

E-GOVERNMENT DAWNS IN THE 21ST CENTURY GOVERNMENT

IN BRIEF: The introduction of competition into city services has revitalized the city of Indianapolis, producing savings for major property tax cuts and a \$1.1 billion renewal of infrastructure. The competitive system requires government to focus on results (outputs) instead of process, allowing innovations and more efficient delivery arrangements.

E-government, the use of technology to provide public services, is a logical extension of the output-oriented model. Technology will improve service and reduce operating costs in 21st century government.

Tired of waiting in line every time you have to do business with our multiple levels of government? Help is on the way. In the future, you will be able to conduct most of these transactions with the flick of a switch in your home. It's the ultimate expression of the move to re-invent government.

A prominent apostle of that creed will visit Winnipeg soon. As Mayor of Indianapolis from 1992 to 1998, Stephen Goldsmith rewrote the book on innovative public policy. The city was in the doldrums, with a stagnant economy, a deteriorating infrastructure and a troubled, crime-ridden urban core. Sounds familiar, doesn't it? Goldsmith embarked on a revolution in local government that transformed America's 12th largest urban area into a competitive city with safe streets, strong neighbourhoods and a thriving economy.

"Earlier this century," Goldsmith explains, "We manufactured automobiles with cookie-cutter, assembly line approaches. Government designed itself in the same way, with very narrow specialties, command and control systems, people with very tight and rigid job descriptions, and thousands of job classifications. It was a system that controlled spending by removing discretion. This top down model of bureaucracy made it difficult for bad people to be really bad, but it also made it very difficult for good people to be really good."

He challenged this tired and expensive system by asking the city's unions to compete with the private sector. They demanded reductions in high management overheads that were pricing them out of the market. They got them and the rest was history. The competitive process removed the sluggish cost-plus mindset of the workforce in favour of a customer-focussed culture. The city organized its methods and systems around outputs, or services, rather than inputs, and dumped the antique, control-based

system that typifies traditional government operations throughout North America.

The new model sparked a dramatic renaissance of that mid-western city. Savings from the competitive model allowed a \$1.3 billion rebuilding of infrastructure, \$400 million in property tax cuts and more on-street police. Indianapolis's core now thrives, as does its main municipal workers' union, even though non-public safety staff levels are down by 43%. Better infrastructure and lower taxes combined to produce an economic boom that brought one of the lowest unemployment levels in the United States, 2.3%.

Goldsmith, who speaks at a Frontier Centre luncheon in Winnipeg on April 20th, is also on the cutting edge of the next paradigm shift: e-government, or the use of technology to improve customer service and lower costs in the public sector. He sees government's upcoming transition from an industrial state to a digital state as a natural extension of the competitive model he pioneered in Indianapolis.

Governments have always been the least innovative institutions in our society. But they are slowly embracing technology to modernize and simplify internal processes while allowing citizens to do business with them by utilizing the Internet.

Rather than having to visit or send letters to renew a driver's license, or pay taxes, people will be able to do it on-line. Copies of deeds and other public records will be posted on the web, and builders and architects will be able to secure such things building permits with much less hassle. It will mean the end of standing in line during hours that are convenient to the workforce and the beginning of 24-hour accessibility to government, at substantial savings to all stakeholders. Arizona, for example, created an online vehicle registration system that costs \$1.10 a pop compared to \$6.50 with the less convenient, traditional over-the-counter method.

The electronic trail will add a new customer service dimension. Electronic logging of complaints or service requests, say the repair of a pothole or a building permit application will allow cities to guarantee a 24-hour turnaround. Imagine systems that measure and track response times, enabling government to reward its workers for exceptionally fast service. E-procurement, or the purchase of supplies online, will be extended to a whole range of services, saving billions for

governments and the community as the culture shifts.

The potential productivity savings from automating and digitizing internal workflows, payment and information systems are staggering. For example, Deloitte Consulting projects a savings of 20% on the 40 to 50% of federal spending accounted from providing information and services to the public, or \$15.2 billion.

It is not difficult to see similar savings in Manitoba. The City of Winnipeg is beginning to move down this path and the province, in a quiet way, is already involved in automating internal systems and back office functions. Very conservatively estimated, hundreds of millions of dollars can be saved with the use of e-government systems. In fact, some of the technology is home grown. One Manitoba company, Infocorp, is deploying the latest generation of e-government technology into the U.S. market in partnership with IBM. "Imagine going to one central government office or web portal to conduct all your business with the government. That's exactly what New York City has offered their citizens by incorporating our solutions," says Infocorp CEO Dwayne Mathers.

Ultimately, the citizen will use a single portal to deal seamlessly with all levels of government. It is not hard to predict virtual government amalgamation where one can renew a passport (federal), check the status of a medical savings account (provincial) and check transit schedules (city) through a single window on the web. Throw in the savings from the intelligent application of technology in the "back office" and we will find the ultimate in high performance government, a highly productive, customer enabled public sector that does much more for much less.

Universal public access to these new tools is already close, with postal outlets and public libraries offering service to those who are not wired at home. In the not-too-distant future, a citizen's on-line password will become as important as a social insurance number.

Stephen Goldsmith likes to talk about the "21st century city", and his leadership made the difference in Indianapolis. Extending that vision to all levels of governance offers the tantalizing potential for a 21st century public sector.

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