduced five-year fixed-term contracts for the heads of departments and professions. This could potentially deter career officials from taking those top jobs, suggested Coleen Volk, Canada's Deputy Secretary to the Cabinet: "What's the carrot to get people who've grown up within the system to become deputy ministers if you're only going to get a contract for five years?" Jenkins had the answer: "We [in the UK] explicitly modelled ourselves on the New Zealand model, where the carrot is vast amounts of cash," he responded – but in Britain, the system has been introduced without that carrot. What's more, even if a contract isn't renewed then career civil servants will still be entitled to a job, creating a challenge likely to grow as the first wave of fixed-term contracts come to an end. Elsewhere, though, the system may be stronger: Estonia's State Secretary Heiki Loot pointed out that his country has just adopted a similar approach, and argued that it will focus leaders on getting demonstrable results: "I think it will bring a major change within the top civil service, so that people have to constantly be in very good shape."

New skill sets

So strengthening civil service accountability – both through parliamentary committees, and through increased visibility and profile in the media – is likely to present officials with new challenges. In part, these can be met by attracting and

developing new skills: an agenda that will require changes to recruitment, training and promotion systems. "How do you in the public sector create pathways for mid-career professionals with very distinct specialist expertise, like advanced analytic or IT skills?" asked McKinsey's Andrew Grant. "We think that's increasingly becoming an imperative."

Sharpening civil servants' accountability for delivery may also push them into taking a more testing approach to politicians' ambitions for systemic reforms and policy delivery. Too often, said Jenkins, officials' eagerness to demonstrate loyalty to an incoming government has overwhelmed their duty to give ministers unwelcome news about an idea's viability: there can, he said, be a "sense that with a change of administration there's pressure to say something is possible, when it's not!"

This problem, suggested O'Donnell, could be addressed by an 'ex ante' process which examined plans' viability, with the power to impose changes such as extending timescales and requiring pilots. Private as well as public bodies are leaning more on 'value assurance' processes, commented Grant: it's a "form of project management to make sure you get the outcomes that were promised". To ensure that plans are realistic, Jenkins suggested, we need greater safeguards to ensure that we avoid situations "where the political timetable drives reform too quickly", leading to the failure of well-founded ideas. The UK's Major Projects Authority presents one model of in-house value assurance, whilst its Office of Budget Responsibility provides independent scrutiny of Treasury calculations: a new organisation combining the skills of both could, O'Donnell argued, weed out the unrealistic projects, improve the viable ones – and, ultimately, reduce the number of angry post mortems into wasteful, failed government projects.

New opportunities in contemporary governance

Introducing a session on the 'Civil Service of the Future', McKinsey & Company's Andrew Grant showed a picture painted in 1884. Depicting a church, it was "best practice at the time: the paintwork, the composition," he said. "The painter was actually obsessed with being the best in his genre, which was realism. But although an incredibly dedicated, talented artist, he was at the time utterly unsuccessful." It wasn't until the painter abandoned the "mindset of best practice, and started to explore some of the innovative ideas around 'next' practice" that he found success. His name? Vincent van Gogh.

On 'spiky leaders'

Grant's point was that sometimes it's necessary to break the mould of established thinking, and approach matters from a completely new direction. And in this spirit of 'next practice', he set out 10 thoughts and questions for civil service leaders (see box), before delving into some of the most novel. First amongst these was the task of developing public sector leaders – and here, he argued against the traditional approach of focusing equally on addressing people's flaws and developing their talents. "That mindset was that you got equal value, equal leverage, from improving their weaknesses and increasing their strengths," he said. "Actually, there's significantly more leverage in increasing people's strengths than in trying to correct their deficiencies."

Many employers aim to build workforces of "pebbles", Grant continued: well-rounded individuals with no areas of notably poor performance. But these organisations' staff development models mitigate against "spiky leaders": the "rocks" with "a number of competencies where they significantly outperform the norm, and a number where they're below the low watermark". The evidence is, he explained,

that "the highest-performing organisations have a disproportionate number of rocks" – meaning above 10%, against an average of around 5%. These people are the "brave ones who are prepared to speak inconvenient truths and so keep organisations grounded". But "spiky leaders are often difficult people, and world-class civil services are extremely good at weeding them out, or lopping off their spikes, or focusing disproportionately on their weaknesses and not leveraging their spikiness." Civil services are the "quintessential institution in being able to grow fantastic pebbles", he concluded – but they should create an "HR environment, a mindset, mentors" which can focus on "individuals' strengths as opposed to trying to correct their deficiencies."

Lord O'Donnell pointed out the complexities of introducing spiky leaders to civil services – whose task it is to deliver for ministers, many of whom might themselves be pretty spiky – and raised the spectre of disastrous former RBS chief executive Fred Goodwin: "the ultimate spiky leader". In response, Grant suggested that spiky leaders may work best in non-departmental public bodies "which look more like the private sector", and emphasised that their weaknesses should not include deficiencies in values, ethics and integrity: "This is more in terms of skillsets".

Analytics in HR

People are familiar with the ideas of 'big data' and analytics, said Grant, and these approaches have produced substantial rewards in fields such as finance and sales: the next big advances will be made in applying analytics to HR data. "We think this is going to be quite a magical thing for the public sector."

For this to work, he continued, organisations must ensure that data is accurately collected and inputted – and he raised concerns around outsourcing programmes that led to them losing ownership of that data. But the potential applications are vast. One organisation that moved from randomly allocating nurse shift patterns to incorporating people's stated preferences "dramatically improved engagement, and also

optimised overtime and weekend pay". McKinsey itself found that it could radically streamline its recruitment process without having a negative impact on the quality of new staff. And another healthcare provider compared pay levels to staff engagement, finding that churn increased when salaries fell below a certain point but retention or engagement weren't boosted when it rose above a higher one: by creating salary bands within those points, the organisation saved 3-5% of its paybill.

Employing 'millennials'

Civil services will increasingly be employing people born around the turn of the millennium – and as Grant explained, this generation has "different outlooks, different expectations and different ambitions". His colleague Diaan-Yi Lin set out research showing that the "motivation around compensation and profitability is much smaller in this generation, and the desire to make a difference and contribute to society is much stronger." This works well for public service bodies, which can – O'Donnell and Jenkins pointed out – further sweeten the pill by offering a better work-life balance, more part-time and flexible hours, and greater opportunities for women and minority groups.

The challenge in employing millennials is in catering to their desire for a varied, evolving career in which they undertake different roles for a range of organisations – undermining the traditional civil service career structure. "Millennials are genetically programmed to churn," said Grant. "So try and make churn work for you, because these individuals are not going to change." As O'Donnell pointed out, staff can find a huge variety of roles and organisations even within central government – but many countries, said Estonia's Heiki Loot, will have to "create more opportunities to move around in the civil service."

Salaries are an important factor here. O'Donnell noted that the UK civil service's compensation offer – in which low salaries are exchanged for a promise of generous pensions – is ill-suited to competing for highly-mobile staff in a jobs market that runs across the economy. These people need a competitive package – and, Grant argued, they also need to be trusted with significant responsibilities early in their careers, and supported with hands-on learning systems to step up to the mark.



The balance sheet mindset

Too many organisations – in both the public and private sectors – base budgets on the previous year's spending rather than on next year's needs, argued Grant: "We think this is one of the great challenges of our time." And he called for a 'balance sheet' mindset on government spending: an approach that considers the long-term value created by capital expenditure, rather than simply the short-term savings or benefits. This kind of thinking, he said, transforms the way money is spent on issues such as youth unemployment, which blights people's lives in later years – and thus creates huge public costs for decades to come.

It's hard to reallocate spending in an environment of falling overall budgets, pointed out Heiki Loot; and another participant highlighted the need to "search for ways to get politicians acquainted with lifetime cycles. The normal politician is not interested in lifetimes!" There was though clear interest in the idea, albeit mixed with questions over how these long-term commitments could be combined with the kind of 'zero-based' budgeting that ensures fresh thinking about spending priorities every year. Coleen Volk had one suggestion: in Canada's expenditure review system each department creates a menu of savings options, providing the raw material for a conversation about which programmes aren't performing and can be reformed or discontinued.

Ong explained one way to build in longer-term planning. Singapore ministries operate on a five-year block budget system, in which 1% of their budgets are pooled into a common 'Reinvestment Fund'; ministries can then tap this fund for innovative and whole-of-government programmes, bidding for money on a competitive basis.

O'Donnell, though, pointed to deeper problems. Our accounting systems make a false differentiation between current and capital spending, he said: sensible investment in current spending projects such as preventive health work can reduce the need for capital spending such as building new hospitals. But other participants, whose countries still use annual budgeting, envied the UK's three-yearly comprehensive spending reviews. "I'd like to move it to five years," O'Donnell responded – bringing spending plans into line with the electoral cycle. Whilst zero-based budgeting may be valuable in particular fields of spending, the group seemed more enthused about the prospect of securing more continuity and long-term thinking in the way that budgets are allocated.



10 Challenges for Governments

From a presentation by Andrew Grant, McKinsey & Company

1. "Many of the ideas about growing great talent and leadership that have been built up over the last 30, 40 years are being challenged. And 'big data' is confronting HR more than it is finance, more than sales – more than any other department" (see main text).
2. "Many governments have struggled to go from the narrative around 'whole of government' to really making it happen, particularly in a world where the problems that citizens are expecting governments to solve have become much more complicated, and government has become much more fragmented: the average OECD government has trebled the number of its agencies over the last 15-20 years."
3. "How do you build agile, responsive organisations? This is one for the private sector too. One of India's leading businesspeople has taken her entire organisation of 45,000 people, and deconstructed it down to six-week projects. Nobody has 'a job' in her organisation in the traditional way, and there's an internal marketplace where people bid for different projects."
4. "Given shortened timeframes in the political context, how do civil service leaders enhance the muscle of looking beyond the immediate horizon and addressing long-term issues?"
5. "Companies typically spend equal time thinking about their income statements and their balance sheets. The public sector typically spends 95% of its time thinking about the budget. There are some quite exciting examples of governments moving from an annual fiscal mindset to an investment approach" (see main text).
6. "The metabolic rate of job creation and destruction has increased, with faster rises and falls in the need for certain kinds of specialist expertise. How do you bring in large numbers of highly-skilled professionals for a period of time, and make them work within high-performing but often very strong, distinct cultures?"
7. "How do you use data to drive better decision-making? Some governments are actually finding some parts of using data quite unfulfilling, but finding quite unexpected areas quite productive" (see main text).
8. "How can governments work more holistically with civil society, with the private sector?"
9. "We've heard words like service co-creation for a long time, but how do you really get traction around making sure that citizens see their own fingerprints on public sector solutions?"
10. "How do we think about policy, about building an institution in a truly global world?"

Fresh concepts: new ways to measure and meet citizens' needs

Introducing the session on 'Citizen Behaviour, Wellbeing and Engagement', Lord O'Donnell first cast doubt on the value of GDP as a measure of governments' success. "Income is part of how people measure their progress, but it isn't everything," he said. "If we want a government that's really focused on what matters to individuals, why don't we start by saying: how do individuals feel about their lives? Are they satisfied? Are they happy?"

because people feel left behind by this world of growth," the former UK Cabinet Secretary argued, pointing out that the UK has a historically high employment rate but median real wage figures that have fallen back to those of 1997.

Similarly, said O'Donnell, GDP figures are given a boost by clinical health treatment when people are made more content by preventive work; they're flattered by construction work, when people want green spaces; and they're raised by the burning of fossil fuels, even though air pollution damages people's health and wellbeing. He pointed to research showing that people's quality of life is greater with a steady 2.5% GDP growth rate than with a rate varying between 3 and 6%: they may be less rich, but their finances are more secure. So



New metrics

Crucially, O'Donnell pointed out, "GDP has no measure of inequality in it: it values a pound going to a millionaire just the same as a pound going to the poorest". So GDP figures are blind to the discontent caused by inequality: "One of the reasons behind the growth of some extreme parties in a number of European societies is

GDP points governments in the wrong directions – aggravating, he suggested, the political apathy and disengagement that weakens democratic systems and supports the rise of radical parties.

O'Donnell argued for the use of new metrics to measure 'wellbeing', and discussed the 'quali': a year of good health – which, he argued, is a more valuable measure than simply examining life

expectancy. Wellbeing can also be measured using hard statistics on – to take the examples above – access to green spaces and pollution levels – and by surveys asking how content and happy people feel. He warned against the proliferating ‘quality of life’ indexes, but noted that the UK’s Office of National Statistics has now approved a new metric for national wellbeing.

New tools

With the government’s ambitions recalibrated, argued O’Donnell, the best way to realise its new aims is often via the application of ‘behavioural insights’ to remodel services, rather than the traditional tools of regulation, legislation, communications campaigns, taxation and subsidy. Such ‘nudge’ techniques are designed to build systems around the ways in which people think and act in the real world, discounting the flawed economic idea of a ‘rational consumer’. As a way into nudge, O’Donnell cited the mnemonic MINDSPACE.

M stands for Messenger, meaning that people distrust government but listen to their friends and family. O’Donnell cited a video in which a young child asks smokers for a light, and is universally told he shouldn’t smoke: when he gives people a note reading ‘You told me not to smoke. Why are you doing it?’, a high proportion of recipients call the attached smoking cessation telephone number. “People don’t trust governments, but the messenger here is the smokers themselves,” he said.

I stands for Incentives – and not just financial ones. A British scheme to subsidise the installation of loft insulation got limited traction, said O’Donnell, because the real disincentive to fitting insulation was not the cost but the prospect of having to clear out the loft. Changing the offer to a free loft clearance service, with recycling of waste and valuing of heirlooms alongside free insulation, dramatically increased the take-up rate.

N stands for Norm. People want to feel part of the group, said O’Donnell – so if you’re sending out letters to collect tax, then don’t tell people that X number of people in your area have been

prosecuted for avoiding payment; tell them that the vast majority paid their taxes on time. A blind trial run by the UK’s HM Revenue & Customs produced tens of millions of pounds much earlier than anticipated, he noted.

D stands for default, meaning that governments should make use of “inertia: we are all basically very lazy!” The classic example here is the UK’s introduction of an automatic opt-in for pension enrolment, meaning that people must make an active decision not to save for a pension rather than deciding to save for one. The change has increased pension savings by many, many billions of pounds, improving people’s retirements without any need for subsidy or compulsion.

O’Donnell was quick to point out that, with such a values-based set of metrics and a behaviour-based set of tools, it’s crucial to trial each new policy before introducing it. Different messages presented to increase the number of people signed up for organ donation, he noted, produce very different results in different countries. “There is no right solution,” he said. “You need to test different things and work out what works for your population. But when people are not making the best decisions, then these behavioural ideas will give you clues about the right solutions. And there’s two more things to say: these solutions are very, very cheap; and they tend to prevent problems rather than addressing them after the event.”



The e-state: Estonia's digital government revolution

Opening his presentation on e-government, Estonia's State Secretary Heiki Loot cited statistics demonstrating just how far his country has travelled down the digital road. More than 99% of bank transactions are electronic; 95% of income tax returns are filed online; 98% of new companies are filed via the government's website, as are every company's annual reports and tax returns; and in the last general election, a quarter of the electorate voted online. Estonia's government has created 600 e-services for citizens and 2,400 for companies, making it a world leader in online service provision.

Enablers of success

So what factors fostered this dramatic progress in online services? The country's small size is helpful, said Loot: with a population of 1.3m, people can collaborate easily and work together informally to overcome obstacles. Equally importantly, when the country was liberated from Soviet occupation in 1991 it was determined to start from scratch in

building its government – setting it formidable challenges, but offering a clean slate that enabled it to skip some developmental stages (moving straight to online banking, for example, rather than building a cheque clearing system). Interestingly, Estonia has held tight to this “no legacy” idea: there has, explained Loot, been a “decision that all government information systems should be renewed within 12 years, so we won't find ourselves in a situation of what the IT people call the 'spaghetti architecture', where you can't renew the systems you have in place.” His comments drew envious looks from the representatives of bigger countries which are struggling to reform long-outdated, much-amended, horrendously-complex IT systems.

It's been crucial, said Loot, that the government has led the way online. “Innovation does not happen by itself,” he said, noting that early on government operations were moved into the digital space – helping to set a benchmark, demonstrate value, and develop technologies and delivery experience. The government also created rules and technical infrastructure which ensure that all government databases are compatible and can exchange data securely: the 'x-road' now covers 170 databases and 3,000 public and private sector services. It implemented a “one request policy”, which means that the government should never ask a citizen for





the same information twice – so state institutions must share data to, for example, automatically fill in online forms accessed by citizens. And it created a national ID card system, linked to a digital authentication technology that has the legal power of a paper signature. “The government plays a vital role in building a digital society by creating a necessary infrastructure and giving a lead,” said Loot.

Services are developed by IT teams whose remit runs across each department and its associated agencies, explained Loot, emphasising the importance of their involving policy and delivery professionals in service design. “The core business responsibility department should be the owners of the project,” he said. “They can’t view this as an IT project that they don’t care about.”

Addressing risks

Many countries, said Gus O’Donnell, are handicapped by the public’s “paranoia about privacy and the sharing of data” – a paranoia that doesn’t extend to the private sector, where “consumers are busy sharing their information with

Facebook and Nectar cards and everybody else.” Weak “public trust and confidence in the ability of government to safely handle their data”, pointed out Jenkins, was “exacerbated” some years ago by a major loss of HMRC data – so the government hasn’t been able to improve data sharing. The obvious answer is to improve data security and handling, and thus reduce the incidence of lost or stolen data – and Estonia minimises the risk of catastrophic data losses by ensuring that each agency holds only its own data, sharing it anew each time it’s requested. “When they attack one system, the others can continue,” Loot noted. There are also dangers in delivering the IT projects. “To do new things it is a question of taking some risks, and of course there is the possibility of failure,” said Loot. In many countries, the civil service is not seen as an excellent IT delivery agency, noted one country’s representative: “We are hoping to do some great things in IT, but it’s not an opportune moment to be seeking money because there is a sense that we don’t do IT well.” Many civil services will have to address their IT and project management skills, building a track record of successfully delivery, before they can develop services as ambitious as Estonia’s. Finally, every civil servant will be familiar with the

challenges around getting government bodies to work together in service delivery – yet many of the biggest opportunities in IT demand multi-agency working to coordinate various services around citizens' needs. "For example, when you're starting a company, you're also applying for licenses, permits and so on [from different government bodies], and that's inherently a problem for the state," acknowledged Loot. Here, the Singapore government has made good progress, and Peter Ong gave a few examples. Several agencies are collaborating in the enforcement of their rules around fire safety, noise levels and building codes, he said, whilst others have got together to produce a single online application system that allows people opening a restaurant to apply simultaneously for a location permit, health & safety certificate and entertainment license.

The potential of online services is made clear by the case of Estonia – which is now exporting its expertise by developing cross-border services with other countries, and offering its secure authentication services to foreign nationals under an 'e-residence' system. The challenges, for countries with bigger populations, cultural hurdles and complex legacy systems, will be creating the momentum and developing the skills to follow its example.



Concluding thoughts

As the day of informal discussion drew to a close, event director Kevin Sorkin asked the participants what they'd be talking about when they got back home. One thing that had struck him, he added, was that whilst many governments are racing to introduce digital services, there seems to be a shortage of systems to assess the benefits of completed programmes: "People didn't have obvious mechanisms to measure that," he commented.

For Paul Jenkins, the event had stood out because most cross-border interactions between civil servants are designed to tackle the latest international crisis, rather than to share ideas on how to tackle broader and more systemic shared challenges. "We spend so much time talking about the terror threat and security," he said. "It's quite unusual to go to a meeting with so many grown-up people from our world, and the mood is entirely positive."

This mood impressed McKinsey & Company's Andrew Grant, who expressed his "enormous respect for the complexity of issues that you deal with," and highlighted the "intellectual honesty and groundedness about public sector officials". Many business leaders exhibit "a lot of hubris, and a lot of over-confidence about how good their business models are," he added, praising the realism and practicality with which delegates had addressed the issues.

The digital pioneer, Estonia's Heiki Loot, was himself impressed by Singapore's efforts to integrate different agencies' services in the online environment. And he liked the 'spiky leaders' concept, which struck a chord: "I think we [in Estonia] concentrate more on improving the weaknesses," he said, "but now I start to think maybe more focus should be on how to retain people's strengths and use them better." Canada's Coleen Volk was also intrigued by these ideas, suggesting that the aim of developing "well-rounded managers" doesn't rule out "having and appreciating some 'pointy leaders' among your senior ranks." She had, she added, been equally "intrigued by the notion of data analytics in HR".

Peter Bartodziej made a broader point. "We are facing similar problems, but we have different approaches and different answers," he said, emphasising how much he'd learned about alternative solutions to shared challenges. "It is very lovely [to meet] this level of officials in a form that is not a negotiation, but a very free chat," he concluded.

Thanking the participants for coming, Singapore's Peter Ong talked of "intimate conversations making an impact". The discussions had been "open, frank, and spontaneous" – and, as Grant had noted, based on "groundedness and a sense of reality". There is, Lord O'Donnell concluded, enormous value in bringing together top officials from different countries to learn from and share with each other. "We all moan about silos in government, but I think as governments we also tend to be silos," he commented. "We've all got common challenges, so why aren't we sharing more about how we approach them?"



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