

# **A modern administration is a prerequisite for Germany's future viability and democracy**

## **Eight fields of action for the next federal government**

Germany is facing enormous challenges: The climate crisis and the destruction of ecosystems, the Covid-19 pandemic, and rapid demographic and technological change cannot be adequately addressed in Germany's traditional administrative structures. Instead, a fundamental cultural change is needed in the public administration in order to be able to lead Germany more quickly, anticipatorily and effectively through the next decades of transformation. This includes, in particular, a new self-conception of the administration as well as agile processes, state-of-the-art competencies, a horizontal and vertical opening of the state, serious public participation and transparency, institutionalised cooperation with civil society, science as well as business, and bottom-up federalism among other points.

Democratic governments are only truly capable of acting through functioning administrations and trusting cooperation with social actors. Hence, we must strengthen the public administration in its core function: the maintenance of the free democratic constitutional state. Citizens must be encouraged to see the public administration as an important anchor in transformation, and not as a necessary evil. They must value and recognise the competences of administrative staff. They must also understand administrative processes and decisions and not perceive them as a burden, but as added value, and therefore be able to use them productively for their own benefit. In short, they have confidence in the state's ability to act.

For us co-authors, the modernisation of public administration has become a question of the future viability of our country and our democracy. It is not just a matter of overcoming challenges, crises and a digital and socio-ecological transformation, but also of being able to organise our democratic community well, preserve it and develop it further in the coming decades.

In this paper, we have contributed our many years of professional experience in administration, academia, science and transformation and innovation projects. **We are united in our belief of a modern and effective administration as a prerequisite for a strong democracy.**

**We are committed to putting cultural change and the modernisation of the administration on the agenda as a central goal for the new legislative period.** In the work of the coming government, the question of HOW the agreed political agenda can be implemented effectively and quickly must have as much importance as the question of content. Here, our proposal refers in particular to the federal level, in order to influence from there other political-administrative levels (federal states, municipalities) as well as other areas of the public sector.

## **We call for eight specific fields of action:**

### **1.) Renew the self-conception of administration**

Public administration has traditionally had the task of preparing and implementing government laws and regulations. It tends to be risk-averse and is often sceptical about change. The previous logics of ensuring economic efficiency and minimising risks are no longer purposeful in today's era of rapid and sometimes disruptive change. They neglect factors such as implementation time and opportunity costs. For example, the Federal Budget Code and the Cameralistic system block innovations because they nip agile and sometimes "tentative" procedures and experimentation in the bud with planning requirements that extend far into the future. How can a project develop in an agile way if all the details of the procedure have to be clearly defined in advance and the personnel requirements and effort have to be quantified and qualified several years in advance? Under such conditions, agile project-oriented and goal-oriented work is almost impossible.

Public administration needs structures, processes and a self-conception that enables it to solve problems innovatively. This also involves renewing the administrative culture of the authorities, which in many places communicates with citizens as if they were uneducated children to be patronised (linguistic examples: "instruction", "summons", "authorisation"). The German administration must open up to society and learn from successful working methods, e.g. from the private sector: The "citizen" must be at the centre of the process design and a culture of effective collaboration must replace the pyramidal hierarchy.

In order for such a far-reaching **cultural change to happen and to strengthen the innovative power of the administration**, it is necessary to build up genuine organisational development competence within the departments or authorities, with which the respective structures can be reviewed and further developed in terms of their effectiveness and ability to learn. The Bundesrechnungshof needs to be involved here to adapt its own audit criteria with regard to innovative administrative structures. Fast and honest learning is important. The key to this is a new error culture. Innovative units and processes must be allowed to fail and, if they do not achieve their goals, discontinued. The permanence of classic administration is not called into question by experimental spaces and pilots, but is continuously renewed and supplemented. At the same time, it must be ensured that the central structural challenges, e.g. of service law, budget law, administrative procedure law or the Joint Rules of Procedure of the Federal Ministries (GGO), are not only addressed selectively, but are solved in an overarching manner.

**Together with the Normenkontrollrat, the Federal Chancellery should set up a joint project with the ministries to revise these principles.**

### **2.) Implement future-oriented administrative action**

Administration and politics must act together strategically and with foresight in order to shape the future. In order to shape this in a democratic sense, it is necessary to use participatory methods to develop scenarios of what this future could look like. These future scenarios should be developed in innovative and transformative dialogue formats in which both employees of the respective administrative units and actors from civil society, business and science participate. A clearly defined future orientation of government action helps the individual departments to develop focused and coordinated strategies and to implement them with the necessary social acceptance.

To this end, the administration must be enabled to independently and participatively initiate foresight and scenario processes and to anchor them in society (e.g. through appropriate public participation). This can be done by **own innovative units within the administration** (e.g. Denkfabrik BMAS), which build up these competences internally or, in addition, by a **future agency**. This agency could carry out the internal foresight and scenario work and at the same time build up a partner ecosystem independent of the administration with experts from civil society, business, science and politics in order to accelerate implementation. Such a unit processes the best (transdisciplinary) knowledge in areas such as transformation research and systemic innovation and scientifically evaluates relevant ideas, projects and networks in Germany and internationally. This would ensure a targeted exchange between social pioneers and change drivers and the administration. Leading international experts on various topics from science and practice could also be integrated as temporary fellows.

### **3.) Modern HR management for employees in the administration**

The motivation and skills of employees in the ministries and subordinate authorities are crucial for an effective, efficient and innovative Federal Government. Modern human resources development is a decisive adjusting screw for this. The further training of administrative staff and managers must focus on the development of new competencies for digital and contemporary work - and this must begin from early on. A first, urgently needed step would be a review and subsequent adjustment of the recruitment profiles, which today often miss the needs and actual requirements of the departments. Evaluation and incentive systems can also be revised under the given framework conditions in such a way that they promote motivation more strongly and also reward good performance, commitment and innovativeness in the short term. Agility and willingness to change on the part of administrative staff, but also in the political system as a whole, must be specifically promoted. We need many more "**change agents**", i.e. people who enjoy change, who collaborate with each other and thus can and want to act as ambassadors within the respective administration.

Managers play an important role in this: even within the public administration, the standard for **good leadership should be to empower employees, to coach them and to develop them individually**. However, for managers to be able to take on such a role, targeted and compulsive further training and coaching is required. An active feedback culture has to be developed; it contributes significantly to the reflection and further development of the collaboration between managers and employees. Transformational leadership competencies and activity-based coaching help to empower leaders in their new role as courageous change agents.

An important form of modernisation and knowledge transfer is the exchange between the external labour market and the administration, as well as the establishment of interdisciplinary teams. Cross-entry of employees from business or science brings new knowledge into the administration and must be made possible or facilitated. The establishment of a **Chief People Officer** for the federal government could significantly accelerate the interdepartmental modernisation of human resources policy.

#### **4.) Designing administrative processes for a digital world**

In order to enforce the principles of a free democratic constitutional state, the administration must be perceived as a competent and assertive actor in the digital world as well. Administrative action - both analogue and digital - must be citizen-oriented, compliant, legally secure, efficient and future-oriented at the same time. With a view to the citizens and employees, but also with a view to efficiency, digital networking plays an outstanding role. Before that, it is important to review the work processes themselves. Basically, digitisation is not an end in itself, but changes the perspective on the process design itself. Reviewing this in a goal-oriented way precedes the search for the best technological implementation. Digital, user-focused processes accelerate decisions and thus develop a new dynamic in administrative action. This requires a common system architecture, common service standards, well thought-out information and data management - in short: a common standard for the entire federal government.

**Participation comes from openness and transparency.** This also applies in the digital sphere: All data, programmes, interfaces and content generated with taxpayers' money should, as far as possible, be open and freely available to all at all times. Open Source, Open Data, Open API's, Creative Commons licences for digital, Open Access licences for scientific documents should always be used if possible. "Public Money, Public Code and Data and Documents" describes the philosophy in one sentence.

There is a need to **strengthen the role of the Federal Chief Information Officer (CIO)** in terms of responsibility and authority to set standards for the entire federal administration and to enable scaling the digital infrastructure.

#### **5.) Shaping administrative action in a results and goal-oriented way**

In order to make the state capable of sustainable action, rules and structures are needed to operationalise goals and to focus on results. In this context, it is important to define strategic long-term and short-term goals from which an operationalisation for a certain period of time can be meaningfully derived. An appropriate steering method, especially at the level between politics and operational administration, helps to formulate and communicate goals transparently and participatively on the basis of a common strategy. This makes it easier to synchronise long-term and short-term goals of different departments, to make interactions between the different departments transparent and to reduce blockages. In this way, continuity, motivation and involvement of staff can be promoted.

To achieve this, **a binding common project management logic must be introduced and consistently implemented.** This can be done, for example, through project management standards that apply to all departments or by agreeing on common "OKRs" (objectives & key results). OKRs provide the opportunity to jointly develop targets and the drivers of success, thus enabling a progress orientation and measurement that is transparent for all.

**A joint Project Management Office (PMO) should be established in the Federal Chancellery** to ensure compliance with project management standards and coordination of the federal government's project portfolio.

## **6.) Open up government action horizontally and vertically**

Many challenges, e.g. climate protection and biodiversity, as well as the digital transformation, affect several departments of the federal government at the same time. These are cross-cutting issues that can only be dealt with effectively in new administrative structures and processes. Digitalisation and transformation projects fail time and again because of siloed thinking that has prevailed up to now. It is therefore important to simplify coordination between the departments and to ensure joint goal-oriented work. This applies all the more when not only the federal government is involved, but also other administrative levels or third parties.

We need new administrative processes, an innovative form of governance and corresponding competence profiles for staff. It will be important to design the "HOW" of interdepartmental and interministerial cooperation with courage, a critical eye and openness, and to implement the necessary changes together with those involved. What is needed is openness to the outside world and governance that also involves non-governmental actors to a greater extent. In order for this transformation of the administration to succeed, we need **institutionalised experimental spaces for administrative innovations** in the form of incubators, in which new solutions are developed and implemented collaboratively with administrative staff and experts from business, academia and civil society without specifications (in a greenfield approach). In this way, new administrative units (administrative start-ups) are created that collaborate with existing structures via defined interfaces and responsibilities, can influence them and gradually change them.

## **7.) Improve cooperation between the federal, state and local (and EU) governments.**

The federal, state and local levels in Germany are equally intertwined and separated by complex rules and financial flows. Many laws and regulations should be better harmonised between the different federal levels. The importance of this became particularly clear during the pandemic: manifold regulations contributed to confusion rather than relief.

At the same time, municipalities need framework conditions and sufficient resources to successfully implement transformation projects. Currently, federal funding is hardly requested in many cases. The reasons for this are over-control and micro-management on the part of the funding agencies. However, in order to actually shape the structural change that is necessary in many regions, more is needed than top-down control through functioning federal funding flows or the cumulative approval of individual projects. Successful structural change depends much more on sustainable ideas for the future from regional actors and their networking and organisational skills.

The goal must be to systematically enable and strengthen partnerships between civil society, business, science and administrations at the various political levels in order to successfully shape the transformation to a climate-neutral society and economy (e.g. the European Innovation City Leuven2030). This requires a paradigm shift in financial support from the federal government: away from application bureaucracy that ties up resources on a large scale and prevents solutions tailored to local circumstances, towards a reliable, long-term plannable provision of financial resources to achieve jointly agreed goals (e.g. the reduction of CO2 emissions). Here, too, administrative processes must be designed more from the user perspective and with a common objective.

There is a need for a more efficient interlocking or permeability of the political-administrative levels and a corresponding "**bottom-up federalism**": **the greatest possible autonomy of action for municipalities and structured learning from pioneers and lighthouse projects** for the political framework at the state and federal level (e.g. through the continuation and pan-European expansion of the Franco-German Future Work).

### **8.) Strengthen public participation and transparency**

A substantial and structured participation of citizens in political projects addresses three challenges of a modern state:

- Bridging the gap between political decision-making processes on the one hand and the (ultimately affected) citizens on the other;
- Obtaining and making transparent the current mood and opinion of the population as a corrective to "blind spots";
- The involvement of citizens in the shaping of political projects on the basis of their everyday and technical expertise (local expertise, e.g. in infrastructure projects), in order to improve the quality of projects, to take ideas into account, but also to prepare for the subsequent involvement of the population in a successful implementation.

Public participation is an important contribution to the further development of parliamentary-representative democracy: it improves political decisions and strengthens acceptance for transformations. For an effective interlinking of public participation and political decision-making processes, the respective ministries must build up corresponding competencies and develop a regulated procedure for the establishment and quality assurance of participation formats (e.g. citizens' councils). Public participation is only successful if the feedback received in the course of participation is taken seriously by the Bundestag and the ministries. Transparency and open communication are needed on which measures / changes have been made on the basis of participation. Better participation leads to better governance. **The Federal Chancellery could play a coordinating and supporting role here.**

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