I. What is Good Governance

1. Introduction

In democratic or democratizing systems government exists to fulfil functions such as maintaining security, providing public services and ensuring equal treatment under the law. The specific nature of these functions may vary over the time but in western systems it forms a kind of “contract” between government and citizens. This “contract” exists in different levels, as the constitution defines the principles of the contract, national and sub-national laws and regulations provide a more specific framework and the contract becomes more than less operational at the local level. Therefore citizens participate in government to define the contract, to manage and monitor it.

In practise Good Governance means favourable political framework conditions for social, ecological and market oriented development as well as responsible use of political power and public resources by the state. This includes the process in which public institutions conduct public affairs, manage public resources and guarantee the realization of human rights. Good Governance accomplishes this free of abuse and corruption and with due regard for the rule of law. The really question lies in the possibility of the institutions of Governance to guarantee effectively the right of health, adequate housing, sufficient food, quality education, fair justice and personal security.

2. Definition

The concept of “Governance” has been applied to the processes through which the public decisions are made. So in example Landell-Mills and Serageldin have defined Governance as “... the use of political authority and exercise of control over a society and the management of resources for social and economic development” [Landell-Mills/Serageldin, p 3].

This definition emphasizes the political nature and the management aspect of Governance but it does not define the nature of relationship between the authorities and the public. Another definition is offered by Charlick for the USAID Africa Bureau Democracy and Governance program, as Governance is “… the effective management of public affairs through the generation of a regime which set rules, accepted as legitimate for the purpose of promoting and enhancing societal values sought by individuals and groups” [Charlick, p 3].

The definition of Charlick provides a more normative dimension to the concept in terms of the outcomes of the process and the nature of the relationship between “power holders” and the “rest of society”. It is also spoken about the quality of the management process. All in all these definitions are reflected in the following characteristics which many observers attribute “Good Governance”.

The Cotonou Partnership Agreement defines Good Governance as “The transparent and accountable management of human, natural, economic and financial resources for the purposes of equitable and sustainable development, in the context of a political and institutional environment that upholds human rights, democratic principles and the rule of law” [Cotonou Partnership Agreement Art 9.3].

Other definitions range between social and political concerns and those of a more technical economic nature. An overview of donors’ definitions illustrates these different perspectives well:

- Technical dimension: “economic aspect of governance, namely the transparency of government accounts, the effectiveness of public resources management, and the stability of the regulatory environment for private sector activity” (IMF);
- Social dimension: “to build, strengthen and promote democratic institutions as well as tolerance throughout society” (OSCE);
- Political dimension: “the legitimacy of government, the accountability of the political elements of government and respect of human rights and the rule of law” (OECD).
3. Characteristics

Concerning to the definition above one has to distinguish different characteristics of Good Governance as there are in example openness, participation, legitimacy, transparency, effectiveness, efficiency, accountability, availability, predictability or coherence [see OECD, Managing, p 60 ff; Wimmer, p 310, COM(2001) 428 final].

a) Openness

Openness means that the decision-making institutions should work in an open manner. Concerning to the EU the institutions should actively communicate together with the member states about what the EU does and which decisions it takes. The institutions should use a language which is accessible and understandable for the general public because this is of importance in order to improve the confidence in complex institutions.

b) Participation

Participation refers to the involvement of citizens in the development process. Beneficiaries and groups affected by a project need to participate that the government is able to make informed choices with respect to their needs and social groups can protect their rights.

Participation in governments can be promoted by improving interface between the public and private sectors, empowering local government by letting it take ownership of a project or using NGOs as vehicles for mobilizing and reaching project beneficiaries. Improved participation is likely to create more confidence in the end result and in the institutions which deliver policies. Therefore participation depends on central governments following an inclusive approach when developing and implementing (EU)policies.

Participatory democracy is a process emphasizing the broad participation (decision making) of constituents in the direction and operation of political systems. While etymological roots imply that any democracy would rely on the participation of its citizens, traditional representative democracies tend to limit citizen participation to voting, leaving actual Governance to politicians. That means participatory democracy strives to create opportunities for all members of a political group to make meaningful contributions to decision-making, and seeks to broaden the range of people who have access to such opportunities.

c) Legitimacy

Legitimacy is a measure of the political acceptability or perceived fairness of an assessment to a user. A legitimate assessment process is one which has been conducted in a manner which allows users to be satisfied that their interests have been taken into account and that the process has been a fair one.

In other words legitimacy means the public’s acceptance of the authority of those in power, therefore the existence of a sanctioned set of rules, processes and procedures. The participants must believe that their interests, concerns, views and perspectives were included and given appropriate weight and consideration.

d) Transparency

Transparency is an important principle of Good Governance and refers to the availability of information to the general public and clarity about government rules, regulations and decisions. It can be strengthened through the citizens’ right to information with a degree of legal enforceability. Transparency in government decision-making and public policy implementation reduces uncertainty and may help inhibit corruption among public officials.

This implies that stakeholders are answerable to those whom they represent on the fulfilment of their obligations, and that they undertake to inform and consult their constituencies at regular intervals. This will require clearly delineated tasks and responsibilities, effective flows of information and mechanisms ensuring that decisions and sanctions are enforced. In terms of the quality of public services, the principle of transparency underpins the need for regulations to be as clear, straightforward and accessible as possible in their drafting, promulgation, codification and dissemination. Transparency of regulations is also important to the performance of the economy, last but not least because it guards against special interests gaining undue influence in markets. It generates greater trust on the part of consumers. It assures and satisfies investors that there is a level playing field and encourages new entrants to sectors.

e) Effectiveness and Efficiency

Policies have to be effective delivering what is needed on the basis of clear objectives, an evaluation of future impact and – in case of availability – of past experience. Effectiveness moreover depends on implementing policies in a proportionate manner and on taking decisions at the most appropriate level. The management of effectiveness includes particularly a technical dimension because effectiveness concerns the ability of public bureaucracies to skilfully and efficiently transform public resources into services and infrastructure which correspond to publicly determined priorities. Performance orientation and transparent procedures are key facts of effective public management. Effective regulation requires clear, achievable objectives and ensuring that these policy goals remain to the fore throughout the regulatory process. An objective-led approach to regulation places greater emphasis on performance and outcomes. However, the assumptions underlying the stated objective must also be clear. These are the important events, conditions or decisions outside the regulation that must nevertheless prevail for the objective to be attained.
Further an associated element of regulatory effectiveness is the need to minimise unintended outcomes. That means avoiding the creation of unnecessary barriers which can frustrate and inhibit innovation, repress economic activity by reducing entry and exit to particular sectors and markets. Therefore effectiveness is also ensuring that regulations are precise, not only in identifying the right targets, but also in confining the extent of their impact. In fact that means doing the right things in the right way. This raises the question of downstream enforcement and compliance with regulations. This is often inadequately considered in terms of identifying acceptable and unacceptable levels of compliance, the range of enforcement options available and the likely costs involved. These aspects are important because they will ultimately determine whether or not regulations are observed.

d) Accountability and Availability

Roles in the legislative and executive processes need to be clearer. Each institution has to explain and take responsibility for what it does – especially EU institutions in Europe. But there is also a need for greater clarity and responsibility from member states and all those involved in developing and implementing European policy at levels whatever. Furthermore accountability is assured by the process for selecting power holders and by the procedures by which public decision-making processes and the results they produce are held up to public scrutiny and feedback.

Accountability is fundamental because of the complexity of the regulatory process and the range of participants involved. The concept of a regulatory chain is often used to describe the regulatory process and it is critically important that the links in that chain - from originator to regulated party - are clearly defined. Regulatory accountability means having clarity and certainty about the roles of: those originating regulation; those who must enforce or otherwise achieve compliance; the regulated parties; those charged with adjudicating on appeals; and those reviewing and evaluating. Integrating the tiers of accountability while regulations are being designed is important.

Of particular importance is the question of fair, open, efficient and effective appeals procedures. Increasingly, this aspect of accountability has informed developments within the public service, for example, through initiatives to improve customer service and through the work of the Ombudsman. There is a need to ensure that this concept is replicated and expanded within the regulatory framework, including sectored regulatory areas. In practice accountability means that decision-makers in government, the private sector and civil society organizations are accountable to the public, as well as to institutional stakeholders.

Concerning to these aspects availability of information includes that information flow is the currency of all linkages between civil society and government. It permits the public to judge the effectiveness of those in power and their bureaucracies. The public ability to participate and to hold those in power accountable depends on the availability of information about laws, procedures and results.

g) Predictability

One country’s legal basis has to be conductive by development. A government must be able to regulate itself per laws, regulations and policies which encompass well defined rights and duties, mechanisms for their enforcement and impartial settlement of disputes. Therefore predictability means the fair and consistent application of these laws and implementation of government policies.

h) Coherence

Policies and action have to be coherent and easily understood. The need for coherence in the European Union is increasing because the range of tasks has grown, the enlargement will increase diversity and challenges such as climate and demographic change cross the boundaries of the sectored policies on which the Union has been built, regional and local authorities are increasingly involved in the EU’s policies. As a result coherence requires political leadership and a strong responsibility on the part of the institutions to ensure a consistent approach within a complex system.

4. Interlinks among the characteristics of Governance

Conceptually the characteristics indicated above tend to be mutually supportive and reinforcing. Accountability often is related to participation and is besides the safeguard of predictability and transparency. In the absence of accountability to affected groups predictable decision-making of autonomous government agencies may result in the latter placing agency interests above those of the former. Also transparency and information openness can not be assured without legal frameworks which balance the right to disclosure against the right of confidentiality and without institutions which accept accountability. Furthermore predictability in the functioning legal framework would be helpful for ensuring the accountability of public institutions. Also predictability requires transparency because without information about how similarly placed individuals have been treated it may be difficult to ensure adherence to the rule of equality before the law. Finally a transparent system facilitates governmental accountability, participation and predictability of outcomes.

II. Governance and sustainability

Sustainability cannot be achieved without Good Governance. With growing tensions over globalisation and regionalisation, traditional systems of regulation are being subjected to growing pressure for reform. While states will
continue to play a significant, if changed, role in the future, the importance of players from business and civil society is increasing. **Sustainable development** requires this change. Such an intra- and intergenerational concept cannot be achieved with a top-down approach, but rather needs the participation of all. Therefore in fact the **Governance of sustainable development requires the exploration of new forms of both social co-operation and confrontation.** By doing so the different levels such as global and local, players such as the state, company and civil society, control structures as hierarchy, market and public-private and fields of action need to be taken into consideration.

III. Methods of Good Governance

1. Generalities

In practice there exist different methods of Good Governance such as **Public Administration Reform (PAR), Public Private Partnership (PPP), New Public Management (NPM)** including systems such as Management by Objectives, Management by Exception, Management by Delegation and Management by System or **E-Government.** Referring to the topic the following aspects are concentrated to E-Government.

2. Governance and E-Government

**E-Government supports the E-Governance procedures.** That means E-Government applies to governmental procedures especially Public Administration in electronic form. Therefore **E-Government is part of E-Governance** as one can see in the following graphic.

![E-Government and Governance](image)

IV. E-Government

1. Introduction

Modern Information and Communication Technologies (ICT) allow Public Administration to provide new **electronic services** on the internet. Therefore it is no longer necessary to make one’s way to an office. The services offered are available electronically, irrespective of time or place. It is important to bear in mind that administrative matters can, but need not, be dealt with on the internet. These services – called **E-Government** - are offered as an **alternative,** but are not compulsory. The traditional office continues to be open to all those who prefer personal contact with the authorities or who are not yet familiar with the new technologies.

These developments and changes of Public Administration affect not only Austria but all member states of the European Union and beyond many countries all over the world. E-Government can be used 24 hours a day. A number of Austrian administrative procedures can already be conducted entirely on the internet. **Sustainability, security and data protection** are of fundamental importance [Bogumil/Kiessler, Bundschuh-Rieseneder, Gisler/Spahni, Plökkinger/Duursma/Mayrhofer].

2. The conception of E-Government

a) Requirements

A successful system of E-Government is based on **three fundamental pillars:** A **clear legal framework** which can be understood easily and thus can become part of public awareness from the very beginning. **Secure** and thus **sustainable systems** and services as a precondition for nationwide implementation and increase of confidence of citizens in electronic administration services and the use of sustainable technology on the basis of **open standards** and **defined interfaces** in order to ensure continuous adaptation to new technology [Bundeskanzleramt, Administration, p 6].

b) Definition, principles and benefits

aa) **Definition**

Many attempts have been made to define E-Government. Summing them up one can say that at EU-level E-Government is defined as „the use of information and communication technologies in Public Administration combined with organisational change and new skills in order to improve public services and democratic processes and strengthen support to public policies“ [COM (2003) 567 final; http://europa.eu.int/information_society/eeurope/2005/index_en.htm]. This is also valid for E-Government in Austria.

bb) **Principles**

E-Government in Austria is based on some important **principles** [Bundeskanzleramt, Administration, p 24 ff], such as **Proximity to citizens:** The administration must be at the service of citizens and not vice versa. **Convenience through efficiency:** Citizens expect greater convenience from online procedures, ie no need to go to an office, no restrictive office hours, no waiting, not being sent from one authority to the next. In order to meet these expectations, Public Administration must optimise
processes by automating them.

**Confidence and security:** The electronic contact with Public Administration must be just as secure as the classic visit to an office. Therefore, in the electronic world the identification and authentication of persons is ensured by sector specific personal identifiers and the electronic signature (see below the explanations to the Citizen Card). The secure exchange of information and transfer of data is guaranteed by defined security standards.

**Accessibility:** Services provided by public authorities must be available to anyone without discrimination. This also applies to the new electronic administration. E-Government is to be available to all social classes and groups and technical and social barriers must be abolished.

**Usability:** The range of electronic services offered has to be structured in an easily comprehensible and clear manner. A standard layout for forms and portal structure facilitates clarity and usability.

**Data protection:** Citizens place a high degree of confidence in the Austrian administration with regard to data protection. The use of new technologies in administration allows that confidence to be extended to electronic administrative systems also. The use of the electronic signature for the purpose of authenticating persons and of encryption mechanisms guarantees that the current high standard of data protection is maintained. Sector specific personal identifiers, the mechanism developed specially for the purpose of identification conforming to data protection standards ensures that, as has been the case to this day, only authorised persons within the administration can obtain access to personal data.

**Sustainability:** The modular structure facilitates change management, which permits continuous further development. Open E-Government contributes to improve competitiveness and thus to safeguard the Austrian position as a location for business. In this regard the strategic coordination of the use of new technologies within the administration is of fundamental importance.

**cc) Benefits**

Public administration procedures supported by ICT **achieve savings** and **improve quality and time management.** There are many **rewards** of E-Government such as

- **eliminating** waste, unnecessary management and inefficient processes,
- **producing** significant reductions in cost and time cycles,
- **Enabling** improvements as there are faster, less bureaucratic administration procedures.

The following **transitions** are taking place such as the **transition from paper** driven to electronic based, **from hierarchical to networked**, from control oriented to benchmark oriented procedures, from slow response to prompt response, from business as usual to **routinely improving** or from **information-limited to information-unlimited** environment.

### 3. European Framework Directives

The European legislative framework includes many **Directives** and **Regulations** concerning E-Government and its procedures. Therefore it is not possible to mention more than the most important Directives in this contribution, as there are

- **Directive 1995/46/EC on the protection of Individuals with regard to the processing of personal data**, OJ 1995 L 281, pp 31-50, as amended by Regulation 1882/2003/EC (replacement of article 31), regulating the protection of the fundamental rights and freedoms of natural persons, in particular their right to privacy with respect to the processing of personal data,
- **Directive 1999/93/EC on a Community framework for electronic signatures**, OJ 2000 L 13, pp 12-20. Its purpose is to facilitate the use of electronic signatures and to contribute to their legal recognition. Therefore it establishes a legal framework for these signatures and certain certification services in order to ensure the proper functioning,
- **Directive 2000/31/EC on electronic commerce**, OJ 2000 L 178 pp 1-16 which seeks to contribute to the proper functioning of the internal market by ensuring the free movement of information society services between the Member States and suggests certain national provisions on information society services relating to the internal market, the establishment of service providers, commercial communications, electronic contracts, the liability of intermediaries or out of court dispute settlements, and the
4. Austrian E-Government legislation

a) Generalities

Austria is developing a nationwide and uniform E-Government. Security and data protection are the top priorities of this development. Therefore, the main legal basis contains the E-Government Act, the Federal Electronic Signature Law, the Federal Act on the Service of Documents, the Data Protection Act 2000 and the E-Commerce Act. In addition, many other Austrian acts imply E-Government regulations, for example the Code of Civil Procedure. The following is intended to explain the main legal basis mentioned above  ([Bundschuh-Rieseneder, p 95 ff]).

b) E-Government Act

The E-Government Act (BGBl I 2004/10 as amended on BGBl I 2008/7) serves as the legal basis for the instruments used to provide a system of E-Government and for closer cooperation between all authorities providing E-Government services. The new mechanisms - such as electronic signature for authentication, source PIN, sector-specific personal identifiers for identification or electronic service of documents - may also be used by the private sector. The most important principles, as defined in the act, are freedom of choice between means of communication for submissions to the Public Administration, security for the purpose of improving legal protection by creating appropriate technical means such as the Citizen Card, unhindered access to information and services provided by the Public Administration for people with special needs by the end of 2007 by the way of compliance with international standards governing web accessibility.

The Citizen Card enables citizens registered in the central register the use of electronic offers from governmental sector, ie application forms for birth, marriage, passport, driving license etc, which one has to fill in, sign and send it in an electronic way. That means, the Citizen Card holds on its chip the electronic identity for identification and the electronic signature for authentication from any resident using this ‘function’ of credit cards, maestro or health cards, mobile phones or USB sticks. This function costs a small fee, just the usage of the health card is offered for free and all cards have to be activated by the citizens. The service with mobile phones is too expensive and therefore not available for the moment in Austria.

The E-Government Act has been complemented by the Administrative Signature Regulation (BGBl II 2004/159), the Sector Classification Regulation (BGBl II 2004/289), the Source Pin Register Regulation (BGBl II 2005/57) and the Supplementary Register Regulation (BGBl II 2005/241), each of which defines in more detail some provisions of the E-Government Act and facilitates its implementation.

c) Federal Electronic Signature Law

The Electronic Signature Act (BGBl I 1999/190 as amended on BGBl I 2008/59) came into force on January 1st 2000 and made Austria the first EU member state to implement the Directive 99/93/EC (see above) on a Community framework for electronic signatures. The Act contains the legal framework governing the creation and use of electronic signatures and the provision of signature and certification services. Further it legally recognizes electronic signatures [Bundeskanzleramt, Administration, p 101 ff; Bundschuh-Rieseneder, p 100 ff] satisfying certain security requirements and provides some evidential value to less secure electronic signatures. It is complemented by the Electronic Signature Regulation (BGBl II 2008/3). The conditions for the use of electronic signatures on the public sector, as well as for the use of Citizen Cards and Sector Specific Personal Identifiers are regulated by the E-Government Act.

d) Federal Act on the Service of Official Documents

The Delivery Act (BGBl I 1998/200 as amended BGBl I 2008/5) lays down rules for the service of documents, their depositing, substitute delivery, direct delivery or electronic delivery service which was launched in 2004 by the Austrian Government and enables administrative procedures to be conducted by citizens from the application stage to delivery via internet. Citizens who wish to have documents served electronically can register with a delivery agent using their Citizen Card. Then they receive administrative documents via that delivery agent. Preconditions for authorised delivery agents are laid down in the Delivery Agent Regulation (BGBl II 2005/233 as amended BGBl II 2008/354). Therefore the Delivery Act allows Public Administrations and citizens to exchange messages with the guarantee that messages are effectively sent and received. In order to subscribe to the service any user needs an electronic signature.

Moreover the document can be sent in encrypted form and only the holder of the decryption key can the decrypt it. The system is compatible with the Citizen Card and is meant to gradually replace all paper based notifications from public authorities to citizens.

e) The Data Protection Act 2000

By implementing the Directive on Data Protection (see above) the Austrian Data Protection Act 2000 (BGBl I 1999/165 as amended on BGBl I 2008/2) provides for a fundamental right of privacy with respect to processing of personal data which entails the right to information, rectification of incorrect data and erasure of unlawfully processed data. It regulates the preconditions for the lawful use and transfer of data including mandatory notification and registration obligations with the Data Protection Commission. Finally it provides for judicial remedy in case of breach of its provisions and lays down the respective procedures before the Data Protection Commission and civil courts as well as penal and administrative sanctions for
its infringement.

f) The E-Commerce Act

The E-Commerce Act (BGBl I 2001/152) implements the Directive 2000/31/EC on electronic commerce (see above). The Act deals with certain aspects of information society services, ie commercial online-services. According to the Act, such information society services are for example online-distribution, online-information, online-advertisement, access services or search engines. Therefore the Act is applicable to virtually all services provided on the internet. It sets the principles of freedom of service provision (The provision of information services does not require specific licences or permissions) and of country of origin (Service providers merely have to satisfy the legal requirements for the provision of those services of their home country, ie the country in which the providers conduct their business operation) and provides for certain information obligations of providers of information society services for the benefit of their (potential) customers.

5. Examples for E-Government Infrastructure

a) Electronic File System

The Electronic File System was introduced in order to replace paper based filing and archiving in all Austrian ministries. An electronic file is created for every written request requiring an answer and every internal work of possible further interest. Therefore, every procedure can be audited anytime by viewing the file. This system at federal level means that many procedures can be conducted faster. Thereby reaction and processing time can be reduced. Several provincial administrations in Austria have also introduced similar electronic file systems.

b) Electronic Delivery System

As mentioned above the electronic delivery system was launched in 2004 by the Austrian Government. Citizens can conduct administrative procedures from the application stage to delivery via internet. Therefore they can register in form of a contract with a delivery agent using their Citizen Card. Then they receive administrative documents via that delivery agent. Without any contract between the citizen and an authorized agent documents are delivered in the conventional way.

c) One stop shop

The reform of administrative structures in order to improve efficiency as well as performance and citizen orientation is the overall goal of the above mentioned initiatives. In particular the reform under the title “One stop shop” [Gisler/Spahni, p 174 f; Wimmer, p 406] tries to improve the access of the citizens to the decision making units of Public Administration. That means, instead of the existing “labyrinth of competences”, citizens have to get in touch with only one public authority on local level, the “Bezirksverwaltungsbörde”. This authority has to coordinate all permanent permissions for a project which has been applied by a citizen. Thus, the principle of „one-stop-shop“ means a concentration of several procedures according to the diverse subject matters to one common procedure. The one-stop-shop saves time and money of Public Administration and the applicant. He is not confronted with several decisions of several authorities anymore but with one competent civil servant and has the possibility to use E-Government offers for applications and for the delivery of official documents.

d) Help.gv.at

Help.gv.at is an internet portal designed to guide Austrian citizens through administrative procedures. Citizens shall be able to prepare and complete these procedures quickly and without difficulties. Therefore help.gv.at provides citizens and residents with a single point of entry to detailed information about public services and administrative procedures, organized around approximately 200 life events or situations, like birth, marriage or passports. An online forum enables the user to submit enquiries or suggestions, to download official administrative forms and to conduct an increasing number of procedures online. A special service is provided for some specific groups – ie foreigners living and working in Austria or people with disabilities – too. Help.gv.at is continuously developed further into a transactional portal interconnected with regional and local government systems and was awarded for the best barrier free German language information portal in 2006.

V. Concluding remarks

E-Government gives rise to a new kind of relationship between citizens and the public authorities. New means of communication and technologies offer free and open access to the virtual world of public institutions to their users. Therefore E-Government gives citizens the chance to participate directly in opinion forming and decision making processes which is very important for the realization of Good Governance. Good Governance consists of a mixture of many procedures and measures. These measures concern to the relations of the government with civil society, its influences on the government and different management methods up to the developments in E-Government. In future the virtual world will make it easier to involve citizens in legislative processes at an early stage. Austria was one of the first EU member states to adopt comprehensive legislation on E-Government. As security and trust are critical factors in E-Government and E-Commerce, Austria uses the same standards and tools for both areas, ie citizen card function, electronic signature and electronic payment. This is a major contribution to securing the Austrian position as a business location. In the annual benchmarking of 20 basic E-Government services Austria moved up to a leading position, improving its

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