



ZENTRUM FÜR SOZIALE INNOVATION

CENTRE FOR SOCIAL INNOVATION

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Public Sector Innovation in Austria

Contribution to the INNO Policy Trendchart: Trends and Challenges in Public Sector Innovation in Europe

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Abstract

The paper has been an input to the INNO-Policy Trendchart on “Trends and challenges in Public Sector Innovation in Europe” edited by Lorena Rivera León, Paul Simmonds and Laura Roman and published on 3 December 2012.

The objective of this report was to identify the main patterns and characterisation of Public Sector Innovation (PSI) in the European Union. It studied the perceptions of PSI in the EU, drivers and barriers to PSI, and lessons learned from the implementation of PSI in specific sectors. The report is based on country reports produced by the TrendChart country correspondents performing selected interviews with public officials and academics from 25 Member States (i.e. EU27 with the exception of Cyprus and Luxembourg), like the one at hand which refers to Austria. The cross-country report uses the grounded theory method for qualitative data analysis, and is probably the first qualitative empirical attempt to study Public Sector Innovation across different countries and multicultural contexts in the European Union.

Keyword: public sector innovation

1. Responsibility for Public Sector Innovation in Austria

Austria is a federal republic with a bicameral system consisting of (i) the National Council, represented by MPs elected on basis of proportional representation, and (ii) the Federal Council delegated by provincial councils. The federal state structure consists of relatively strong centrally operating ministries (13 for the time being) and 9 “Länder” (i.e., states resp. provinces).

Public sector innovation in Austria has been influenced by new public management and good governance deliberations since around 20 years.

The Austrian federal government has not created a single dedicated administrative body for regulatory management across the different governance levels. In practice, authority for regulatory policy at the federal level is shared among the Federal Chancellery, the Ministry of Finance and the Court of Audit. The Federal Chancellery gives guidance on legal quality and quality of service implementation to other parts of the administration, but has no authority to set binding policy guidelines as the role of the Chancellor is *primus inter pares*. For example, although there is a procedural requirement for making impact assessments when preparing draft federal legislations, no oversight mechanism to ensure compliance with this requirement is in place (OECD 2011a).

The Ministry of Finance also plays a key role in regulatory management as it coordinates the budget reform initiative in Austria as well as the programme for the reduction of administrative burdens on business, which includes overseeing each federal ministry’s compliance with respective common standards. This is supported by the Court of Audit, which oversees that the guidelines for the calculation of administrative costs have been followed (OECD 2011a).

2. Perception of innovation in public administration

Enforcement of regulations and delivery of many services, however, is often a principal responsibility of the “Länder” (Tyrol, Styria etc.), which allows for differences in practice. In general, and despite some exceptions, the “Länder” – as well as for instance the Austrian Chambers (e.g. of Commerce) or the Social Insurance Administration - are perceived to be less pro-actively engaged in public sector innovation than the federal level and reform progress is often perceived as a matter of negotiation how public sector innovations, which have been developed at the federal level, can and should diffuse to the enforcement level. For instance, sub-central governments have resisted and delayed the implementation of the budget law reform in Austria introduced at federal level in 2009.

According to Fuentes et al. (2006) the scope for raising efficiency appears to be large in areas characterised by fragmented responsibilities between different levels of government and at sub-federal levels, which still holds true in Austria.

Discussions about public sector reform and the division of competencies between the different levels (federal, state [i.e. "Länder"] and community level) have a long tradition in Austria. Successive governments have taken initiatives over the past decades aimed at increasing transparency, efficiency and service quality. However, many key areas of the public sector have been highly resistant to reform. Regarding the division of competencies, which is considered to be overdue since long by many experts and a large share of citizens, no decision has so far been taken on issues involving a shift in power structures between the three levels of government (federal state, states, and communities).

Between May 2003 and July 2006 the Austrian Convention convened with the purpose of drafting the text of a new constitution ensuring forward-looking, cost-effective, transparent and citizen-oriented fulfilment of the state's responsibilities. The 1,200-page finale report points out that a consensus was reached only in some areas and that many issues remained unresolved, among them the division of powers between the federal government and the federal provinces ('states') (Federal Chancellery 2009).

The first official "public sector innovation programme" ("Verwaltungsinnovationsprogramm") in Austria was introduced at federal level in 1998, followed by several successor programmes until 2006 (Federal Chancellery 2006). Since then no further explicitly titled "public sector innovation programme" is in place, although pertinent other relevant initiatives commenced. Within the previous public sector innovation programmes several initiatives were successfully launched and concluded, like the police administration reform, the establishment of the Federal Procurement Office in 2011, e-Government services like "FinanzOnline" (for online tax collection services) or the introduction of the electronic record system in the public administration ("ELAK") etc. (Kallinger 2012).

In 2006 the Austrian Government launched another relevant public sector innovation initiative called "Reducing administrative burden for businesses" in order to reduce administrative burdens induced on Austrian businesses and in 2009 the Austrian Federal Government started an initiative for reducing administrative burdens for citizens, including a focused baseline measurement, accompanied by fast-track-actions in the areas of birth, marriage and death. Approx. 4,000 interviews have been conducted from September 2009 until February 2010.

On 1st January 2010, a one-stop-shop business service portal called 'Unternehmensserviceportal (USP)' ('Enterprise service portal') was launched by the Austrian Government (<http://www.usp.gv.at/>). The portal aims to serve as a single entry point to public authorities for businesses. By offering information

and transaction services, it intends to help businesses to fulfil their information obligations and to reduce their administrative burdens. From 2013 onwards, special emphasis was placed on interfaces to ERP-systems, streamlining administrative procedures and avoiding multiple reporting of the same information by enterprises; also regional and local e-Government applications shall be integrated.

Between 2007 and 2008 an “Administrative Quality Initiative” was launched by the state secretary for public administration reform in order to improve the quality of public administration through the provision of first-rate services (Kallinger 2008). The initiative’s main focus was on e-government, various reorganisation measures and a broader use of the so called “flexibility clause”, a budgetary instrument that enables selected government agencies to act more flexible and autonomous with the available budget and civil service framework. According to an evaluation of the Institute for Public Management of the Vienna University of Economics and Business Administration the flexibility clause proved to be successful, but the study also revealed a need for optimisation primarily with branches of administration that do not provide sufficient strategic guidance. Moreover binding agreements and performance indicators were yet to be formulated (Federal Chancellery 2009).

A working group “Verwaltung neu” (“new administration”) was introduced in 2009 which dealt with several policy fields such as education, pension system, science and research, efficiency of administration, deregulation etc. (Kallinger 2012). Sub-committees have been set-up to develop practical solutions. According to Fischer et al. (2011), progress in the working group has been slow and a lot of impetus has been lost in the preparatory committees, where diverse interests narrowed down the scope of discussions and reaching consensus has proven to be difficult.

The issue of public sector reform with emphasis on reducing administration costs and enhancing e-government has been re-confirmed by the former coalition in its government programme (2008-2013), but was only marginally featured compared to other policy fields (Austrian Government 2008). In the most recent government programme (2013-2018), one of eight chapters was dedicated to “State reform and democracy” (Austrian Government 2013). The main emphasis of the current period of governance in this field is (i) on the reform of federalism to reduce multiple competences, (ii) political participation and basic rights to foster direct democracy (including partial deactivation of the official secrecy [“Amtsgeheimnis”]), (iii) modernisation of state administration (including modernisation of the public service law; simplification and deregulation; creation of an office of the government with controlling tasks for outsourced legal entities and subsidiaries; public sector reform through enhanced e-Government; modern human resource management in public administration etc.).

3. Successful and less successful innovation examples

The Austrian federal government is currently taking steps to consolidate finances, including pursuing a balanced budget over the fiscal cycle; introducing structural reforms in the field of public administration, of which the impact-oriented budgeting framework is one of the most outstanding (see below). Growing fiscal constraints also led to increased attention on improving the efficiency of tax administration¹.

Budget reform

One of the most fundamental public sector innovations was the introduction of a 4-year fiscal framework as part of a comprehensive budget law reform, which improved the budgetary planning horizon. Since 2009 legally binding expenditure ceilings are in place for five main expenditure categories. The new framework also created saving incentives for line ministries by allowing the carry-over of unspent funds from one year to the next. However, the expenditure framework covers only about 40% of total general government outlays (Fischer et al. 2011).

One of the main instruments in place to govern fiscal relations in Austria is the Domestic Stability Pact, which sets annual deficit targets for the three levels of government (federal level, states and communities). These levels are also obliged to report newly created off-budget entities to the national statistical agency, thus increasing transparency. However, the effectiveness of the ceilings remains to be seen, because their level can be decided autonomously by individual governments. Sanctioning mechanisms in case of non-compliance with deficit targets have been reinforced recently.

With the adoption of the budget reform law in 2009, Austria has made a commendable first step away from the traditional input-orientation towards outcomes and results (“wirkungsorientierte Haushaltsführung” [‘impact-oriented budgeting’]). The traditional budget doctrine of being economical, thrifty, and useful was transformed into four principles to be applied as of 2013:

- a) outcome orientation
- b) efficiency
- c) transparency, and
- d) true and fair view (Steger 2010).

The budget reform does not only call for the definition of national targets that help to establish overall economic equilibrium and sustainable finances, but also enforces more equality between men and women through compulsory gender budgeting.

¹ The “*cost of collection ratio*”, which – if decreasing - could reflect greater efficiency in terms of lowered costs and/or improved tax compliance, has considerably increased in Austria between 2007 and 2009, which, however, was most likely caused by declining tax revenues following the crisis, since the total revenue body expenditure has decreased as well.

Performance budgeting is one of the main elements to be introduced in the second stage of the budget reform process scheduled for 2013. It is, however, questionable if the manifold aspirations towards a real cultural change in the public administration, which are somehow connected to the introduction of performance-oriented budgeting and administration can really be achieved in the short run. The stepwise introduction of performance budgeting caused also insecurity in the line ministries how to deal with the new requirements, which led to additional training demand. It seemed that in some ministries the initial concern was rather to secure maximum budgetary degrees of freedom, especially for the central sections (“Präsidialsektionen”) than to define performance-based budgets for dedicated fields of policy (Wirth 2010). The current challenge is to develop appropriate performance indicators and to establish a framework for using them in the budgeting process. A more fundamental challenge is to diffuse performance budgeting also at sub-federal levels of government, because fiscal relations between the federation and the states must ensure that incentives to deliver cost-efficient and effective public services exist at all administrative levels, especially because the sub-federal levels play an important role in the provision of services where the largest gaps in terms of quality and cost-efficiency are assumed (Fischer et al. 2011).

Common Assessment Framework

But governments are not only accountable for how much they spend on what, but also for what they achieve with a given amount of taxpayers’ money. This refers to cost-efficiency and quality. The latter is approached via several means in Austria. One of them is the use of the CAF (the Common Assessment Framework), a self-assessment tool that generates strengths and weaknesses of an administrative organisation and which points out development potentials. In Austria, the Federal Chancellery serves as coordination and information centre for CAF users. It is supported by the Centre for Public Administration Research (KDZ) by providing training and consulting as well as expert feedback. After 10 years of implementation (2000 – 2010) only few empirical results are available. At cut-off date March 2011 only 137 Austrian public sector institutions are registered, 25 out of which are tax or customs offices. The distribution among the three territorial authorities in Austria clearly shows that the CAF is only marginally used at the level of communities (except of Vienna) (Prorok 2011a). This seems particularly unsatisfactory, because the district administrative authorities (“Bezirkshauptmannschaften”) are primarily responsible for enforcement of federal laws. The range of services often shows large discrepancies in enforcement practices from one Austrian federal province to the next (Federal Chancellery 2009 and 2007).

Agencyfication

Between 2000 and 2008, Austria reduced government employment at a share of the labour force by 2.1 percentage points, to 11.4%, which is well below the OECD average of 15%. This reduction is the consequence of spin-offs in the healthcare sector in 2001 and staff reductions in the whole government. At the federal level, the highest number of staff has been reduced in the occupational group “administration”, whereas the number of staff has more or less remained the same in the areas of education and security. Between 2000 and 2009 outsourcing increased by using private non-profit actors to provide public goods and services (OECD 2011a).

In the field of R&D administration, outsourcing was accompanied by a strong tendency toward agencification, where agencies were created or redesigned by special public laws instead of procuring services and using resources from private (non-profit) suppliers. Employees in these new agencies are privately contracted without civil servants status. The most important R&D relevant agencies are the Austrian Research Promotion Agency (FFG), established in 2004, the Austrian Economic Service (AWS), the Austrian Science Fund (FWF) and the Austrian Agency for International Mobility and Cooperation in Education, Science and Research (OeAD GmbH). OeAD GmbH is the most recent establishment, founded in 2008 (although based on a successor institution), whereas the two agencies mentioned before are agencies already established several decades ago. While current strategic areas in HRM are mobility within the public sector (as well as personnel development), staff mobility between the ministries and the agencies is close to zero, which is different to Germany for example.

Transparency

The level of information transparency (open government data) in Austria is relatively high. Although not required by law, the government routinely publishes budget documents, audit reports and administrative data sets, similarly to most OECD countries. However, unlike the majority of OECD countries, the Austrian government does not have any requirements in place on publishing in open data formats. The main publication channels used by Austria are ministry or agency websites. Additionally, budget documents and laws are available on a central website: www.ris.bka.gv.at (OECD 2011a).

A politically debated public sector innovation in terms of increasing transparency in Austria was the introduction of a transparency database, which is based on a law in force since 1 January 2011. Its aim is to increase transparency of all benefits and services provided by the public sector to natural and legal persons; to reduce the interaction costs between citizens and benefit granting authorities; and to enhance the effectiveness of public transfers. Access to this database is under the current law only granted to the recipients of benefits, however the federal government can request aggregated and non-

personal data, which it could use for controlling and evaluation purposes. The transparency database is intended to provide a comprehensive list of all benefits including social security benefits, monetary transfers, subsidies, tax expenditures and benefits in-kind in order to enhance information availability and raise the awareness of the amount of public transfers (OECD 2011a). However, under the current law, only federal benefits are covered and for the database to include benefits from states and municipalities, separate laws on the states' level have to be enacted.

Simplification for businesses

In 2006 the Austrian Government launched the initiative "Reducing administrative burden for businesses"² to reduce administrative burdens induced on Austrian businesses in order to increase the attractiveness of Austria as a business location and create potential for future investments within the Austrian economy. Results of the baseline measurement completed in June 2007 have shown that the Austrian economy faced administrative burdens amounting to 4.3b Euros equalling 1.6% of the GNP. The areas tax law, employment and social insurance law as well as trade and commercial law caused the highest administrative burdens. In November 2007 the Austrian government set net reduction targets of 25% for each ministry, which in sum amounts to a reduction of more than 1b Euros for Austrian businesses.

The updated simplification plan under this initiative contained 165 reduction measures of all ministries concerned. Among them are the following examples³:

- Opportunity of electronic submission of the balance sheet to the local tax office
- Launch of the business service portal 'USP.gov.at'
- Simplification of statistical declarations (e.g. in the fields of R&D or transport and rail transport statistics)
- Adaption of analogous control to digital control systems of trucks
- Simplification of the motor vehicle registration certificate
- Implementation of electronically legal relations concerning the cadastral and commercial register
- Simplification of the award procedure in open tender procedures via "Eigenerklärungen" (i.e. declarations of the bidder)
- Modernisation and harmonization of commercial and fiscal accounting and reporting rules

The initiative was supported by all Federal Ministries, social partners, stakeholders and many other private and public agencies. All entrepreneurs have been invited to support the initiative by filling in a feedback-form.

² http://www.verwaltungskostensenken.at/English/_start.htm, accessed on 8 August 2012.

³ http://www.verwaltungskostensenken.at/English/Lessadministrativeb_95/Measures/_start.htm

An interesting example for simplification of businesses is the smart online form for the authorisation of industrial plants developed by the Office of the Government of Tyrol, which was also awarded with the Austrian Public Sector award in 2008. This internet-based application makes it possible to apply for complex authorisations conveniently, efficiently and cost-effectively, because the online form guides the users through the application process, explains terms, and ensures that all the necessary information has actually been supplied (Federal Chancellery 2009).

Simplification for citizens

Another successful initiative was to simplify bureaucratic procedures for citizens. In 2008, the Federal Chancellery together with the Centre for Public Administration Research undertook a study to determine how much time and effort is expended by citizens in several typical life situations (birth of a child, enrolment in primary school, marriage, single parents, people with disabilities and requiring care, pension and death). An initial overview revealed that Austrian citizens spent a total of 10m hours per year on bureaucratic procedures in these seven life situations. By inquiring into procedures and requirements, an administrative relief in the range of 3.8m hours or 30% was achieved for citizens.

e-Government

e-Government is quite successfully introduced in Austria. E-Government activities, including e-Signature and e-Identification for instance, are forwarded in Austria by the platform "Digital Austria" consisting of the federal state, states, communities and representatives of the economy. Digital Austria is hosted by the Federal Chancellery.⁴ Another interesting example for a successful eGovernment application which serves both citizens and companies is the digitalised cadastral register.

The government has put laws and policies in place to promote the use of digital signatures and electronic filing. According to OECD (2011) an innovative solution (co-financed by the EU) introduced in 2010 is the mobile phone signature which allows for easy-to-use qualified electronic signature⁵. States and municipalities also improved customer orientation by establishing one-stop-shops. Like most other OECD countries, Austria does not have a specific law or policy to administer public-private partnerships in the implementation of e-government projects. Regarding the EU wide benchmarking exercise about e-Government implemented by CapGemini, Austria belongs to the leading countries since 2006, with 100% achievements regarding the indicators "full online availability" and "service sophistication". Austria also belongs to the e-government forerunners regarding the indicator "starting up a company".

⁴ www.digitales.oesterreich.gv.at/site/5247/default.aspx accessed on 2 August 2012.

⁵ <http://www.handy-signatur.at>

According to the “*eGovernment Monitor 2011*” around 70% of internet users are already communicating online with government agencies in Austria.⁶

Compared to frontrunner ministries like the Federal Chancellery, the Ministry of Finance or the Ministry of Health, Family and Youth, the Austrian federal ministries in charge for RTDI in Austria were only little involved in e-government projects in the last decade⁷. Only the Austrian Federal Ministry of Science and Research had e-government projects directly targeting R&D in place, namely e-fellowship procedures, mobile inventory systems for Austria’s public universities, the introduction of SAP at all public universities, and the establishment of the uni:data database which provides a wealth of statistical information about higher education in Austria.

Other reforms in the public sector

In the health care sector, Austria, similar to other OECD countries, reduced the average length of stay for acute care (ALOS indicator) in hospitals close to one day (from 7.6 to 6.8 days) between 2000 and 2008. Over time, reductions in the ALOS could reflect efficiency gains, as it could signal that hospitals are expanding early discharge programmes, shifting to day-case surgery for suitable procedures, utilizing less invasive procedures, and/or improving pre-admission assessments, all of which can help to reduce costs (OECD 2011a). International benchmarking of public expenditure efficiency, however, suggests that Austria is among the less efficient countries in terms of value for money from health spending (European Commission 2008), which partly relates to the complexity of governance based on the fragmentation of decision making and financing between the different levels of government in Austria.

One of the most significant reforms in the public sector was undertaken in the area of security police between April 2003 and June 2005, when several previously separated police units were merged into one law enforcement body (Fischer et al. 2011).

Failed reforms can be observed in the field of education, where Austria is close to international norms in terms of educational attainment but commits an above-average amount of resources. Potential efficiency gains, which could be achieved by institutional reforms in this sector, were and are often opposed by a strong teachers union. This became clearly apparent when the minister of education wanted to increase the number of effective teaching hours in schools by 2 hours per week, without extension of the total number of working hours, which was heavily resisted by the union. On the other hand, in this sector also some organisational innovations were introduced, like the new secondary school (“neue Mittelschule”), which, despite a lot of criticism, indicates a gradual shift away from a decade long reform still stand in this policy area.

⁶ <http://www.digitales.oesterreich.gv.at> accessed on 1 August 2012.

⁷ <http://www.digiatales.oesterreich.gv.at/site/5250/default.aspx>

Another failed innovation was the early retirement scheme for long-term contributors to the pension system (“Hacklerregelung”), which should benefit persons with a long contribution history, especially blue-collar workers, granting entitlement to undiscounted pension benefits from 60/55 years for men/women subject to 45/40 contribution years (40/40 contribution years in the public sector). Unfortunately, this scheme became particularly popular among public sector employees (teachers, administrators without tertiary education) as a way into early retirement, which poses a heavy toll on the economy and the sustainability of the social system, since an extension of work careers would not only curb age-related spending, but also raise economic growth and generate higher tax revenues (Fischer et al 2011).

In the field of social policy the most outstanding reform of the last couple of years was the introduction of the needs-based basic income scheme (“Mindestsicherung”) in September 2010, replacing the former social assistance procedures, which differed significantly between states as regards eligibility conditions and payment rates. Moreover, the new scheme contributed to stronger linkages between the social sector and the labour market services.

In the field of life-long learning the educational leave scheme (“Bildungskarenz”) has been introduced as response to counterbalance crisis-induced effects to potentially labour force lay-offs. It enables employees, with consent of the employer, to go on educational leave for up to 1 year. In other words: instead of firing employees, employers can encourage employees to undergo external training and education, which is not paid by the company, whereas the state pays up to 55% of the previous net earnings of the employee (which corresponds to the level of unemployment insurance benefits). This scheme is rather a social than a public sector innovation, since it does not target public sector employees.

4. Potential for administrative innovations

About 22.5% of the economy was devoted to producing public goods and services in 2009 which is slightly below OECD average. More than in most other OECD countries, social protection programmes consume the largest share of government spending, followed by health. In comparison, Austria devotes a relatively smaller proportion of resources to education, reflecting that only 15% of the population is school-aged (OECD average: 17.5%) (OECD 2011a). Efficiency-raising reforms in key spending areas such as pensions and other social expenditures, health and education are perceived to be highly needed to reduce spending and ensure the provision of high-quality public services at lower cost (Fischer et al. 2012).

Achieving greater transparency in public procurement is perceived as important; especially given that Austria spent an estimated 11% of GDP on procurement in 2008. Like in a few other OECD countries only, Austria does not have a central procurement website. Instead, most public procurement information is published on the contracting entity's website and also in printed and electronic journals (OECD 2011a). A trend toward more centralisation is, however, apparent, which is characterised through the services of the Federal Procurement Office ("Bundesbeschaffungsgesellschaft"), which operates at the federal level mainly to procure goods and services directly for the federal level. A positive example of a public sector innovation in Austria in the field of public procurement is the "*green procurement initiative*" of ÖkoKauf Wien, which organises the sustainable public procurement across the entire administration of the City of Vienna⁸. It also won the European Public Sector Award.

Currently, Austria does not publish information on the justification for awarding a contract to a selected contractor nor does it allow tracking of public procurement spending as done in many other OECD countries. Due to recent changes in the Federal Procurement law, Austria is planning to introduce 10 central procurement websites (1 for the Federation and 9 for the "Länder") to have a single access-point for each region (OECD 2011a).

On contrary to the general high level of information transparency, participatory processes aiming to include citizens into awareness-raising and decision-making are less developed in Austria (Prorok 2012 and 2011). Since a few years the domain of Science and Technology (S&T) policy is aiming to test and to implement more participative approaches. This is most evidently expressed by web-based public consultation processes. The Austrian Council for RTD, but also the responsible ERA unit in the Austrian Federal Ministry of Science and Research⁹ are frontrunners in this respect. Public consultations on Austria's position toward and in ERA are repeatedly implemented at the "*era.gv.at*" website, which is operated by the Centre for Social Innovation on behalf of the ministry. The Austrian Council for RTD even received a best-practice certificate (EPSA 2001 Award) for its sophisticated and user-friendly online consultation regarding the development of its 'RTDI Strategy 2020'¹⁰. A more traditional participatory approach (which also included promotional aspects) was the so-called "Research Dialogue" implemented by the science ministry in 2008, although it also disposed some online dialogue and reach-out formats. In order to support public participation processes in Austria standards have been developed, which were adopted by the Council of Ministers in 2010 and supplemented by a practical guideline in 2011.

⁸ www.oekokauf.wien.at accessed on 8 August 2012.

⁹ Since 2014 „Austrian Federal Ministry of Science, Research and Economy“

¹⁰ <http://www.forschungsstrategie.at>

A policy area with high potentials, which are far from being realised, is the labour market policy, especially with regard to older workers and low-skilled and migrant workers. This is also a genuine issue in the public sector, because the demographic structure is more stressed in this sector than in the rest of the economy. The percentage of “employees 45 years of age and older” rose from 35.1% to 50.2% in the period from 1995 to 2007 due to reduced hiring, among other factors. In order to avoid personnel shortages in future, targeted human resource management measures need to be strengthened. The public salary scheme is also a barrier, because it is highly task and workplace-oriented and prevents a flexible allocation of human resources to new tasks/workplaces¹¹.

Another arena for potential innovations would be that of life-long learning, where the age gap in training is particularly large, because older Austrians are less likely to take part in training compared to their younger colleagues (OECD 2011b).

A huge potential for public sector innovation within the administration lies in aligning processes between ministries and between the federal level and the other levels of territorial authority.

5. Stimuli for administrative innovation

The Austrian Public Sector Award is often perceived as major stimulus to forward public sector innovation in Austria, but also pro-active human resource development management (e.g. ‘*ideas management*’) is regarded as a key to increase intrinsic motivation and responsibility of employees in public administration to improve the quality and efficiency of their services.

The Austrian Public Sector Award, sponsored by the Federal Chancellery pays tribute to outstanding achievements, innovative developments and successful modernisation processes in public administration. The Award is differentiated into 5 categories¹²:

- a) targeted application of modern governance instruments
- b) innovative participation and cooperation
- c) gender, diversity and integration management – potentials for tomorrow’s administration
- d) future-oriented workplace design taking demographic change into account
- e) small is beautiful: projects of communities with less than 3000 inhabitants as well as low-budget-projects.

It was also mentioned, that more freely available funds for supporting PSI would be helpful in order to kick-off new ideas and to run some tests and experiments.

¹¹ This is an issue which the running government wants to tackle (see Austrian Government 2013).

¹² <http://www.bka.gv.at/site/7223/default.aspx> accessed on 28 July 2012.

Interviews partners

1. Mr. Michael Kallinger, Head of Unit “Public Sector Innovation”, Federal Chancellery
2. Mr Clemens Mungenast, Head of Unit “Reducing administration costs for enterprises”, Federal Ministry of Finance
3. Mr. Thomas Prorok, Deputy Managing Director of KDZ – Centre for Public Administration Research
4. Ms. Anette Scoppetta, Head of the Austrian Coordination Office of the Austrian Territorial Employment Pacts
5. Mr. Matthias Tschirf, Director General “Enterprises”, Federal Ministry of Economy, Family and Youth

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