

Em Análise

Public administration and modernization - an overview on the most relevant indicators for Portugal

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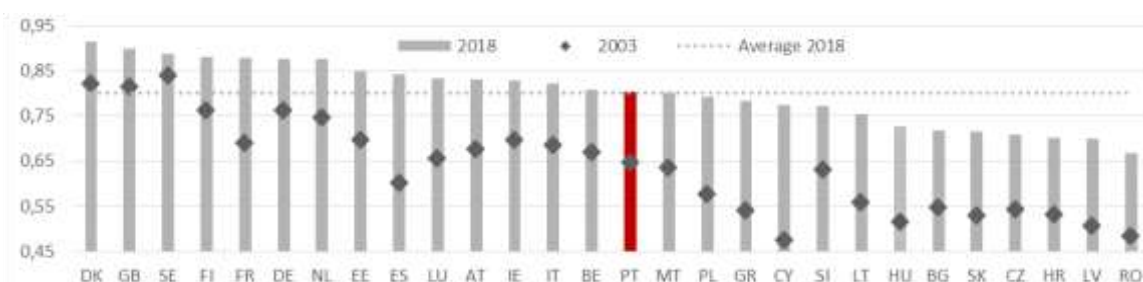
1. Introduction

Provision of information and services has high costs for public authorities (P.A.) thus it is important to assess the efficiency of its relationship with the private sector. Also, complying with P.A.'s requirements brings costs upon citizens and firms. Modernization of P.A. may introduce gains in efficiency on both sides.

The following report presents five indicators illustrating the performance of the Portuguese PA in the integration of technology in its procedures, the ease of its mechanisms and its overall efficiency. The purpose is to outline in which aspects the government could provide better, easier and faster access to information and services.

2. Government & People

a. Evolution of E-Government - Scale from 0 (low performance) to 1



Source: United Nations - <https://publicadministration.un.org/egovkb/en-us/Data-Center>

From 2003 onwards, Portugal converged to a higher usage of information technologies which led to an increase of the evolution of e-government index of 38% from 2010 until 2018, with Portugal's position in the EU ranking of best e-government practices rising from the 22th to the 15th place. Based on the three UN indicators of e-development (*Online Service Index*, *Telecommunication Infrastructure Index* and *Human Capital Index*), Portugal's major strength has mainly been the scope and quality of online services (*OSI*), standing 37 p.p. above world average, while the country performs in line with the countries average with respect to the two remaining indexes.

b. Internet use: individuals using internet for interacting with public authorities - percentage of citizens



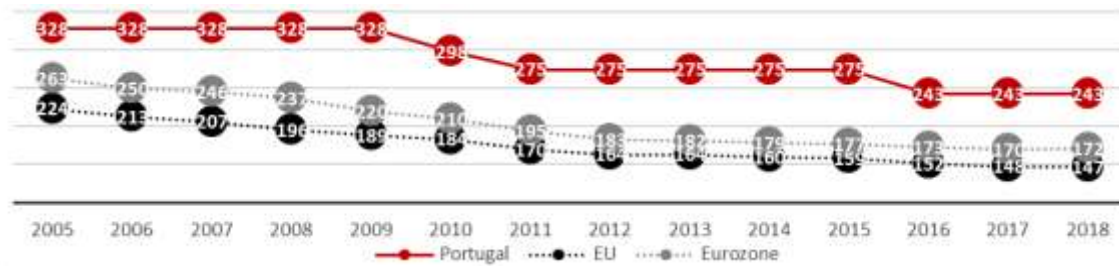
Source: Eurostat - http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=isoc_r_gov_i&lang=en

¹ This work was developed within a partnership between GPEARI and Nova Economic Club (NEC), NEC students developed the analysis presented with the guidance of GPEARI. The opinions expressed are those of the authors and not necessarily of the institutions. Any errors or omissions are the authors' responsibility.

Despite the variability of EU and Eurozone averages in the percentage of citizens interacting online with public authorities, Portugal experienced a relatively stable convergence to such averages in the decade after 2008. Nonetheless, even though the quality of Portuguese web-sites has improved steadily since 2010, as previously seen, the percentage of Portuguese citizens interacting via internet has decreased 4 percentage points in 2018 compared to the previous year.

3. Government & Business

a. Time to prepare and pay taxes - Hours per year

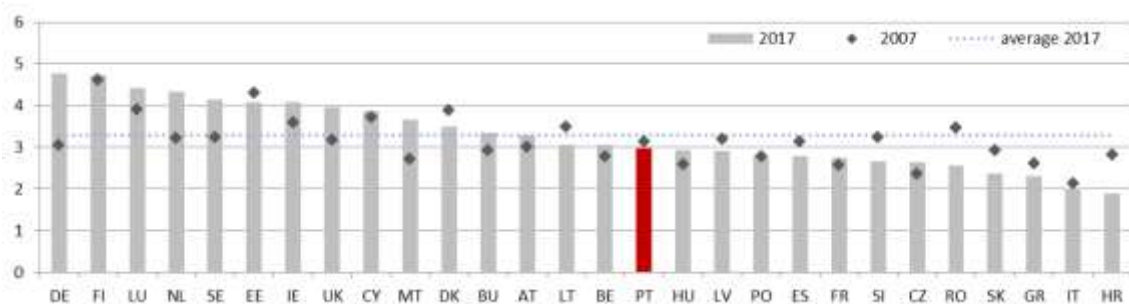


Source: World Bank - <https://data.worldbank.org/indicator/IC.TAX.DURS?view=chart>

Portugal has since 2009 decreased its average amount of hours required to prepare and pay taxes (i.e. corporate income taxes, value added or sales taxes, and labour taxes). As the report "Doing Business" in 2017 states, "Portugal made paying taxes easier [...] by using better accounting software and enhancing the online filing system of taxes".

The country stands above the average in the hours required to pay labour taxes, being the relatively easiness of paying such taxes the main driver of the Portuguese convergence. Yet, as of 2018, Portugal is overall the 6th worst country in the European Union, still at a significantly higher amount of hours than the EU and Eurozone averages, and only slightly converging to these.

b. Burden of government regulation - Scale from 7 (low burden) to 1 (high burden)



Source: World Economic Forum - http://reports.weforum.org/global-competitiveness-index-2017-2018/?doing_wp_cron=1568125080.3522310256958007812500

Between 2007 and 2017, Portugal slightly increased the burden of regulation supported by businesses, from 3.13 to 2.97, i.e. it was tougher for businesses to comply with Portuguese governmental administrative requirements in 2017 than in 2007. This performance mostly reflects the increase in the burden observed until 2011, (with the indicator going from 3.13 to 2.49). From 2011 onwards, the burden of regulation has decrease (from 2.49 to 2.97 between 2011 and 2017). The improvements may be a results of structural reforms implemented to steadily decrease these costs. Despite the efforts, there is still margin for improvements, as Portugal ranks in the 16th position.

4. Government Performance

a. Government effectiveness - Scale from 2.5 (very efficient) to -2.5 (very inefficient)



Source: World Bank - <http://info.worldbank.org/governance/wgi/index.aspx#home>

Portuguese citizens' perception on public services quality and its degree of independence of political pressures was smoothly fluctuating across the last 15 years. However, with respect to 2007, the country improved 47% on Government Effectiveness perception. Proving this to be a very impressive trend are other European countries trends'. Notice that Portugal was one of the very few countries, now above average, which significantly increased its efficiency perception.

5. Concluding Remarks

In an endeavour to understand the Portuguese positioning among the European countries regarding the performance of its public administration and its capacity to modernize it, five indicators were analysed. Portugal has really enhanced the relations between Public Administration and individuals. Information and services are closer to citizens than ever before. Yet it is important not to lose track and diverge from European partners. Major improvements have been made regarding collecting taxes. The process has been simplified and Portuguese Authorities expect them to further improve already in 2019 and 2020. Nevertheless, the government burden of bureaucracy hinders the Portuguese Public Administration performance considering citizen's perception.