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# MC-eGov: Study on Multi-channel Delivery Strategies and Sustainable Business Models for Public Services addressing Socially Disadvantaged Groups

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**Think Paper 4: Spaces of inclusive eGovernment – citizens, geography, and governance**

**Neil McDonald**

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ECOTEC Research and Consulting Ltd  
Priestley House  
12-26 Albert Street  
Birmingham B4 7UD  
UK

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## 1.0 INTRODUCTION

This Think Paper is one of a series produced as part of the study on multichannel strategies and sustainable business models addressing disadvantaged groups (the MC-eGov Study) funded by the eGovernment Unit of the European Commission. This particular paper considers spatial aspects of inclusive eGovernment, including:

- The extent to which disadvantage is area-based, and how this influences the nature and impact on interventions.
- The impact of current trends in localisation, decentralisation and regionalisation on the delivery of services to disadvantaged groups.
- Specific implications of trends towards shared services in municipal service delivery.

Many of the dimensions outlined above are contextual, and offer a positive opportunity to make progress towards inclusive eGovernment (for example where sharing of services removes boundaries and results in more joined-up services, or where de-centralisation provides for greater inputs from citizens in terms of service design and preferences). The background development of ever more detailed and sophisticated (especially geographical) data on poverty and exclusion should facilitate more targeted and effective interventions and hence policy outcomes.

Equally, it may be argued that some of the trends mentioned above have the potential to create barriers to some of the desired outcomes for re-engineered public services. So for example increased de-centralisation or localisation can result in adverse impacts (e.g. local people wanting homeless shelters closed down, a form of NIMBYism<sup>1</sup> or cases where people have to prove a "local connection" to access services). In some cases, strengthening local control can lead to denial of services or the diminution of traditional "communitarian" ways of thinking (e.g. where if the citizens of a particular municipality have paid for a new leisure centre then citizens from other administrative areas should pay more if they want to use the facilities).

The question also arises: is local identity more important for disadvantaged groups than it is for the majority population? Another interesting issue is how the introduction of discretionary (as opposed to statutory) services affects disadvantaged groups in a situation where local authorities are given the power to promote or improve the economic and social well being of a certain area; and how these authorities make decisions on charging policies and how the views of residents are taken into account (participatory governance)<sup>2</sup>. In a similar vein, how does the use of Service Level Agreements (SLAs) affect disadvantaged groups and what incentives or drivers are in place to provide extra or better services for these groups? In particular, how do participative approaches on the part of public administrations (often geographically based) help or hinder the particular interests or needs of disadvantaged groups?

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<sup>1</sup> Not In My Back Yard

<sup>2</sup> See for example <http://www.communities.gov.uk/publications/localgovernment/localgovernmentservice>

## 2.0 THE LANDSCAPE OF DISADVANTAGE

What is the role of geography in disadvantage, what localised policy responses are being adopted, how do these effect excluded groups, how does digital exclusion link with the wider policy agenda and what examples are there of innovative thinking?

### 2.1 Mapping disadvantage

Location and disadvantage are intimately linked. Each may be said to determine the other, depending on circumstances. It is relatively easy to identify degrees of deprivation and disadvantage in most European countries, together with its strong spatial dimension. There is a wealth of statistics, maps and indices to refer to; and level of detail is impressive. The map of England<sup>3</sup> is a prime example. Whether and how the availability of such data serves decision making and contributes towards reducing deprivation is less clear. In fact, the data for England highlights the apparent lack of progress on tackling deprivation<sup>4</sup>, with the research concluding for example that:

*"Liverpool remains the most deprived district in England despite an influx of regeneration cash and a government drive to reduce inequality, official figures show. New investment spurred by its status as European City of Culture has failed to boost local income or employment, according to the Department for Communities and Local Government (DCLG)".*

It is arguable from this evidence whether the availability and use of this type of data serves to reduce deprivation or simply helps politicians to plan it better.

Such data is also available at EU level via the "First European Quality of Life Survey", published in 2005<sup>5</sup>. This contains country groupings too, based on a classification system used by DG REGIO in 2004 to summarise differences in economic development between EU Member States. This yields four groups:

- 12 high-income states where GDP per capita exceeds the EU25 mean, which together account for some 58% of the population of the EU28.
- Seven intermediate-income states with GDP per capita of 60-100% of the EU25 mean, and representing 13.5% of the EU28 population (Czech Republic, Malta, Greece, Slovenia, Portugal, Cyprus and Spain).
- Six low-income states where GDP per capita is less than 60% of the EU25 mean, representing just over 11% of the EU28 population (the Baltic states plus Poland, Slovakia and Hungary).
- Three candidate countries (at that time Turkey, Romania and Bulgaria) with GDP per capita of less than 35% of the EU28 mean.

An analysis is also provided of inequalities within country groupings, using household income data. This shows the greatest spread (between the highest and lowest incomes) in the 12 high-

<sup>3</sup> [http://image.guardian.co.uk/sys-files/Society/documents/2008/04/30/most\\_deprived\\_wards.pdf](http://image.guardian.co.uk/sys-files/Society/documents/2008/04/30/most_deprived_wards.pdf).

<sup>4</sup> Government fails to redraw map of English deprivation [http://www.guardian.co.uk/society/2008/apr/30/regeneration\\_communities](http://www.guardian.co.uk/society/2008/apr/30/regeneration_communities)

<sup>5</sup> <http://www.eurofound.europa.eu/pubdocs/2005/93/en/1/ef0593en.pdf>

income states and the lowest spread in the low-income states. Using 19 indicators of living standards, deprivation (financial problems, housing quality, economic strain or "making ends meet") the analyses present some interesting findings. For example, the conclusion reached is that the bottom income quartile of the high-income EU12 is less deprived than the top income quartile in the six low-income states. So, unambiguously, the "poor" in the rich EU12 are less deprived than the "rich" in the poor EU6. This is a profound contextual basis for further discussion of the geography of disadvantage and has significant implications for inclusive eGovernment.

Turning to public services specifically, two indicators are used:

- quality of health, education, public transport, social services, state pension system, and
- trust in state pension/social benefits system (ability of the state to deliver these when the citizen needs them).

Internet use over the last month is included in the "human capital" indicator. See Figures 12 and 13 for results on public services. The patterns seen confirm the expected correlation between wealth and quality of public services (poorer countries have poorer services)<sup>6</sup>. However, no relationship was indicated between the approval rating of public services and income, so within country clusters all income groups appear to have the same view of the quality of services.

In terms of multiple deprivation, the report finds that 30.6% of people across the EU (but including Turkey) are in this position (4.2% in the high-income EU12, 6.4% in the intermediate EU7 group, 9.4% in the low-income EU6 and 10.6% in the "candidate countries" as of 2004).

What such data may show us is where deprivation is caused by geography and so can be dealt with via redress, and alternatively where deprivation is "concentrated" by social determinants and so provides a focus for interventions that are quite different from redress.

## **2.2 Economic perspectives**

Persistent worklessness is one area where in recent years national governments have adopted spatial targeting of policy interventions, the justification being the need to tailor activity to specific local characteristics and circumstances. This parallels a desire to de-centralise intervention. Research carried out in 2006 for the DCLG (Department for Communities and Local Government) on worklessness in deprived areas<sup>7</sup> noted that the outcomes from national programmes were generally predictable, since people with lower educational attainment levels, who are homeless, have health problems, drug or alcohol dependency, a criminal record or disabilities are less likely to find employment. In fact there may be a danger here that public policy ignores the fact that these are actually "micro-cultures", and not simply a collection of loosely related symptoms.

In considering the impact of local interventions, the research found that while such initiatives (*New Deal*, *Employment Zones* and *Action Team for Jobs*) were reasonably effective overall, significantly, they were also less effective at helping disadvantaged groups. This is surprising in that these types of initiatives are specifically targeted at those who don't generally benefit from national support. Deadweight, substitution and leakage effects are thought to reduce impacts,

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<sup>6</sup> Based on survey data, i.e. asking citizens about their experience of public services

<sup>7</sup> <http://www.communities.gov.uk/publications/communities/worklessnessdeprived>

and by wider factors including lack of access to public transport and child-care for instance. In highlighting the need for a holistic approach to get people into jobs the report calls for: "*client-centred approaches for disadvantaged groups, underpinned by effective outreach and inter-agency collaboration*". The importance of working with national support structures (Jobcentre Plus in the UK) is emphasised, as is the increasing evidence that Intermediate Labour Markets (ILMs) can provide an effective model for the long-term unemployed, by providing support and training in a real work environment.

This research casts doubt on the extent to which local area-based interventions in the UK are achieving sustainable positive changes to mainstream service provision for people with multiple disadvantages in the fields of employment and training, education, childcare, public transport, social housing and other supporting social, health and welfare services. The ability to adapt and tailor mainstream programmes to address the problems of the most disadvantaged groups and neighbourhoods is frequently said to depend on achieving local flexibility and developing innovative approaches locally, including a key role for intermediary organisations to work with the mainstream providers (public employment services). However, it is difficult to see what this means in practice, and may simply represent the need for continuous re-invention of what are essentially the same processes and outcomes.

A review of the largest database of European eGovernment initiatives provides several examples of interventions that aim to help people into work. These include the Netherlands job-matching database<sup>8</sup>, or Digital Client Dossier (DKD), which collates information about the unemployed from various local authorities and social services agencies, making it much easier and more efficient to help people back into work. In the Czech Republic the "Work in Czech" project helps long-term refugees and immigrants to find work through courses in Czech, PC skills, employment integration, and special motivational courses<sup>9</sup>. The project also includes extensive social work with the target group, including help with looking for work or accompanying them on visits to various administrative authorities. The Youth Work Project is an integrated plan to reduce unemployment amongst low and average-skilled young people (less than 25 years old) in the Flanders region<sup>10</sup>. Here, the Public Employment Service (VDAB) matches job vacancies in real time with the profiles of the young jobseekers, so that they now receive job vacancies electronically from their first day of unemployment. A different approach to youth unemployment is being adopted in the Piemonte region of Italy (Carta-IN<sup>11</sup>), where a credit card aimed at people aged 18-24 can be used to acquire ICT hardware, software and services at special prices on credit, which will be paid back at favourable interest rates, and to acquire eLearning courses financed by public funds. The e-Jobcentre in Malta<sup>12</sup> uses a multi-channel approach to ensure wider access to employment services.

The potential for ICT to boost local economic development and therefore tackle social exclusion is not confined to multi-channel public employment services. For example, e-commerce enterprises may contribute to overcoming the issues of poor physical access to jobs for deprived communities. The social (and economic) value of virtual networks is also receiving attention<sup>13</sup> and

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<sup>8</sup> <http://www.epractice.eu/cases/2924>

<sup>9</sup> <http://www.epractice.eu/cases/2562>

<sup>10</sup> <http://www.epractice.eu/cases/2202>

<sup>11</sup> <http://www.epractice.eu/cases/1795>

<sup>12</sup> <http://www.epractice.eu/cases/2156>

<sup>13</sup> <http://www.itif.org/files/DQOL-15.pdf>

"social lending" services such as Zopa<sup>14</sup> (providing access to online credit or peer-to-peer lending) offer an alternative to traditional micro-financing channels.

### **2.3 Disadvantage and digital exclusion**

Moving from disadvantage as a whole to the specific question of the "digital divide" or "digital exclusion", this too is strongly correlated to the landscape of deprivation. And with respect to public services specifically, as noted in Think Paper 3, *"because of where disadvantaged groups live, closure of local services (for example in rural areas or deprived neighbourhoods) means more ill-afforded expense and time travelling to town or city centre offices. The poor therefore pay more to access services"*<sup>15</sup>. Disadvantaged groups, as we have seen, are more vulnerable than most to the negative impacts of public service modernisation, which will tend to promote new channels while reducing the overall number of channel options.

Taking the example of Post Office closures in the UK, part of the argument against closures<sup>16</sup> concerns the disadvantage people will suffer in having to travel further to access services, coupled with the predicted negative impact on local communities of losing the added value of Post Offices in terms of their "community hub" status and retail facilities. Arguments around the closure programme therefore depend fundamentally on issues of local identity. However, other ways are being found to keep some branches open – with local councils looking to the model being implemented in Essex as a possible way forward<sup>17</sup>. As the leader of Essex County Council asserted, *"Post offices are at the heart of our communities and they play a vital role to many of our most vulnerable."* Together with rural Post Offices, branches in deprived areas appear to be the most vulnerable to closure, as a result of declining revenues, (as services are switched online), and high rates of crime and anti-social behaviour. An Inclusion Scotland Newsletter on the subject provides a snapshot of concerns, citing the following potential impacts on disadvantaged groups<sup>18</sup>: older and disabled people would have difficulty travelling long distances to the nearest alternative Post Office; people living in deprived areas are less likely to have bank accounts and those are also the areas where bank branches have been closed so in these areas the post office is usually the only bank service available; and the Disabled Workers Co-operative Forum believes that post office closures will have a profound impact on self-employed disabled people who rely on their local post office for a range of services.

Because disadvantaged groups rely more than most on public services, and in particular on a portfolio of different services, it can be argued that reactive policy responses (as discussed above and indeed as is the case with many digital divide and e-Inclusion initiatives), simply reinforce fragmentation and promote uncertainty. An Inclusive eGovernment approach would instead recognise that integration is the key to both cost saving and the provision of better services in deprived communities. If solutions are integrated they are likely to be much less vulnerable to policy changes that promote unintended effects or "collateral damage".

While on the one hand, public service transformation (enabled partly by ICT) appears to have the potential to weaken local communities, the benefits of ICT to local communities is often promoted.

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<sup>14</sup> <http://uk.zopa.com/ZopaWeb/>

<sup>15</sup> National Consumer Council (2008) *"Ignored, isolated, invisible"* Published as part of National Consumer Council (2008) *"Consumer futures; understanding disadvantage"* available at [http://www.ncc.org.uk/research\\_policy/consfutures/index.php](http://www.ncc.org.uk/research_policy/consfutures/index.php).

<sup>16</sup> The Network Change programme envisages the closure of 2,500 branches out of 13,500:

<http://www.postoffice.co.uk/portal/po/jump2?catId=63400714&mediaId=57600693>

<sup>17</sup> [http://www.rsnonline.org.uk/index.php?option=com\\_content&task=view&id=591&Itemid=91](http://www.rsnonline.org.uk/index.php?option=com_content&task=view&id=591&Itemid=91)

<sup>18</sup> <http://www.inclusionscotland.org/newsletter/documents/PostOfficeClosures.doc>

For example, the Digital Inclusion Landscape in the UK<sup>19</sup> report provides the following analysis of the benefits of Digital Inclusion to Deprived Communities:

- ICT can support more cohesive communities.
- ICT can support crime reduction by improving the speed and quality of crime reporting, and by helping to gather local intelligence more effectively.
- ICT can support improved educational outcomes and engagement of the young.
- Digital inclusion can promote equality of opportunity for all sectors of the community.
- Electronic communication is environmentally more sustainable than traditional communications channels.

In *Beyond the digital divide: Rethinking digital inclusion for the 21st century*<sup>20</sup> the authors take a slightly different view, arguing that "...digital inequalities..." are not "...rigidly following the entrenched lines of general inequality and social injustice". But they also recognise that, "ICT use is not just based on the individual being able to 'understand' the potential benefits of ICT use, but how well ICT-based activity 'fits' with the wider contexts within which they are operating". This wider context must include the geographical communities where they live.

Perhaps what we are seeing is a shifting of responsibilities: so using the Post Office example, whereas some people are spared the effort of travelling physically to the branch, because they can transact their business online, others either cannot (or do not want to) access the new online services, but, more importantly miss the subsidiary services that the branch provides (social interaction, shop etc.). Whereas the Post Office is focusing on making its core business more efficient (i.e. it has no social remit *per se*), any social public value becomes the concern of other parts of government. A holistic approach therefore becomes more important – so other interventions in a local area take on a wider significance, for example, where area-based regeneration is being undertaken.

So what types of interventions are being pursued in terms of ICT and deprived areas? Using the search term "disadvantage" on the ePractice website returns 12 hits. We can see from the projects listed that most are targeted at specific groups or areas which are known to be deprived. Interventions aimed at disadvantaged groups are therefore, almost by definition, likely to involve fairly small populations living in clearly defined localities.

For example, the Brightside Trust<sup>21</sup> is targeting disaffected young people who live in areas of social deprivation identified by the UK Government (Indices of Multiple Deprivation 2007). By contrast, the Virtual Pharmacy Services for Disadvantaged Areas project<sup>22</sup> refers to remote geographical localities as "disadvantaged", in so far as the people who live there do not have easy access to physical pharmacies. The Everybody Online<sup>23</sup> project in the UK targets people living in areas defined as disadvantaged (and so assumes a significant proportion of the citizens living there are disadvantaged): "*Once an area has been identified as being disadvantaged and having low levels of Internet connectivity, a locally based project officer is employed to work full time in that area to promote digital inclusion*". This is an example of an intensely local

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<sup>19</sup> <http://www.epractice.eu/document/4490>

<sup>20</sup> [http://www.futurelab.org.uk/resources/documents/opening\\_education/Digital\\_Divide.pdf](http://www.futurelab.org.uk/resources/documents/opening_education/Digital_Divide.pdf)

<sup>21</sup> <http://www.epractice.eu/cases/2879>

<sup>22</sup> <http://www.epractice.eu/cases/2839>

<sup>23</sup> <http://www.epractice.eu/cases/2464>

intervention, with a dedicated worker going into the community to discover the needs of the residents, although in many ways it could be seen as a traditional digital divide project.

All this highlights a key problem – on the one hand we have areas that are disadvantaged (as defined by a whole range of indicators collected by governments concerning employment, housing health and so on), but where quite commonly the classic eGovernment response is to focus on digital literacy, providing training and promoting familiarisation with computers in the hope that this will result in a number of diverse positive outcomes (e.g. residents become more employable, are more likely to use eGovernment services and so on). However, this seems, despite being locally targeted, to be nonetheless a generic response to a specific set of problems.

In other words, the main challenge is not that the residents of deprived areas do not have the means or capacity to access the Internet, but rather that they are suffering multiple life-challenges and need to access a range of support services which have been made more inaccessible through electronication, or that the underlying services are of poor quality or are not properly integrated.

Of course access or availability is a prerequisite to open up a range of possibilities for improving services to disadvantaged group through, inter alia, the innovative application of technology. Disadvantage does show strong and deeply entrenched geographical patterns. The question is how should public administrators use this fact, and the information and data available, to plan and re-model public services. Integration has a key role to play here – allowing providers to see where there are shared goals (in terms of public policy outcomes) and where different agencies are tackling different facets of the same underlying socio-economic problems.

Equally, a highly localised approach (area-based initiatives, often part of wider regeneration activity) is only possible within strict limits, where responsibility for the principle social services (welfare benefits, unemployment, health) rests with national government. The question that then arises is how to achieve an appropriate balance, or degree of devolution or decentralisation. In some cases this can make vertical integration challenging.

There is an extensive literature on the role of digital divide initiatives in wider area-based regeneration interventions<sup>24</sup>. Well known examples of area-based interventions include the Eastserve project in Manchester<sup>25</sup>. Others are Craigmillar Combating Virtual Inequality in the Digital Age initiative<sup>26</sup>, where:

*"Today, many working class communities communicate by using Information Communication Technologies (ICTs). Rather than just being websites and bulletin boards, these new media and communication forms are also cultural texts that allow reflective community workers and activists to find rich resources for their communities. Craigmillar became an early adopter of ICTs as a means to nurture and expand an otherwise excluded community".*

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<sup>24</sup> See for example [http://urbact.eu/fileadmin/subsites/ISN/doc/Valencia\\_March06\\_Seminar\\_Report.doc](http://urbact.eu/fileadmin/subsites/ISN/doc/Valencia_March06_Seminar_Report.doc)

<sup>25</sup> <http://www.nwda.co.uk/news--events/press-releases/200601/one-thousand-pcs-for-%C2%A350-help-.aspx>

<sup>26</sup> <http://www.digitaldivide.net/articles/view.php?ArticleID=31>

Founded in November 1993, when over 80% of those living in the area were on some type of welfare benefit the Craigmillar initiative uses the concept of "digital justice"<sup>27</sup>, with an emphasis on the economic benefits of overcoming digital exclusion: *"CCIS has touched the lives of many members of the community with its innovative programs. Profiled here is a young man with a troubled history, an older woman crossing generational borders, and a man in mid-career who suddenly found himself delighted to be involved with the programs at CCIS. The programs address issues of access, drug abuse, gender, employment, mental health, single parenthood, cultural history, aging and politics, among many other critical community subjects"*.

Clearly the Craigmillar example shows how a digital "hub" at the centre of a deprived community can play a role in a whole variety of ways and for a wide cross-section of the community. This demonstrates that, being area-based has a number of advantages: the ability to address multiple disadvantage, providing a more integrated understanding of community needs, responsiveness in that it can be adapted according to demand; so users define the trajectory to some extent. Sustainability too is probably promoted in the sense that the centre becomes a well known and integral part of the community landscape. It could be argued powerfully that such initiatives are better placed than for example those targeting particular disadvantages to make significant impacts on people's lives. Sense of place does matter: *"If it is now recognized that people have multiple identities, then the same point can be made in relation to places... It is from this perspective that it is possible to envisage an alternative interpretation of place."*

The potential downside may be a lack of connection to the powerful mechanisms of the state (the "vertical integration" mentioned previously) – in other words geography limits the extent to which major changes can be made beyond the traditional community-building self-help type of activities. And, again, fragmentation and inconsistency may be a feature associated with such locally-based initiatives. However, this need not necessarily be the case, where national and regionally-based public services can be delivered seamlessly through local hubs, via multiple, appropriate channels; although this implies appropriate funding models.

Clearly, disadvantage (or deprivation) in general, and multiple disadvantage in particular, are in most countries, strongly linked to geography. This implies a need to target local populations across a range of different needs and services (employment, education, child-care, transport, youth facilities and so on). This places eGovernment or ICT as a regeneration tool firmly at the centre of (often short-term) area-based interventions. However, one of the main challenges is to link the kinds of almost ubiquitous digital literacy/free PCs/local ICT hubs approaches to mainstream (i.e. nationally run services).

The "digital divide" is also often viewed in geographical terms, and not just in terms of inner-city deprived areas. There is an equally strong strand concerning the rural-urban divide, as in an example from Lithuania<sup>28</sup>, where the aim is to improve computer literacy. In Spain Centro SocioDigital project<sup>29</sup>, while in some ways a typical "digital divide" intervention, with the emphasis

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<sup>27</sup> "Digital justice means promoting digital integration, using technology as a social force on a mass scale. Giving some 'deserving' social groups access only to second hand and obsolete PCs is akin to deliberately developing a segregated civil society. Digital justice gives the project a *moral* as opposed to a *commercial* or *technological* purpose. Internet segregation or apartheid, like social segregation or apartheid, is not morally justifiable".

<sup>28</sup> <http://www.epractice.eu/cases/W2F>

<sup>29</sup> <http://www.epractice.eu/cases/2551>

on rural populations, is taking an interesting approach – creating social networks to stimulate telecentres and also training "cybervolunteers" to run the systems and ensure sustainability.

Another key element is to encourage joint working on the part of "...various actors at political, social, cultural and economic levels". Whereas the generality of such projects tend to have increasing the uptake of eGovernment services as a primary aim, this project appears to recognise the power of building social capital around the service and the importance of addressing longer-term funding issues to ensure the survival and expansion of the programme. The initiative is relevant to the experience of many countries, where, following significant (and in most cases successful) efforts to expand broadband access to as wide a geographical area as possible in the first five or so years of the century, programmes were subsequently left without the resources required to address the demand side, including capacity building and sustainability. Demand-side supporting measures have been pursued across Europe, particularly in the field of e-skills and digital literacy<sup>30</sup>, whereas relatively little attention has been paid to the role of building social capital.

A common thread in all of the initiatives and projects explored above is that despite many valuable and effective responses to specific, particularly local challenges, limits are often imposed by lack of integration and a tendency in some cases to equate a multi-channel approach with favouring the online channel.

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<sup>30</sup> See for example this website <http://www.ictliteracy.info> and [http://ec.europa.eu/information\\_society/tl/edutra/skills/index\\_en.htm](http://ec.europa.eu/information_society/tl/edutra/skills/index_en.htm)

## 3.0 POLITICAL AND ADMINISTRATIVE SPACES

How might service delivery to disadvantaged groups be affected by the trends in transformation of government and governance?

### 3.1 *De-centralisation*

In theory, because services for disadvantaged groups are largely organised locally, increased local design and/or control of services should be a positive development for those groups. However, while "localisation" or "de-centralisation" may be happening all across Europe with the proliferation of eGovernment-backed local council service centres (e.g. Greece), it could be argued that these are driven by different agendas than the kinds of community regeneration or empowerment initiatives discussed in the previous section (i.e. they target efficiency and, paradoxically in some cases, more central control).

In considering the position of socially disadvantaged groups in the context of current trends concerning the modernisation, reform or transformation of public services, a number of political and administrative developments have clear geographical implications. These are, notably:

- Reform of governance arrangements (e.g. reducing the number of local authorities, removing tiers of local government or regionalisation);
- Localisation, de-centralisation<sup>31</sup> and local empowerment;
- Shared and collaborative service provision across municipal boundaries.

One of the common themes is how to achieve efficiency savings and economies of scale in the delivery of local authority services without centralising governance, compromising local control or even undermining representative democracy. As the Irish Government's Green Paper on local government reform expressed it<sup>32</sup>:

*The purpose of local government is to "give expression to local identity, to identify local concerns and to set local priorities." The unique character of local government is its proximity to the community. This proximity allows local government to be accessible to the citizen and widens the opportunity for real engagement and public participation. It allows for a more effective form of government, when dealing with local services, than would be possible under a more remote tier of government. Accessibility and participation are the added value, the competitive advantage, of local government.*

In fact many deprived or disadvantaged communities have very strong local identities and priorities, developed through shared alienation from government. These micro-cultures then become part of the problem, whereas common policy responses and initiatives are usually generic.

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<sup>31</sup> Decentralisation is the process of dispersing [decision-making](http://en.wikipedia.org/wiki/Decentralization) governance closer to the people or citizen.

<sup>32</sup> [http://www.environ.ie/en/GreenPaper/html/greenp\\_chapone.html](http://www.environ.ie/en/GreenPaper/html/greenp_chapone.html)

In the UK, devolution has seen divergence in policies between England, Scotland and Wales. In Scotland for example<sup>33</sup> homelessness policy has followed a "rights-based" path, establishing strong legal frameworks and imposing mandatory obligations on local authorities to provide housing as of right – abolishing, from 2012, the distinction between priority and non-priority need, and thereby in effect eradicating homelessness. This goes hand in hand with the phasing out of homelessness shelters. The 2003 Homelessness etc. (Scotland) Act has also suspended the local connection clause, meaning that a local authority can no longer deny applicants help if they cannot prove a strong local connection. In many countries (in particular in New Member States) this requirement strongly embedded, although ICT solutions such as providing a virtual space or digital identity can help to overcome it. In this context a strongly localised agenda may be observed. The results of the radical policies being pursued in Scotland appear to be working, with falls in applications to local authorities under homelessness legislation and the number of households ending up in hostels falling by half during 2007-2008 compared with 2006-2007<sup>34</sup>.

### **3.2 Participation and engagement**

Another significant trend concerns local, participatory decision-making or e-democracy. These rely heavily on the "local connection", often trying to "reinvigorate" local democracy and provide opportunities and new ways for citizens to participate which didn't exist before. Many of the new participatory forums are intensely local in focus, concentrating on the physical environment or other issues within fairly small geographical area. The Scottish e-Democracy Pilot evaluated by ECOTEC was fairly typical in the mixed results achieved<sup>35</sup>. There are concerns that offline imbalances in access to democracy between different income groups will be transferred or exacerbated in the online space. For example a discussion paper produced by DG Democracy and Political Affairs' ad hoc group on eDemocracy noted<sup>36</sup>:

*"... there is also a clear risk that eDemocracy becomes the democracy of the most advantaged groups. Exercising your freedom of expression by means of ICT requires a certain level of standard of living and education. While differences between groups in these respects affect their possibilities to participate in off-line political life, there is a risk that eDemocracy multiplies such differences."*

It has also been argued however that online political engagement is easier for marginalised groups in the sense that the online environment frees people from traditional authority structures that might otherwise keep them from participating<sup>37</sup>. This might therefore assist in "levelling the pitch" and reduce the extent to which certain groups (often the more affluent members of society) can dominate discussion.

The uneasy relationship between two important dimensions of eGovernment was expressed succinctly by Steven Clift:<sup>38</sup>.

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<sup>33</sup> [http://www.crisis.org.uk/policywatch/pages/about\\_homelessness.html](http://www.crisis.org.uk/policywatch/pages/about_homelessness.html)

<sup>34</sup> <http://www.egovmonitor.com/node/21231>

<sup>35</sup> <http://openscotland.gov.uk/Publications/2007/07/26144549/1>

<sup>36</sup> [http://www.coe.int/t/e/integrated\\_projects/democracy/EDemocracy/CAHDE%20II/CAHDE\(2007\)21%20E%20only%20-%20eDemocracy%20and%20Human%20Rights.doc](http://www.coe.int/t/e/integrated_projects/democracy/EDemocracy/CAHDE%20II/CAHDE(2007)21%20E%20only%20-%20eDemocracy%20and%20Human%20Rights.doc)

<sup>37</sup> Michael J. Jensen, James N. Danziger, and Alladi Venkatesh, "Electronic Democracy in America: Civil Society, Cyber Society and Participation in Local Politics," (Irvine, California: Center for Research on Information Technology and Organizations, 2005). <http://www.crito.uci.edu/papers/2005/JensenDanzigerVenkatesh.pdf>

<sup>38</sup> <http://interviews.liveinterviewsonline.com/content/interview/detail/1010>

*"To survive, representative democracy must integrate online forms of participation or it won't compete as a viable system for moving society forward. The problem is that governments care more about making it easy to pay your taxes online and have no requirement to use these tools to help give you say on how those taxes are spent".*

Others will argue that while this is a worthy goal, many new forms of representation have been tried and the challenge remains to understand whose voices are being heard (there are many examples of small but IT-competent pressure groups influencing political agendas).

The Local Eyes project in the UK<sup>39</sup> is creating a "consultation tool" to *"enable a dialogue between the local community, district & county councils and their residents, engaging local people in the decision making processes"*, and which should also enable *"...a community to be self organising, identifying areas of common interest and demand for services"*. A participatory local budgeting project in Brazil<sup>40</sup> allows residents in four districts of the city of Ipatinga to express their preferred allocation of the budget (i.e. nominate which public works should be voted upon at subsequent public meetings), including by email, SMS and online. Another example concerning local participation in spending decisions is in regional financial and economic programming Regione Lazio, Italy<sup>41</sup>. The web-based "consensus citizen network" in Catalonia<sup>42</sup> is currently used by 73 municipalities to promote and facilitate citizen participation and consultation. Another example of multi-channel approaches to citizen participation is Redbridge Council in the UK, where a recent online citizen consultation (about spending priorities) achieved significantly more responses than the traditional paper route (3,200 compared with 1,900<sup>43</sup>). The Gaming the Tibby project in the UK<sup>44</sup> is using computer gaming technology in community engagement; specifically to involve hard-to-reach groups in planning the regeneration of a local area of wasteland.

In Birmingham, *"Local Democracy Week 13-19 October 2008"* includes a range of measures to encourage local people to *"...find out about the big range of ways they can get involved: and the huge range of services and initiatives they can influence"*. Initiatives include the launch of an information pack for homeless organisations to increase number of homeless people on the register of electors, stimulating debate on the city's growth and regeneration policy over next 20 years, a citizenship resource DVD for schools and the ability to contact your local councillor via digital TV<sup>45</sup>. This activity is connected to the Digital Birmingham initiative, which is designed to encourage people, businesses and communities to gain the benefits of digital technologies. Once again, it is apparent that geographical or administrative areas are in many ways the most amenable to intervention. Within the city, this approach also explicitly targets "families" and "communities", which are amongst non-IT users and therefore at risk of falling on the wrong side of the digital divide. Several key ideas are used: selling the benefits of ICT based on some simple applications: email communication with family overseas, sharing photographs and finding your house on Google Maps. Another tactic is to use schoolchildren to teach other facility members how to use IT (in this cases resources spent on IT training in schools will have a significant multiplier effect).

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<sup>39</sup> <http://www.epractice.eu/cases/2869>

<sup>40</sup> <http://www.epractice.eu/cases/2629>

<sup>41</sup> <http://www.epractice.eu/cases/2253>

<sup>42</sup> <http://www.epractice.eu/cases/2618>

<sup>43</sup> "Online Wins Over Paper In Redbridge Consultation": e-Government Bulletin Issue 274, 10 October 2008

<sup>44</sup> <http://www.epractice.eu/cases/2867>

<sup>45</sup> [http://www.birmingham.gov.uk/GenerateContent?CONTENT\\_ITEM\\_ID=137884&CONTENT\\_ITEM\\_TYPE=0&MENU\\_ID=311](http://www.birmingham.gov.uk/GenerateContent?CONTENT_ITEM_ID=137884&CONTENT_ITEM_TYPE=0&MENU_ID=311)

### 3.3 Shared services

Shared services are an increasingly common solution for councils and governments alike as they attempt to make efficiency savings and reduce costs. The financial benefits are compelling and there is no shortage of research supporting this model, including from the commercial providers (such as Capita and Serco in the UK) with the most to gain from its widespread implementation<sup>46</sup>. Governments are equally enthusiastic: when Scotland's national strategy for share services was launched in May 2006, the Minister for Finance and Public Service Reform forecast savings of between £250 million and £750 million a year across the whole of the Scottish public sector<sup>47</sup>. By March 2008 it was reported that 80% of public bodies in Scotland had one or more shared service agreements in place<sup>48</sup>. Interestingly, but perhaps not surprisingly, the bulk of such agreements concerned procurement, facilities management, human resources, property and finance; and the lowest level of interest shown in further sharing of services attached to health boards. There is some recognition however that the recent shift by the Scottish Government, towards outcomes for "people and communities" and away from financial efficiencies, has changed the outlook for shared services.

So what are the implications for disadvantaged groups, local identity and accountability given that a strong geographical dimension and also several layers of service delivery are involved? Can it be about more than efficiency and what, if any, gains are to be made in terms of local delivery?

A report by IDeA<sup>49</sup> in 2005 concluded that socially excluded citizens in the UK were "being failed by e-services", but suggested that, in fact, reaching socially excluded groups contributes to the efficiency agenda since the value of such gains often depends on increasing the number of users (that can be moved from more costly channels). However, this assumes that any such transfer is desirable from the point of view of quality of service delivered and most likely concerns those public e-services which are not life-changing. In addition, any "involuntary" migration from offline to online is more than likely to entail aggregation, centralisation and the loss of local connection.

In some cases the approach adopted to sharing is very area-based, as in Stoke-on-Trent in the UK, where there is an innovative multi-agency arrangement between Stoke City Council and its partners to set up a single service organisation to provide housing, health, police, council and voluntary sector services to a housing estate with complex and overlapping needs<sup>50</sup>. This is an example of a Local Area Agreements (LAA). There is recognition that some services lend themselves better to shared service agreements than others, so for example a typology suggested by PWC includes:

*"services with a strong 'locational' emphasis, where positive synergies can be generated by targeting key services on geographical areas with complex and overlapping needs, such as social care, health care, housing, and/or community safety focused on a 'problem' ward or housing estate".*

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<sup>46</sup> See <http://www.capita.co.uk/media/Pages/Local-Government-can-make-shared-services-more-a-reality.aspx>, and also [http://www.serco.com/Images/delivering\\_tcm3-8310.pdf](http://www.serco.com/Images/delivering_tcm3-8310.pdf)

<sup>47</sup> <http://www.scotland.gov.uk/News/Releases/2006/05/05110720>

<sup>48</sup> <http://www.kablenet.com/kd.nsf/Frontpage/8C7D2078B8FD983B8025740B00583867?OpenDocument>

<sup>49</sup> <http://www.kablenet.com/kd.nsf/Frontpage/78A0F767B228307C80257082004BA9D5?OpenDocument>

<sup>50</sup> *Developing Shared Services in Local Government*, PricewaterhouseCoopers, 2005  
<http://www.communities.gov.uk/documents/localgovernment/pdf/localsharedservice.pdf>

However, there are competition and other market risks associated with this kind of aggregation, including the possibility of creating difficulties for small and medium-sized (private or **third sector**) enterprises in competing effectively for larger contracts, with their associated bidding costs and delivery scale

Perhaps more importantly there are concerns about "...perceived loss of democratic control, for example over delivery standards in relation to customer service for which members feel locally accountable, or more general concerns over the 'local' identity of a service being eroded through provision of that service by an 'arms length' organisation".

Such concerns may be seen in the publicity surrounding the announcement of a collaborative venture between two (relatively small) local authorities in central Scotland<sup>51</sup>, where council leaders assured people that: *"Each council retains its ability to set its own service standards. Local people would still be dealing with the same council. What we are proposing is joint working at management level that would have little or no effect on frontline staff but reduce our running costs and increase our ability to meet the changing role of local government in the future. This proposal offers the best of both worlds. We retain political autonomy and continue to be answerable to our own electorate but can take advantage of significantly improved economies of scale."*

In some cases technology gives municipalities the opportunity to "localise" services. In the London Borough of Newham for example a secure electronic ID management system is installed to allow social housing tenants to view confidential details of their rent accounts<sup>52</sup> (also council tax and other payment histories), saving a trip to the council offices. The same card can be used to access public services.

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<sup>51</sup> <http://www.publictechnology.net/modules.php?op=modload&name=News&file=article&sid=5228>

<sup>52</sup> <http://download.microsoft.com/download/5/5/a/55af3690-c26f-4567-9f3b-f415be693c7d/London%20Borough%20of%20Newham.doc>

## 4.0 CONCLUSIONS

1. Disadvantage can be seen to be concentrated geographically for different reasons and multiple disadvantage tends to be concentrated in certain areas or communities. This applies in particular to urban peripheries and rural areas, but also to declining regions (in the sense of de-industrialised areas). These areas also draw a disproportionately large share of welfare spending, but contribute less in terms of taxation.
2. Government responses have focused on area-based regeneration initiatives, which recognise the importance of the local dimension to the problem, with interventions usually focusing on employment as the key deterministic factor in exiting exclusion. However the evidence suggests that the most disadvantaged do not benefit from these initiatives.
3. The digital divide is often seen as just one amongst a whole range of disadvantages that are preventing some people from becoming economically active members of society. Overcoming digital exclusion is often seen in the light of the possibilities that the Internet offers to people to escape deprivation (e.g. to increase employability in the new knowledge economy, start a business etc.)
4. For many disadvantaged communities, public employment services are one of the most visible manifestations of government and therefore of eGovernment (witness also the popularity of e-jobs type projects across the EU).
5. There are examples concerning the positive effects of ICT hubs on community life (ostensibly about access to technology but often fulfil a wider role). But if local initiatives are to be effective they must link with mainstream (national) services if they are to be about more than training and access to the Internet ("vertical integration").
6. At the same time, governments are reforming or modernising public services, key components of which are achieving cost savings, but also de-centralisation and attempts to boost participation in decision making. Public service reform also often involves a geographic dimension (as with shared services for example).
7. Improved local accessibility (e.g. via service centres) should benefit these communities. But the emphasis is still on cost-savings and transactional services.
8. eParticipation is intensely local, focusing on a relatively narrow set of issues. In theory disadvantaged groups are less likely to benefit, given that they are less likely to have access to the internet etc.